NEWSPAPER

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Winski: Where do old disc jockeys go?—P. 38

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Guido Alberto Rossi/The Image Bank

What's ahead

Read my lips: Taxes

By STEVEN W. COLFORD

WASHINGTON—Consumer goods marketers, ad agencies and the media are facing Election Day with a surprising sense of skepticism about the likely winner, George Bush.

Though Vice President Bush is widely supported by the ad industry, even the prospect of four more years of a Republican administration has the industry on alert.

The reason is taxes. Although government regulation historically has been the foremost concern of advertisers and agencies, this year's No. 1 industry issue is the deductibility of advertising expenditures.

Whether the next president is Mr. Bush or Democratic nominee Michael Dukakis, there's a near-universal belief the next president will flirt with the notion of changing the full deductibility that advertising, as a cost of doing business, now enjoys.

See other election stories on Pages 16, 33, 60 and 76

There's a sense among industry leaders that the candidates are equally unpredictable when it comes to other major issues that confront advertising, whether it's ad bans, ad regulation or the creeping activism of states.

"Two months is the only difference between Bush and Dukakis when it comes to deductibility," said John O'Toole, exec VP at the American Association of Advertising Agencies.

"If Mike Dukakis wins, then it will come up right away, especially if [Harvard economist and Dukakis adviser] Lawrence Summers is part of his transition team," Mr. O'Toole said. "And if George Bush wins, then it will be two or three months before ad deductibility becomes a hot item."

Mr. O'Toole said the issue has triggered "what is probably the biggest organized effort by . . . agencies, media, advertisers and anyone else involved to fight like hell. But we still know it's coming."

Jim May, exec VP-government relations for the National Association of Broadcasters, is part of that ad-tax coalition, and he sees the issue bubbling to the surface regardless of who wins the White House.

"The ad tax is not a partisan issue," said Mr. May, formerly a government affairs executive with Coca-Cola Bottling Co. of New York. "Dukakis' adviser, Summers, is a very strong advocate of limiting deductibility, but then so is Dick Schulze, a Republican congressman from Pennsyl-

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Food makers jump on microwave kids' meals

By JULIE LIESSE ERICKSON

Microwaveable meals for children are the hot new category in food, and three new products are rushing to grab a piece of the action.

Marketers are so eager to explore the potential of nutritious, shelf-stable children's meals that two companies almost ended up with similar products carrying the same name.

While moving its Kid's Kitchen entrees into three test markets (AA, Oct. 17), Geo. A. Hormel & Co. discovered that an entrepreneurial company in Denver, Great American Food Co., was doing concept tests on a line of children's meals called Kids' Kitchen in one of those markets.

After meeting with Hormel, Great American Food changed the name of its product to Kids' Cupboard, sources say. The line should be ready for market within the next six months.

But former Beatrice Cos. executive Mary Anne Jackson beat them both to the punch.

Her new company, My Own Meals Inc., this month will launch the first broadcast advertising for My Own Meal, five shelf-stable meals being moved into Midwestern markets.

The basic premise of all three lines is simple: Parents, particularly working mothers, have less time to prepare hot, nutritious meals but still want their children to have them.

"I think it's a category that has

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My Own Meal and Hormel's Kid's Kitchen (bottom) are moving into test markets.

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INTERNATIONAL

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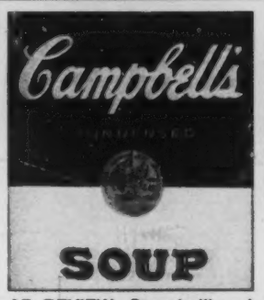

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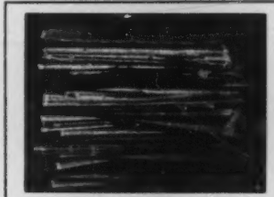

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Retailer shifts strategy

Can Sears pull it off?

By KATE FITZGERALD

When analysts meet with Sears, Roebuck & Co.'s management today, the key question they will be asking is whether the stores really can be transformed into low-price winners.

Last week, Sears left many questions unanswered when it announced a major restructuring, including abandoning periodic sales in favor of "everyday low prices." The restructuring prompted many buyout rumors on Wall Street.

Transforming itself into a low-price competitor like K mart Corp. will require more than the plans outlined on paper by Sears Chairman Edward Brennan.

Analysts say the nation's leading retailer would need to change its stores physically as well as philosophically. It would also have to significantly cut costs, including advertising, analysts say.

"We get the impression that Sears is trying to copy K mart with its new strategy, but it can't do it with its physical makeup," said Steve DiMaggio, retail analyst with Roney & Co. "Sears is in malls, while K marts are free standing, low-overhead operations. People don't leave Sears with shopping carts full of merchandise; they go there to find certain items they know have good quality and value.

"This [new pricing] strategy could wreck Sears' existing equity with consumers. It all may backfire."

The consensus is that Sears is striving to copy the formulas of the leading mass merchandisers, but the

(Continued on Page 74)

Nissan's Infiniti to get $50M push

By CLEVELAND HORTON

Still a year away from introducing its first cars, Nissan's Infiniti division is amassing a $50 million advertising war chest to reinforce its marketing strategy.

The unit of Nissan Motor Corp. USA also has answered one of the stickiest questions associated with any Japanese car importer trying to establish a new, upscale division: How closely will the new division be linked with the older, more established unit?

Infiniti's answer: Corporate "parentage" will be included in all advertising.

"You have to have parentage to be successful in the luxury car market," William Bruce, Infiniti VP-general manager, said at a press conference last week. Research completed by the division's ad agency, Hill, Holliday, Connors, Cosmopulos, Boston and Los Angeles, has shown that U.S. consumers will accept the notion that Nissan can manufacture a luxury car.

"We'll position the division first and the hardware second, but the ads will always say 'Created by Nissan Motor Corp.,' " Mr. Bruce said.

The tagline may be modified, he added, but Infiniti's link with its corporate parent consistently will be emphasized. "We have to prove that we have the craftsmanship, the quality . . . and in the first year we'll spend to do that."

Mr. Bruce said Infiniti's first-year budget will be 2½ times greater than the $20 million introductory budget American Honda Motor Co. spent for its Acura division in 1985.

Infiniti's situation is somewhat different from Acura's. With Honda's strong existing image, Acura wanted to create a separate identity for the division.

Like Honda, Toyota Motor Sales USA enjoys a strong, positive image in the U.S., one that might overshadow its own Lexus luxury car [illegible].

But Nissan is in the middle establishing its admittedly weak U.S. image. Mr. Bruce believes Infiniti will help polish the Nissan marque. "The division will influence Nissan greatly," he said. "It will be a major facet in the image enhancement."

Big Mac wins ad recall race after Games

By SCOTT HUME

Like the Summer Olympics that dominated the month, the September advertising awareness survey has produced some surprising winners and losers.

Turning in a gold medal performance was McDonald's Corp. advertising, which was the month's best-recalled, both overall (unaided) and specifically among fast-food restaurant chains.

Coca-Cola Co. may have spent as much as $50 million on Olympic TV advertising (AA, Sept. 12), and it co-sponsored McDonald's "When the U.S. Wins, You Win" in-store scratch-card game. It made the awareness top 10 once again, but it dropped from second place to a tie for third.

Coca-Cola saw its biggest gain when survey respondents specifically were asked which soft-drink advertising they recalled first. Brand Coca-Cola's share of first mentions jumped 6.6 points to 35%, placing right behind brand Pepsi's 37.3%. A month earlier, Pepsi had held a strong 37.9% to 28.4% lead over Coca-Cola.

Sharing third place with Coca-Cola were Anheuser-Busch's Budweiser and Bud Light brands (which ranked fourth in August). A-B broke new TV spots during the Olympics coverage for both brands.

Miller Brewing Co., which advertised its sponsorship of the U.S Olympic Training Center, returned to the top 10. Its advertising tied for the No. 7 spot with General Motors Corp.'s Chevrolet.

GM was the exclusive automotive advertiser during NBC's coverage—a designation that cost the automaker about $40 million in advertising—yet Ford Motor Co. managed to rank higher (tied for No. 5) than Chevrolet in top-of-mind awareness.

Even more surprising, when survey respondents were asked which auto marketer's advertising they recalled first, Ford got 26.3% of first mentions, up from 21.8% a month earlier. Chevrolet was second with 22.2%.

Somewhat shocking is the number of advertisers that spent millions of dollars on Olympic broadcast sponsorships but apparently reaped little or no awareness benefits.

Exclusive imported-auto advertisers Hyundai Motor America and American Isuzu Motors failed to get any mentions in the overall adWatch survey. Neither were such Olympic advertisers as Domino's Pizza, Visa International, Philips Lighting or the U.S. Army.

And GM's Oldsmobile broke its "New generation of Olds" campaign during the Games but wasn't rewarded with a single mention.

The Olympic Games weren't the month's only contests of note: There's also a presidential campaign under way and scores of state and local elections about to be decided.

That's brought the usual post-Labor Day surge in political advertising, which moved to fifth from ninth place in September on the list of best-recalled advertising.

AdWatch is a joint project of Advertising Age and SRI Research Center. Advertising awareness is measured by asking a nationally projectable sample to name the advertising that first comes to mind both overall and in specific product categories.

In September, 1,011 people were polled by phone. The survey has a margin of error of 3.1%.

Among other significant changes in the September survey:

- IBM Corp. almost pulled even in the **computer** category. IBM's share of first mentions rose 6.2 points from August to 28.8% in September, compared with Apple's 29.3% share. Radio Shack was third last month with a 2.3% share.
- Bartles & Jaymes took a 3.7-point tumble last month in the **wine** category. Its 12.2% share placed second to advertising for parent E&J Gallo Winery's wines, which received 15.2% of first mentions. Banfi Vintners' Riunite was third with a 9.1% share.#

For more information, contact SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

AdWatch survey of advertising awareness Top 10 in September

One thousand people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Source: SRI Research Center, Lincoln, Neb.

Rank 9/88	8/88	Advertiser	Agency
1	6	McDonald's	Leo Burnett USA
2	1	Pepsi-Cola	BBDO Worldwide
3	4	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham
3*	2	Coca-Cola	McCann-Erickson
5	5	Ford	J. Walter Thompson USA
5*	9	Political ads	Various
7	8	Chevrolet	Lintas:Campbell-Ewald
7*	—	Miller	J. Walter Thompson USA/Backer Spielvogel Bates
9	3	California raisins	Foote, Cone & Belding
10	10	Tide	Saatchi & Saatchi DFS Compton

* Indicates a tie.

How old is young?

Ask us here at *Youth Beat* - the fastest growing Sunday supplement in America.

In 1988, we conducted a successful, 16-week, coast-to-coast test. The results were so positive that starting January 8, 1989, *Youth Beat* will appear weekly in 25 newspapers and 3,334,346 circulation, increasing to 45 newspapers and 8,788,489 circulation in July, and 66 newspapers and 12,500,000 circulation by October 1989.

We thought we were publishing primarily for the younger generation - mostly teenagers in high school. But our June 1988 survey really opened our eyes: *Sixty-three percent between 18 and 34. About equally divided between men and women. Thirty-six percent married.*

Ninety percent, high school educated. Seventy-two percent employed. Average household income $32,000.

We're attracting this savvy, young-adult readership because of the range and quality of our editorial content: sports, films and music, stars and superstars, career opportunities, self-help suggestions, current affairs, education, - *plus* two page inserts of local news and features indigenous to each newspaper.

All immensely readable, clear, down-to-earth, exciting.

But whatever the attraction, *we do know* that our audience is responsive. Very responsive - making *Youth Beat* an ideal addition to your media mix.

Our readers purchase everything from cars to cosmetics. Stereos, cameras and bicycles - to costume jewelry, computers and VCR s. Food, candy and soft drinks - to records, clothes, insurance - you name it.

And why not - when they control nearly *50 billion dollars* of spendable income - directly influence another *80 billion dollars* of purchasing power.

And our rates?

Less than half that of our major magazine competitors. Our current rate of $5 a thousand for Charter Advertisers is guaranteed through December 31, 1989, *provided* there is a minimum space commitment equivalent to 6 pages and the first insertion is run by April 2, 1989.

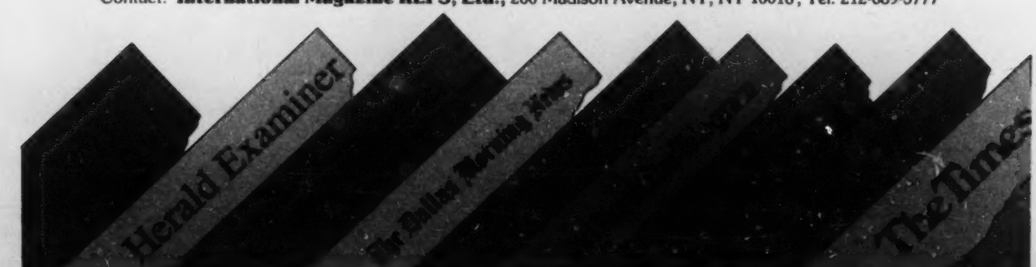
How old is young?

Get our current survey, get our rate card, get to know all about *Youth Beat* - before it's a day older.

Just call, or write.

DIRECT LINK MEDIA, INC. Youth Beat
Young America's Newspaper

Contact: **International Magazine REPS, Ltd.**, 200 Madison Avenue, NY, NY 10016, Tel: 212-689-5777



Special Report

Newspapers

Quayle link puts chain in spotlight

Pulliam papers seen as takeover target; questions arise over trust, Arizona losses, 'News' woes

By Robert Corya

Notoriety sometimes arrives with the subtlety of a sledgehammer.

Central Newspapers Inc., owner of the *Indianapolis News* and *Indianapolis Star*, hardly had time to deny a report that Gannett Co. had offered $1.2 billion for the chain when Vice President George Bush announced that Sen. J. Danforth Quayle (R., Ind.)—the 41-year-old Hoosier with family ties to CNI—was his choice for a running mate.

Life became noticeably more hectic for Frank E. Russell, president-ceo of the chain that publishes five other dailies and four Sunday papers in Indiana and Arizona, including the *Arizona Republic* and *Phoenix Gazette*.

"Within 10 hours of Dan's selection I took 57 media calls, and they are still coming in," says Mr. Russell, who already was busier than a pressman with a broken web.

Despite media reports touting his history as a newspaperman, Sen. Quayle's relationship to CNI has not had a noticeable effect on circulation or advertising. "There's not been any change that I know of," says Wayne Wallace, CNI assistant treasurer.

CNI also recently put a proposed secondary public stock offering, announced in January, on hold. The decision was based on the deterioration in newspaper stocks, says Mr. Russell, adding that it was not related to reports of acquisition offers.

The stock proposal was prompted by some shareholders wanting to raise cash. Although the delay was attributed to market conditions, the reports of CNI buyouts above $1 billion were considerably more than the stock sale was expected to bring.

A trust left by CNI founder Eugene Pulliam stipulated CNI's 24-year-old controlling trust would run 99 years. Eugene Pulliam, his 74-year-old son and Sen. Quayle's uncle, maintains the trust is unbreakable; others disagree.

"The official answer is it cannot [be broken]. That's what the lawyers will tell you," says Beurt A. SerVaas, Indianapolis-based publisher and industrialist, who has about 1% of CNI stock. "But the Louisville trust [of the Bingham family] was broken. "It takes a beneficiary [of the trust] to bring action in court," he says, adding that he acquired his stock from a beneficiary.

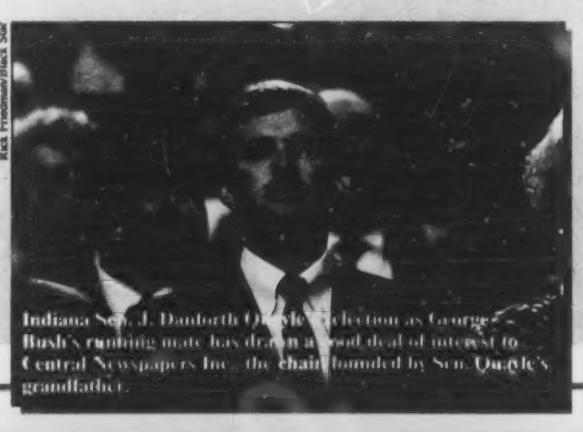
The Pulliam papers would be a sound investment, says Hylton Philipson, president-ceo of Henry Ansbacher Inc., which reports that an unidentified chain has placed an offer of up to $1.5 billion to purchase CNI.

Buyers of other chains have paid $1,000 and higher per subscriber. With a chainwide circulation of about 880,000, according to the Audit Bureau of Circulations, a buyer at that reported price would

(Continued on Page S-16)

Robert Corya is former business editor and columnist for the Indianapolis News, *and past national president of the Society of American Business & Economic Writers.*

Agency execs' problems with the Star and News partly stem from their being "the only game in town."



Rick Friedman/Black Star

Indiana Sen. J. Danforth Quayle's selection as George Bush's running mate has drawn a good deal of interest to Central Newspapers Inc., the chain founded by Sen. Quayle's grandfather.

An occasional black sheep

Given that the founder's grandson is running for vice president on the Republican ticket, Central Newspapers Inc. is perceived to be staunchly Republican.

Contributing to that impression is the fact that Charles W. Fairbanks, whose family owns an estimated 30% of CNI stock, served as vice president during President Theodore Roosevelt's administration.

However, J. Danforth Quayle's grandfather, the late Eugene C. Pulliam, proved to be bipartisan on the day before the 1964 elections when he threw his support in a Page 1 editorial to Rodger Branigin, the Democratic candidate for Indiana governor.

The following day was the end of incumbent Lt. Gov. Richard Ristine's political ambitions.

A similar performance concerning tomorrow's presidential election is not expected.

—Robert Corya

NEWSPAPER RIVALS: Battle by the bay

Bay papers leave no zone unturned

'Times,' 'Tribune' bombard ever-widening base of readers with color, inserts, new sections

St. Petersburg Times touts itself as "Tampa Bay's Largest Newspaper."

By Fred W. Wright Jr.

While initial salvos have stilled, close combat continues to flare in zones covered by the Tampa-St. Petersburg newspapers.

In 1987 the *St. Petersburg Times* and the *Tampa Tribune* entered into a serious battle for the more than 1.6 million Tampa Bay area residents. Although the focus is on the six-county area of principal coverage, the competition has spread across Florida.

"New residents come down here without preconceived notions," says Bill Diaz, president, Ellis, Diaz/Bozell, Jacobs, Kenyon & Eckhardt, Tampa. The struggle is to become the clear-cut leader in what "we now call the Tampa Bay area," he says. Both papers are being positioned to accept that title. Slogans label the *Tribune* "Tampa Bay's Newspaper" and the *Times* "Tampa Bay's Largest Newspaper."

In late 1987, both papers for the first time launched extensive TV and radio advertising. Director of Advertising Al Corey estimates the *Times* spent $250,000 in TV production and air time, while *Tribune* VP-General Manager James Urbanski says its TV budget has been $1 million both this year and last. Ensslin & Hall is the *Times* agency of record, and Benito Advertising is the *Tribune* agency.

The competition has produced better newspapers, says Mr. Diaz. "The look, the increased color [including color comics], the business inserts, the sections that cater to a wider spectrum of reader interests . . . from the advertising standpoint, the competition has been good."

Tribune ad revenues (national, regional and classified) are up 8% the first six months of 1988, compared to the same period 1987; including a 7% rate increase effective January 1. The *Times* ad rates increased 14% since October 1987; revenues are unavailable.

The *Tribune* boasts the greatest circulation gain, with a 9.9% increase for the six-month period ending March 31, 1988, vs. the same period last year, according to Audit Bureau of Circulations. The *Tribune's* daily circulation is 258,129; Sunday is 347,209.

The *Times* has the greater volume with 339,428 daily circulation in the same six-month period, a 7.8% gain over the same period last year. Its Sunday circulation hit 429,722, a 5.6% gain.

The *Tribune's* circulation, as of March 31, was spread over 33 counties, reduced to 31 as of October. The *Times* circulates in 13 counties, with 70 zoned editions per week. In the five west coast counties, the major battleground, the *Times* shows the greatest increase in numbers and percentage, says Rob Althaus, *Times* director of circulation.

The *Tribune* offers 76 zoned editions a week in 13 of its 31 counties. "We have more zoned editions, a more sophisticated zoning program, than any other newspaper in America," says Mr. Urbanski.

The number of *Tribune* sales racks was doubled in 1987 to 14,000 statewide, as was the number of staffers in the newsroom and bureaus. More *Tribune* reporters cover the state capital in Tallahassee than any other Florida paper.

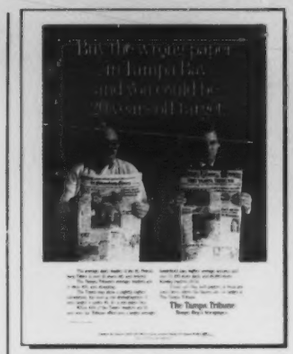
Both publications are busy adding staff in each other's primary territory. The *Times* boosted its Tampa/Hillsborough County bureau by 47 people to 50, while the *Tribune* opened a new St. Petersburg/Pinellas County bureau with 36 employees.

In February 1987 the *Tribune* started adding $45 million in new presses; Times Publishing is finishing a 100,000 square-foot headquarters.

Management of both papers agree that private ownership gives certain advantages.

Mr. Urbanski says the *Tribune* management has a job to satisfy its Media General (publicly held) stockholders. "We do the very best we can and maintain the reasonable profit that they expect. We don't have unlimited resources, but we do have a very understanding corporation," he says.

At the *Times* (privately owned), big money decisions can often be made quickly. A board meeting can be "called from a standing start in 15 minutes," says Andrew Barnes, chairman, president and ceo, citing how a recent decision to spend $700,000 on a circulation move came about within 72 hours. "If you need to serve distant masters, you can't do that."



The Tampa Tribune prints 76 zoned editions a week in 13 of its 31 counties.

Fred W. Wright Jr. is a Florida-based free-lance writer.

Times Publishing Co.

Headquarters: St. Petersburg, Fla.
CEO: Andrew Barnes
Total newspaper revenues: $172 million
Total daily circulation: 310,495
Largest newspaper by circulation:
St. Petersburg Times
St. Petersburg Times
Daily circulation: 310,495
Sunday circulation: 396,469

Source: Audit Bureau of Circulations Fas-Fax Report, September 30, 1988. Newspaper revenues are 1987 Advertising Age estimates.

Media General

Headquarters: Richmond, Va.
CEO: James S. Evans
Total newspaper revenues: $286 million
Total daily circulation: 581,789
Largest newspaper by circulation:
Tampa Tribune
Tampa Tribune
Daily circulation: 242,805
Sunday circulation: 330,382

Source: Audit Bureau of Circulations Fas-Fax Report, September 30, 1988. Newspaper revenues are 1987 Advertising Age estimates.

Barnes latest in 'newsies' line

Andrew Barnes (r.) succeeds Eugene Patterson at Times Publishing Co.

The day that Andrew Barnes took over Times Publishing Co., he crossed the street to the Florida National Bank and placed a sealed envelope in a *St. Petersburg Times'* safety deposit box. In that envelope is a piece of paper bearing the name of his successor.

The ritual was carried over from his predecessor who followed the plans of founder Nelson Poynter.

Although Mr. Barnes has known for 10 years that he would take the reins of Times Publishing, he says, "the thought of it can make your stomach hurt." It will mean, "I'm working more time [now] than I propose to work the rest of my life." Mr. Barnes became chairman-ceo on Nov. 1 after Eugene Patterson retired at 65.

Contributing to Mr. Barnes' stomach ache is the legacy he will follow. Mr. Patterson came to the Times Publishing Co. in 1971, with a Pulitzer Prize for distinguished commentary. When he arrived, the *Times* had annual revenues of about $100 million. Mr. Patterson leaves company with annual revenues close to $200 million, and with two more Pulitzers.

Mr. Barnes, 49, says he hopes the transition will go unnoticed by the newspaper's readers and advertisers. "I will succeed him rather than replace him," he says. "The public will not see the difference. The staff will not see the difference."

"There may be small changes in management style, but there is no reason to believe the character of the newspaper will change significantly," says Elwood M. Wardlow, associate director of the American Press Institute.

However, the *Times* has committed itself to spend nearly $5 million over the next several years on expansion and improvements. "We're putting our dough into establishing a more regular customer in these nuclear area," says Mr. Barnes. "All we're really doing is following what's happening in the community. The Tampa Bay area is functioning now as a unit."

Mr. Barnes' selection to succeed Mr. Patterson follows a tradition at the privately owned company that keeps what Mr. Barnes refers to as "newsies" at the top spot: "'Newsies' have always run the company. The editorial side has to come first. The editor has to make the final decision —it means when it comes to a crunch, news wins," he says.

The two men worked together for 15 years at the *Times* and three years before that at the *Washington Post*. They see their roles with a common eye. "He's taught me a great deal and if I didn't agree in substance and detail, I wouldn't have gone on working with him," Mr. Barnes says of Mr. Patterson.

One change will be the increased time the ceo spends at the office. Mr. Patterson, a leading figure in print media, was highly sought as a consultant and speaker; Mr. Barnes will travel less.

The company, which also owns five business magazines, will continue to grow, Mr. Barnes says, but the pace may slacken temporarily. "With a new administration, it's not a year to take bold plunges, but to be conservative fiscally," he says.

Mr. Barnes is a 1961 graduate of Harvard University. After two years at the *Providence [R.I.] Journal* and two years in the Army, he spent eight years at the *Washington Post*. In 1969 he received the Alicia Patterson Fellowship for studying urban change in Europe and Africa.

"I think Gene should be commended for coming up with Andy, he'll be a fine chief executive. He's smart as a whip," says Don Baldwin, founding director of the Poynter Institute for Media Studies.

—Fred W. Wright Jr.

Backed by New York Times Co., the Gwinnett Daily News is targeting more of the Atlanta area.

NEWSPAPER RIVALS: Pressure on Peachtree Street

Growing Gwinnett marches on Atlanta

If metro papers 'aren't worried, then why did they go out to Gwinnett and give away newspapers?'

By JoBeth McDaniel

Gwinnett *Daily News* vending boxes sit on nearly every corner along Peachtree Street, Atlanta's main artery. It is a long way from the newspaper's headquarters, located more than 20 miles northeast, yet sales are brisk.

The paper's 30,000 circulation has been attributed to its slick redesign and 10¢ price—compared with the 25¢ *Journal-Constitution*.

Although the paper's circulation is a fraction of the 453,000 sold by Cox Enterprises' *Journal-Constitution*, the metro area boxes are considered yet another volley in a newspaper war that may stretch into the next century, when Gwinnett County's population is predicted to increase from 1988's 316,200 to 700,000.

The *News* boxes are not an attempt to make inroads in downtown Atlanta, says John Morton, newspaper analyst at Lynch, Jones & Ryan. "Many people who live in Gwinnett County commute to Atlanta; this is an introduction, a way to reach them," he says.

Box sales are "marginal," says Jack Harrison, president of the New York Times Co. regional group. "I don't think we should have them there."

While both newspapers deny the existence of a battle, speculation has been rampant since New York Times Co. first began negotiating the $88.2 million purchase last summer.

It is difficult to find objective observers of this skirmish. One industry source, who requested anonymity for fear of losing business, says he doubts that the Atlanta newspapers' managers are as unconcerned as they let on.

"They know the New York Times didn't pay that price just to have a small county newspaper. If [the Atlanta newspapers] aren't worried, then why did they go out to Gwinnett and give away newspapers?" he says, referring to promotional giveaways this spring on the streets of Gwinnett.

"If you draw a half moon from I-20 to I-75, there are 500,000 yuppies with no brand loyalty to the Atlanta *Journal-Constitution*. They [the *Daily News*] will wind up being the newspaper for north Atlanta."

(Continued on Page S-6)

JoBeth McDaniel is an Atlanta-based free-lance writer.

Cox Enterprises claims the Constitution's circulation is 14,000 more than last year.

"It's public knowledge that we tried to buy the Marietta Daily Journal, and we'll continue to try to buy it."

Jack Harrison
New York Times Co. regional group

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	%	Total
All Women (18+)	86	510,000
Black Women	82	152,000
College Educated Women	90	215,000
Women in Professional/ Executive Occupation	90	128,000
Women with $35,000 + Household Income	95	130,000

Belden CMS, June-Dec. 1986

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Growing Gwinnett

(Continued from Page S-4)

"Too much has been made of [the competition]," says Jay Smith, publisher of the *Journal-Constitution*. "We sell 40,000 newspapers in Gwinnett.

"Our total circulation is 460,000. It's not all that significant. It's just one small piece of our circulation area," Mr. Smith says.

But in October, the *Journal-Constitution* expanded its weekly *Gwinnett EXTRA* insert to seven days, after bumping it up to six days in April. And it stations 25 reporters in Gwinnett compared with the *News*' 50-plus.

The silence may break this month, when the Audit Bureau of Circulations' figures for the six months ending Sept. 30 are published.

The *Daily News* is spreading the word to media buyers that its unaudited figures reveal a hefty 30% circulation increase since March 31, up more than 9,000.

"We have had a significant increase in circulation since March 31, 1988," says Mr. Harrison. However, "increases have been nominal outside Gwinnett County," he adds.

The *Constitution* claims equally significant circulation growth.

Company statistics show the *Constitution* is up 14,000 over last year. "The *Journal* is even with a year ago, and that's with a price increase," Mr. Smith says.

Mr. Morton suggests the two Cox papers have plans for the suburbs.

"They will penetrate as much as it is economically feasible to do. That area [Gwinnett, Cobb, and Fulton north of Atlanta] is one great suburban sprawl. I'm sure it's in their plans to make the market larger," he says.

Mr. Harrison acknowledges an interest in expansion. "It's public knowledge that we tried to buy the *Marietta Daily Journal*, [circulation 24,000] and we'll continue to try to buy it."

Advertisers in the *Daily News* illustrate the paper's reach beyond county borders. J.C. Penney Co., for example, advertises five suburban stores, none of which are in Gwinnett.

The *Daily News* has been aggressive in attracting Atlanta advertisers. Ogilvy & Mather/Atlanta media planner Stacy McNeil buys them for C&S Bank and Hardee's, instead of the *EXTRA* edition, because of the "higher quality environment," she says.

"*EXTRA* is a free paper. I prefer to buy paid circulation." Ms. McNeil says the *Daily News* is planning to "give Atlanta a run for their money."

The Gwinnett ad sales staff has made it clear that the paper will be expanding, not only through promotion but also with the number of boxes placed metro-wide. "It seems to be working," she says.

Don Fitzpatrick, newspaper ad director at Home Depot, also picks the *Daily News* for Gwinnett coverage, despite discounts being offered by the *EXTRA* editions. "We like to be in the local paper," he says.

The new design and a switch from afternoon to morning distribution debuted May 2. It was supervised by Seymour Topping, director-editorial development of the Times regional group. One of the most visible changes is in the masthead, where *Gwinnett* is downsized and *Daily News* is enlarged.

Mr. Topping says the changes were not aimed at expanding into the city or other suburbs.

"We don't have any intention of going into Atlanta. The paper is for Gwinnett County. We are a Gwinnett paper going for Gwinnett. We'll compete as hard as we can for circulation. Anything beyond that is just speculation."

Mr. Smith says the Atlanta papers will continue to focus on the 18-county area, with the core five counties, Fulton, Cobb, DeKalb, Clayton and Gwinnett each having local *EXTRA* editions.

"We've increased staff in Cobb and North Fulton. We've redirected how we look at the community," Mr. Smith says. "It represents a truer metropolitan report, more like concentric circles spreading out. Atlanta continues to think of itself as one very large community instead of a collection of smaller communities."

Cox Enterprises

Headquarters: Atlanta
CEO: James Kennedy
Total newspaper revenues: $711 million
Tota' daily circulation: 1.3 million
Largest newspaper by circulation: *Atlanta Constitution*

Journal-Constitution
Daily circulation: 458,682
Sunday circulation: 650,542

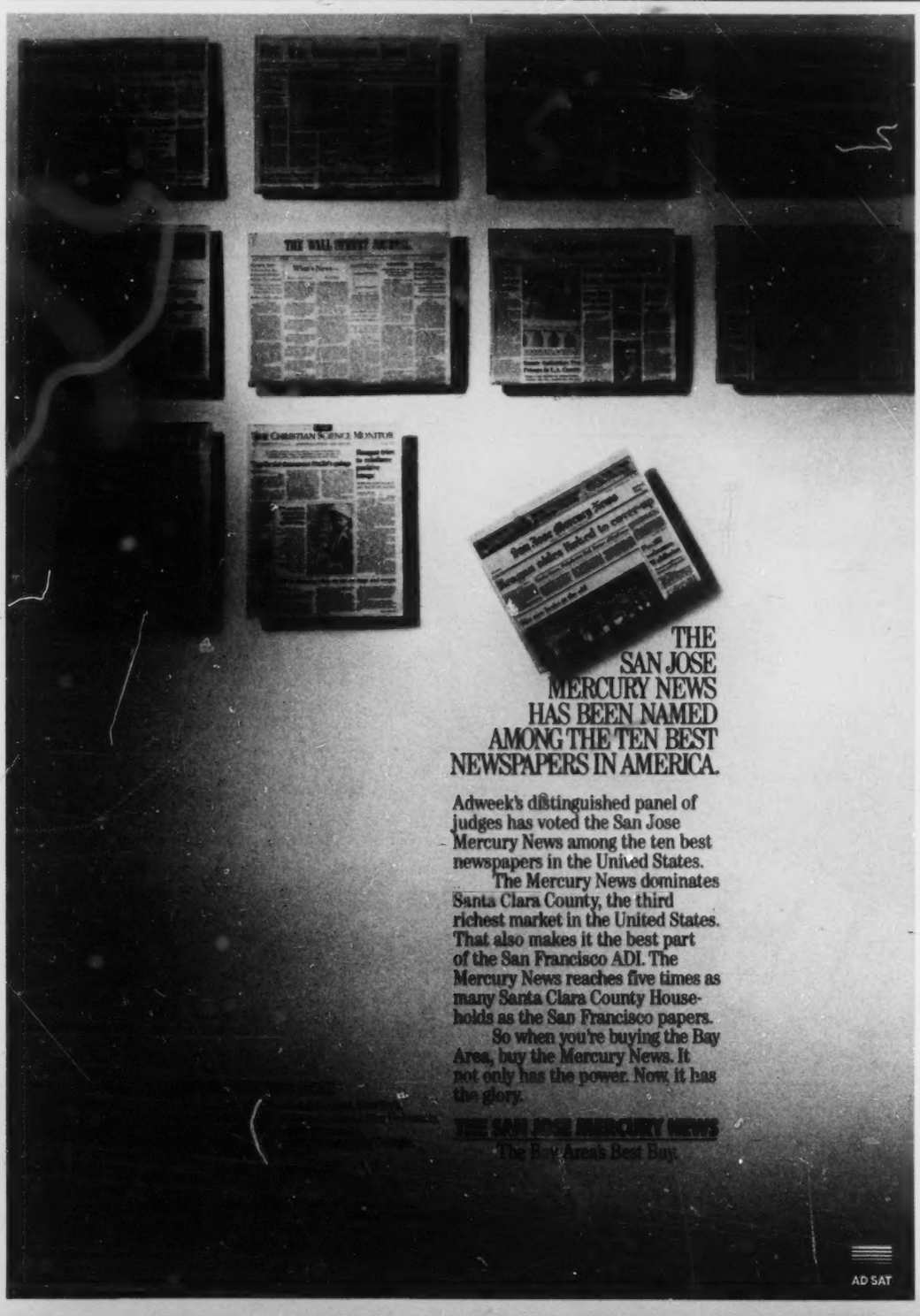
Source: Audit Bureau of Circulations Fas-Fax Report, September 30, 1988. Newspaper revenues are 1987 Advertising Age estimates.

New York Times Co.

Headquarters: New York, N.Y.
Chairman/CEO: Arthur Ochs Sulzberger
Total newspaper revenues: $1,364 million
Total daily circulation: 1.9 million
Largest newspaper by circulation: *New York Times*

Gwinnett Daily News
Daily circulation: 34,652
Sunday circulation: 37,503

Source: Audit Bureau of Circulations Fas-Fax Report, September 30, 1988. Newspaper revenues are 1987 Advertising Age estimates.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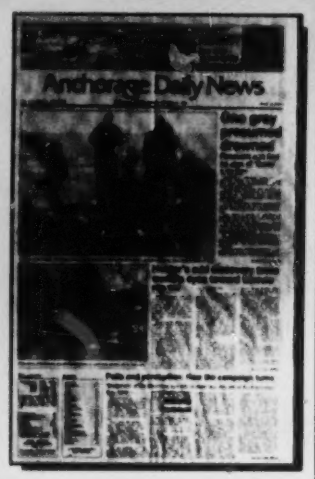


Ad linage is down at the Anchorage Daily News, but the "operating margin was better."

NEWSPAPER RIVALS: Antagonism in Anchorage

Economy buffets Anchorage papers

'Daily News' builds lead, but still not profitable

By Sally J. Suddock

Bill Tobin remembers the afternoon in 1979, when the owners of the *Anchorage Daily News* came to call. "Kay Fanning, [outgoing] *News* owner, C.K. [Charles Kenny] McClatchy, [the new owner] and his people said they came to let us know there was no animosity; they weren't going to spend a lot of money to drive us out of business," says Mr. Tobin, VP, editor in chief of rival *The Anchorage Times*. "They were just going to make the *News* profitable."

While the *Times* has not been driven out of business, the *Daily News* has been inflicting damage in the process of becoming "just profitable."

In nine years the *Daily News* has grown from a daily morning circulation of 12,000 to more than 55,103, while the afternoon *Times* has seen its readership decline from a dominant 50,000 in 1979 to less than 36,208 in 1988. As of March 1988, the *News* reports 71,285 in circulation for its Sunday editions, vs. the *Times*' 41,500.

The Anchorage Times has steadily lost circulation over the last decade.

"We do intend to fight back," says *Times* General Manager Fred Hofer. "The *Times* has been here since 1915 and we intend to be here in 2015, and we intend to be the best local newspaper."

The *Times* is in the process of developing an ad campaign, handled by Ken Flynn Advertising. Budget and strategy are not being disclosed.

In mid-September the *News* launched a TV campaign emphasizing its comprehensive coverage and closing with the tagline "The *Anchorage Daily News*: The newspaper that's good all day."

"We want more people to choose the *News* as their only newspaper to read and advertise in," says Publisher Jerry Grilly.

"The goal of the campaign was to increase market share," says Graham Biddle, partner at *News* agency Mischler-Biddle Advertising. The spots were designed to increase home delivery, promote features as all-day reading and introduce an "Impulse" lifestyle section and "Monday Briefing" of statistics such as births/deaths, arrests, bankruptcy filings, meetings.

The McClatchy resources—reported in the *Alaska Advocate* to be $75 million to $100 million in 1979—gave the 40-year-old newspaper the financial strength to compete with the *Times*, which had dominated the market since the '30s when the Atwood family purchased the paper.

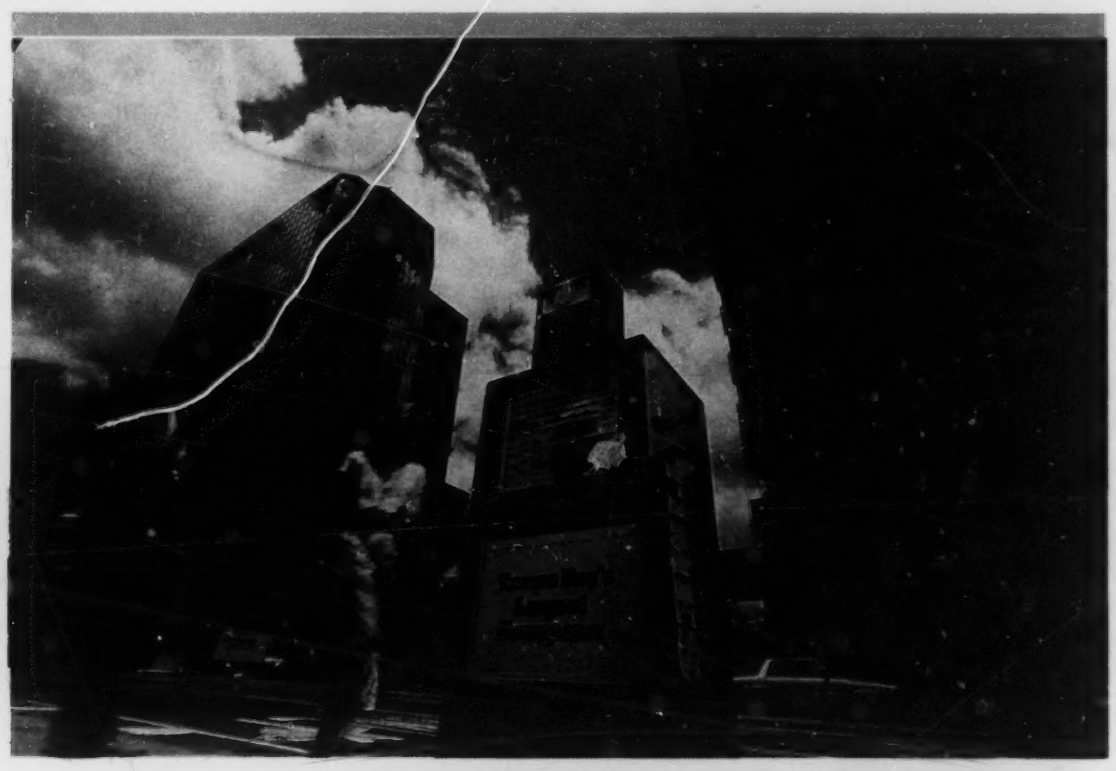
The *News*, however, has not made a profit since the takeover, says Mr. Grilly, in part because of incurring expenses to improve the operation.

Within weeks of acquiring the *News*, McClatchy Newspapers changed the management, started beefing up advertising and circulation departments, planning a new physical plant, adding editorial staff and upgrading production equipment.

Telemarketing and other dis-

(Continued on Page S-12)

Sally Suddock is an ADVERTISING AGE *stringer and editor of the* Alaska Journal of Commerce.



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St. Petersburg TIMES

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Maverick McClatchy plays by own rules

Emphasis on strong news product pays dividends

By Alice Z. Cuneo

Charles Kenny "C.K." McClatchy probably did not make many friends in his January speech to fellow editors at the annual Press-Enterprise lecture. As he discussed the impact of newspaper ownership changes, the editor and chairman of McClatchy Newspapers came right out and named Donrey Media Group, Thomson Newspapers and Lesher Communications as the three worst chains in the nation.

"It seems obvious by looking at their papers that they don't give a fig about quality and probably care less about criticism from the likes of me," he said. "But they do care about their bottom lines."

Mr. McClatchy believes the way to gain advertising revenue is to build circulation, and the way to build circulation is through a strong news product.

"The club doesn't speak about its members that way," says Ben H. Bagdikian, a faculty member and former dean of the University of California at Berkeley graduate school of journalism.

But Mr. McClatchy, who is credited with modernizing his chain after taking over from his aunt, Eleanor McClatchy, in 1978, was willing to run the risk.

The outspoken Mr. McClatchy, whose flagship *Sacramento Bee* has a strong reputation for investigative reporting and local news, also took on Gannett Co., noting that it moves its editors from city to city every four years. He also said the editors' future success depends "more on his corporate report card than his relationship and his contributions to the local community."

Although Mr. McClatchy has not made a profit on the *Anchorage Daily News*, he points to circulation gains of his 1979 Alaska acquisition *(see related story on Page S-8)*.

"To get the penetration a newspaper needs to be very successful, you have to put out a superior product, and that costs money," says Mr. McClatchy.

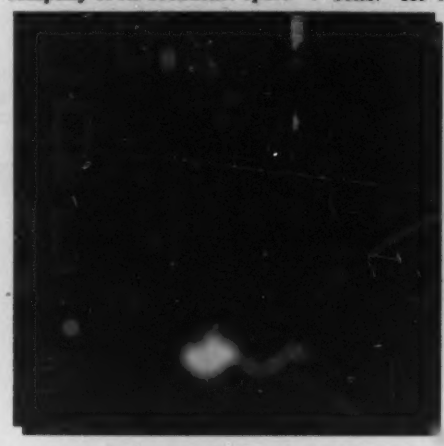
The *News* added a Sunday edition, bought a pennysaver to increase classified ads and poured money into the news operation, he says. "A key decision was to open up the news hole, matching the local, national and international news of the competition."

The moves produced "an odd paper full of news and hardly any advertising," Mr. McClatchy says. That lack of advertising didn't last long as the paper aggressively worked to attract advertisers as well as readers.

In addition to garnering a majority of the market's ad linage and 60% of its daily and Sunday circulation, by this summer the Anchorage paper has won awards for investigative reporting, photography, design, writing, sports coverage and special sections.

"We put out a quality newspaper. We went from being out of the ball game to winning the ball game," Mr. McClatchy says.

Besides the newspaper war, Mr. McClatchy faced a number of union battles at the *Sacramento Bee* and has divested the company of its broadcast operations. "We found we do extremely well at publishing newspapers—we decided it was wise to concentrate in that area," he says.



C.K. McClatchy was willing to take risks to modernize his newspaper chain.

The chain recently purchased Senior Spectrum, which publishes 10 tabloid newspapers with a combined circulation of 187,000 in 39 California counties. The papers are aimed at readers over 50. "It's a niche market we see as increasingly important," he says, adding that he plans expansion.

Mr. McClatchy, 61, and a graduate of Stanford University, worked in his early career at the *Washington Post*, and served as assistant press secretary for Adlai Stevenson's presidential campaign.

Starting as a *Sacramento Bee* reporter in 1958, he became chairman of the corporate board 30 years later and represents the fourth generation of his family to head the newspaper, which began in 1857.

Although described as soft-spoken and gentlemanly, Mr. McClatchy is an occasional tennis player with a reputation among his colleagues for competitiveness and a "steel backbone." He fought a $250 million lawsuit brought by Sen. Paul Laxalt (R., Nev.) over a story about funds being skimmed from a Carson City, Nev., casino co-owned by Sen. Laxalt. Although both men claim vindication, Sen. Laxalt dropped the suit in June 1987.

Mr. McClatchy says the forced sale of the Bingham family-owned Louisville paper led him to look for ways to keep his newspapers under family control. "I was worried about what could happen 15 to 20 years from now when you can't anticipate what might develop. If a few members of the family wanted to sell their stock . . . they would not be in a position to break up the company," he says.

The February sale of 10% of the company's stock—with unequal voting rights on class A and B stock—"hasn't changed things very much for the day-to-day operations," says Mr. McClatchy.

Some analysts and investors center concerns on short-term profits, he says. "We always were interested in the long term and we still are." ■

Alice Z. Cuneo is an ADVERTISING AGE *correspondent in San Francisco.*

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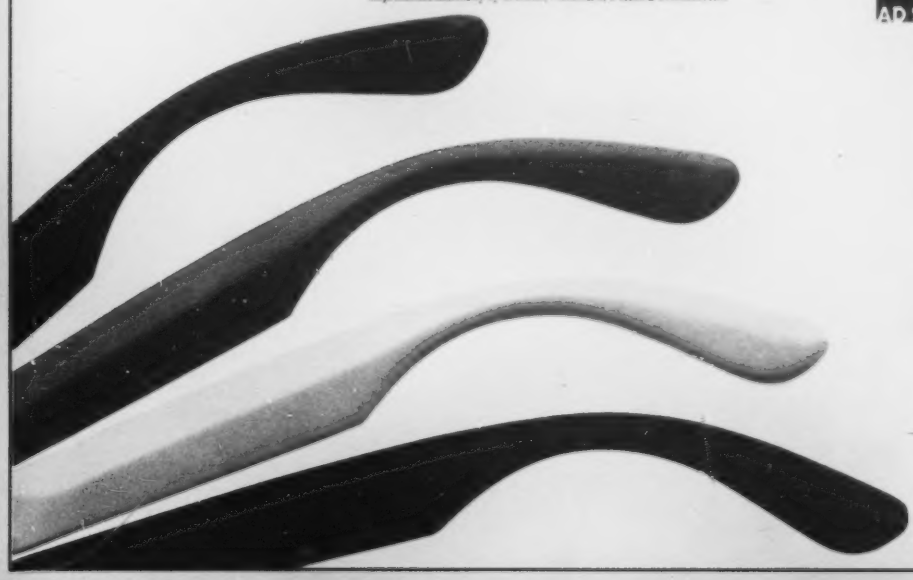

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NEWSPAPER RIVALS: Irish tussle in the U.S.

Goin' for the green

Solid base of U.S. advertisers propels Irish tabloids

The Irish Voice speaks to the upwardly mobile Irish-Americans interested in ethnic publishing.

Irish Echo is building via new supplements and coverage of music, sports and business.

By Fannie Weinstein

A young upstart in ethnic publishing, the *Irish Voice*, has started a bit of a tussle with the 60-year-old *Irish Echo*.

The New York-based publications contend there is room for two weekly tabloids that serve the Irish community. The *Echo* has a circulation of 56,000, according to Claire Grimes, owner and publisher; the *Voice* boasts a circulation of 55,000, says Publisher Niall O'Dowd. The *Voice* has applied for an audit by the Audit Bureau of Circulations, and the *Echo* is considering a similar request.

Both newspapers benefit from advertisers trying to reach the more than 100,000 undocumented Irish that have flooded the U.S. because of Ireland's bleak economy.

Readership and ad sales also have been buoyed by a surge in ethnic interest among Irish Americans wanting news from

(Continued on Page S-14)

Fannie Weinstein is a New York-based free-lance writer.

Anchorage

(Continued from Page S-8)

tribution strategies increased circulation to more than 25,000 after one year.

In 1983, the *News* surpassed the *Times* when its circulation climbed to more than 50,000 compared with the *Times'* 49,000.

As the *Times'* circulation began to flag in 1985, the *News* intensified its promotion, telemarketing and distribution campaigns.

Advertising rates were deep-discounted in 1979 to less than $5 per column inch compared with the *Times'* $8 per inch rate. They then edged up slightly from 1980 to 1983, and reached near parity with the *Times* at $11 to $12 per inch in 1984.

While the *Times* lowered display ad rates to $11.75 per column inch in 1987, the *News* steadily increased its rates to $17.50 in 1987, and again by 15% in first quarter 1988.

The *News* may be gaining market share, but the collapse of oil prices in 1986 has created some problems. Annual average combined circulation, according to Audit Bureau of Circulations, of both newspapers is currently 90,800, down from 91,300 in 1987 and 94,500 in 1986, its peak year, because of population declines resulting from the oil market downturn.

Because of falling circulation, the *News* may be looking for profits by penetrating other parts of the state, says Jeffrey Wilson, general manager of the *Juneau Empire*. "We think, the [September *Fairbanks Daily News-Miner*] offer was kind of ironic given Mr. McClatchy's recent comments in the trades decrying the evils of chain ownership," Mr. Wilson says.

The *News* cut 100 employees in 1987 to the current level of 300, Mr. Grilly says. Ad linage is down from 2.1 million inches in 1987 to 1.2 million inches in 1988, for calendar year-to-date August 1988, according to Allied Daily Newspaper reports, "but our operating margin was better," he says.

The *Times* ad linage is down to 1.05 million inches in 1988, from 1.9 million inches in 1987. Market share for 1988 is 54% *News*, 46% *Times*. Mr. Hofer projects a total of 3.5 million inches for 1988.

Ad linage declines are a result of less business activity, says Mr. Hofer. Montgomery Ward & Co., a big advertiser, closed in late 1987, J.C. Penney Co. has trimmed back, and "several hundred small businesses have gone bankrupt."

"The *Times* made a costly mistake in assuming the *News* could never dislodge Bob Atwood's paper from its market dominance," says Mr. Wilson.

"When we formed the Committee for Two Newspapers in the 1970s," says Robert Goldberg, Anchorage attorney, "Our concern was the need for competition—for two independently published newspapers."

"It would be a terrible tragedy if the consequences of the *News'* recovery was the closing of the *Times* . . . Wouldn't it be ironic if those of us who steadfastly supported the *News* found ourselves, two decades later, working for the *Times*," says Mr. Goldberg.

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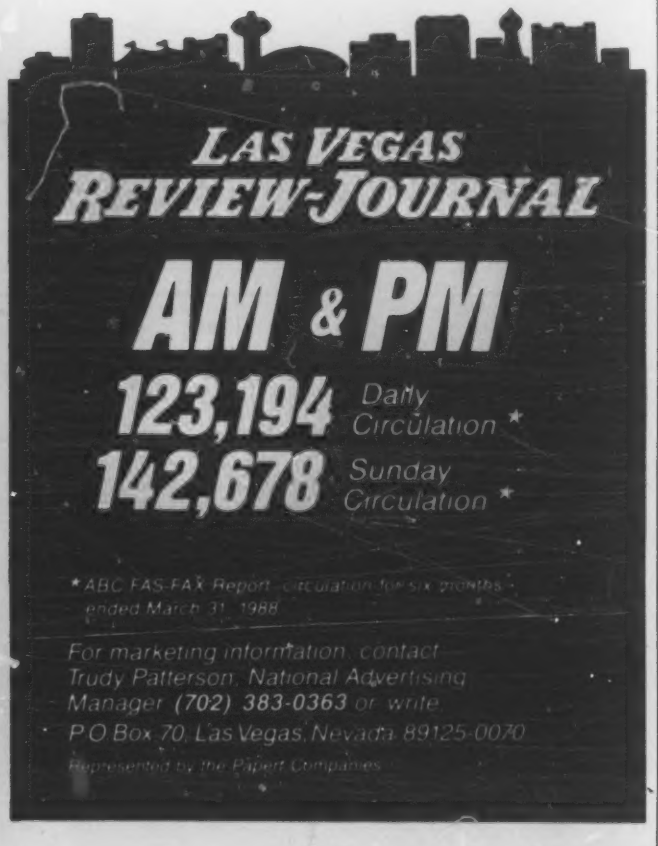
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Macromedia Incorporated newspapers • National Representative: Sawyer-Ferguson-Walker Co.
Sources: The Scarborough Report, 1988; SRDS, May 1988; ABC Fas-Fax, 3/31/88; ©SDMM 1987 Survey of Buying Power

Vanishing independents

Despite rising costs and slow growth, papers strong takeover targets

By Belinda Hulin-Salkin

Newspapers are hotter takeover targets than ad agencies these days.

Over the last two years, some 169 daily papers and countless numbers of shoppers and weeklies have changed hands. Many of them are former independent papers bought by small and medium-size chains.

Analysts expect the rate of newspaper acquisitions to decline this year because so few independent targets remain available. However, in an era of economic uncertainty and predicted slow growth for individual newspapers, newspaper properties are fetching top dollar.

"The newspaper industry is facing a lot of problems . . . rising newsprint costs, higher postage rates, slow growth. You'd think in view of that, prices would start to diminish," says D. Robert Segal, president of Freedom Newspapers.

"But they aren't. It's become the 'in thing' to want to own a newspaper," he says.

Belinda Hulin-Salkin is a New Jersey-based free-lance writer and a frequent contributor to Special Report.

Every potential acquisition target has been fingered, says Leo Bogart, exec VP of the Newspaper Advertising Bureau.

"Some newspapers are less than viable and others steadfastly remain independent. But the possible candidates are no secret," Mr. Bogart says.

Why newspaper groups are so eager to augment their print holdings in the face of declining readership and advertising is a mystery to some. But corporate growth through acquisitions makes good sense in the newspaper business, says Ken Noble, first VP at PaineWebber.

"Chains of all sizes have been acquiring newspapers whenever they can, and that's been true as far back as one can observe," says Mr. Noble.

"Newspaper circulation vs. household and population growth has been declining for 40 years, but newspapers still have a good cash flow. That combination of low unit growth for existing papers, plus high cash flow, makes growth via acquisitions very attractive to chains."

Acquisitions also create economies of scale, Mr. Noble says. Better deals can be made on newsprint and supplies, and regional chains often can consolidate printing operations.

By offering network buys through a single national sales office, publishers make individual small and middle-market papers more attractive to national advertisers.

At one time, many small and medium-size chains limited their holdings to one or two regions of the country. Today, Mr. Noble says, geographic diversity is a buffer against regional economic swings.

Stauffer Communications has acquired papers in the Lakeland and Tampa-St. Petersburg, Fla.-area and in the budding high-tech corridor of Oak Ridge, Tenn.

"Prior to that, our activity has been in the Plains agricultural states, which have been somewhat depressed," says Kenneth Bronson, VP-newspapers of the $135 million company.

"We're trying to diversify our holdings; we look at the market and its potential," Mr. Bronson says.

Family-owned newspapers and chains are prime acquisition candidates. Heirs often feel no obligation to continue the clan's journal, and as newspaper profits get divided among more and more heirs, the legacy's hold on individual family members becomes tenuous.

"The future value of many papers is uncertain, and a lot of owners are thinking, 'If I'm ever going to sell, now's the time,'" says Hylton M. Philipson, president-ceo of Henry Ansbacher Inc., an investment banking firm involved in newspaper acquisitions.

"When a reputable chain

Donrey Media Group

Headquarters: Fort Smith, Ark.
President: Fred Smith
Total newspaper revenues: $215 million
Total daily circulation: 809,798*
Largest newspaper by circulation: *Las Vegas Review Journal*
Daily circulation: 122,140
Sunday circulation: 144,117

Sources: *Donrey Media Group, as of March 31, 1988. Newspaper revenues are 1987 Advertising Age estimates. Circulation figures from Audit Bureau of Circulations Fas-Fax report, September 30, 1988.*

Park Communications

Headquarters: Ithaca, N.Y.
Chairman/CEO: Roy Park
Total newspaper revenues: $63.9 million
Total daily circulation: 311,081
Largest newspaper by circulation: *Lockport (N.Y.) Union-Sun & Journal*
Daily circulation: 18,426*

Sources: Revenues and total daily circulation figures from Park Communications, nine months ending September, 1988.
*Audit Bureau of Circulations Fas-Fax report, September 30, 1988.

Stauffer Communications

Headquarters: Topeka, Kan.
President: John H. Stauffer
Total newspaper revenues: 66.3 million
Total daily circulation: 276,678
Largest newspaper by circulation: *Topeka Capital-Journal*
Daily circulation: 67,170
Sunday circulation: 76,690

Sources: Revenue and total daily circulation figures from Stauffer Communications, ending September 1987 and September 1988, respectively. Other circulation figures from Audit Bureau of Circulation Fas-Fax report, September 30, 1988.

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Irish

(Continued from Page S-12)

Ireland and information on U.S. issues that affect them in their new homeland. Stories about immigration and Northern Ireland's civil strife are in virtually every issue.

The nationally distributed, full-color *Voice* was launched last December partly because of the success of its sister publication, *Irish America*, a 3-year-old magazine, says Mr. O'Dowd.

"There is an upwardly mobile, Irish-American community that is interested in new-look ethnic publishing," he says, pointing to the magazine's 7,000 start-up circulation and its current 62,100 subscriptions and newsstand sales of 20,300, according to its own figures.

Irish America is published by Irish America Inc., and the *Voice* is published by Irish Tribune Inc. Mr. O'Dowd is the majority shareholder in both companies; Jefferson Smurfit PLC, a multinational publishing and paper goods company in Ireland, holds a significant minority interest in each.

Mr. O'Dowd, who says his newspaper "questions a lot of sacred cows," argues that today's immigrants want a product they can identify with. Although immigration has been the focal point of editorial coverage, there has been coverage of issues such as AIDS.

The strength of the *Voice's* ad base "is that we've been accepted so quickly by the bedrock advertisers in the community—the bars, the entertainment, the Irish societies," says Mr. O'Dowd.

The *Voice* has averaged 19.9 ad pages in issues averaging roughly 47.5 total pages since its debut, he says. For the 10-week period ending Oct. 8, Mr. O'Dowd cites an average 21.5 ad pages out of 48 total pages.

Mr. O'Dowd is hoping to boost ad sales through a package he plans to offer with other ethnic publishers to attract national advertisers

Much of the ad sales success is attributed to Advertising Director Joe Murphy, who previously worked for the *Echo*. "He delivered the respectability and the acceptance factor." But a tremendous number of advertisers have advertised in

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offers to pay several times gross revenues for a property, it takes the newspaper business to turn it down," he says.

A price multiple of four times gross revenues is not an unrealistic price for a family newspaper today, says Mr. Philipson. "Most chains come to these deals with lots of cash from deals they made in the past at better valuations," says Mr. Philipson.

"They're prepared to overpay to expand. Besides, some of these properties only come available once in a lifetime."

Roy Park, ceo of the $139 million Park Communications, says his company doesn't negotiate for newspapers using revenue or circulation-based cost formulas. "We study the market, we find out what the competition is doing and figure out how well we can expect to do," he says. "Then we set our price accordingly.

"Of course we go over the details of their operation for where we might do better. In some cases, the papers have been well run; we can't expect to improve on their performance," Mr. Park says.

Park has acquired several family-owned newspapers over the last two years, some the result of invitations to bid.

"I keep in touch with newspaper owners through industry organizations," Mr. Park says.

"Often I tell them, 'If you ever want to sell, give me a call,' and they do."

The newspaper owners often are local people who don't want the word to get out that they're selling until it's done, he says.

Most newspaper chain executives say they don't hold potential acquisitions to any preconceived location or operating criteria.

"It all depends on what's available," says Fred Smith, president of Donrey Media Group. "We've bought papers that were in fine shape and some that needed help."

A well-funded buyer can often upgrade the quality of a newspaper almost overnight. Freedom Newspapers expects to spend more than $90 million on plant improvements in the next three years.

In spite of the problems facing the newspaper industry, analysts say newspaper stocks have bottomed out and could be one of the best long-term investments around.

"The cost picture is improving," says Mr. Noble. "We may have to wait until 1990 or beyond to see improvements in the advertising picture and there are still potential threats from electronic media. But newspapers still have the longest useful life of anything around."

Small chains will be the next likely targets."I think there will be some group consolidation," says Mr. Bronson. "Not too much, I hope. I'd hate to see only five or six media companies in the U.S. five years from now."

McClatchy Newspapers

Headquarters: Sacramento
CEO: C.K. McClatchy
Total newspaper revenues: $319 million
Total daily circulation: 683,979
Largest newspaper by circulation: *Sacramento Bee*
Daily circulation: 243,838
Anchorage Daily News
Daily circulation: 56,204*

Source: Audit Bureau of Circulations Fas-Fax Report, September 30, 1988. *Averages for three months. Revenues are 1987 Ad Age estimates.

the *Echo* and don't see a reason to stop, says Mr. O'Dowd.

The *Voice* has not "affected us in the slightest," says Ms. Grimes, who took over the *Echo* in September 1987. "Our figures are still going up."

The average number of pages per issue has grown from 52 in 1987 to 64 in 1988; a roughly 50-50 advertising-to-editorial ratio has been maintained.

Ms. Grimes folded the Boston *Irish Echo* this past summer. "It had nothing to do with competition," she says.

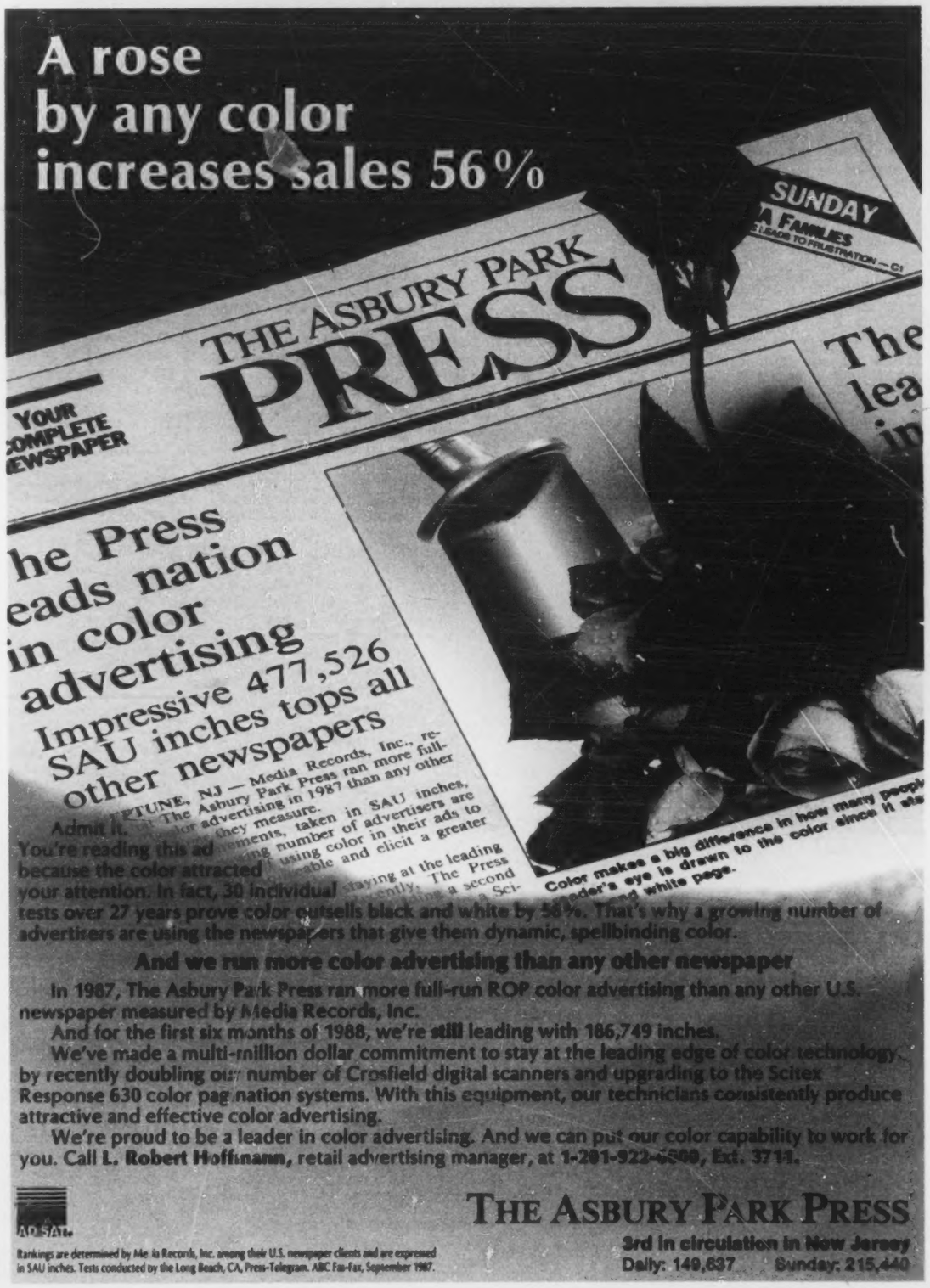
The national section will debut this month, says Ms. Grimes. Articles from around the country will be featured along with the four pages of Boston news already included in the *Echo*.

Current plans call for the expanded *Echo* to be sold at newsstands and Irish specialty shops nationwide, and in vending machines in Washington. Nonsubscription sales are concentrated in the New York area.

In addition to continuing to report on immigration, Northern Ireland and social activities, Ms. Grimes plans to introduce new supplements—on top of the seven that appeared this year—increase coverage in music and sports and add a second business page.

Graphically, she says, the ongoing cosmetic changes—the *Echo* added color in August—will continue into 1989.

"We're a moderate paper in our approach, in our appearance, and we take a moderate view of things generally," she says. "That has been our position and will remain so."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And for the first six months of 1988, we're still leading with 186,749 inches.
We've made a multi-million dollar commitment to stay at the leading edge of color technology by recently doubling our number of Crosfield digital scanners and upgrading to the Scitex Response 630 color pagination systems. With this equipment, our technicians consistently produce attractive and effective color advertising.
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THE ASBURY PARK PRESS
3rd in circulation in New Jersey
Daily: 149,637 Sunday: 215,440
Rankings are determined by Media Records, Inc. among their U.S. newspaper clients and are expressed in SAU inches. Tests conducted by the Long Beach, CA, Press-Telegram. ABC Fas-Fax, September 1987.

Newspapers lose by a landslide

Image-intent national candidates continue to avoid print advertising

By Ed Fitch

What if they had an election and nobody voted?

Newspaper advertising executives might respond by dancing in the streets. A poor turnout in tomorrow's presidential election might help newspapers reverse a 20-year slide in political advertising, says David Simonson, exec VP, National Newspaper Association.

Newspapers were expecting no vote of confidence from national politicians this year (AA, July 18), and that is exactly what they received. "There's been some action at the local and state level as a result of aggressive selling by newspapers," Mr. Simonson says. "But there's been nothing nationally."

Local newspapers attract ads because they can target grassroots campaign dollars, says James Cutie, national advertising director at *The New York Times*. The movement away from major newspapers started in 1964, and this year's dearth of activity mirrors 1980 and 1984, he says.

Despite doing special sections on both conventions and an election preview, national newspaper *USA Today* "has not seen one bit of business from a candidate," says Jim Gath, manager-special sales.

A primary reason seems to be that contemporary campaign styles do not fit the medium. "This is a campaign of spot images and no substance," Mr. Simonson says.

Erich Linker, senior VP-advertising at *The New York Times*, concurs, saying the emphasis on image over substance has hurt newspapers. "The media consultants steer the majority of dollars to TV."

Mr. Gath puts it more bluntly: "These guys are in love with TV."

Mr. Simonson says he will be surprised if 50% of registered voters cast ballots tomorrow, claiming this will send a message to political media strategists. "It will say that X percentage of voters have been disenfranchised and are asking for something of substance, something that can't be delivered in 20-second bites." Newspapers, he says, are a logical medium for more detailed messages.

The ephemeral nature of the current campaign keeps politicians from using print, says Mr. Gath. "They don't want to commit to putting anything down on paper. They don't want their opponent to be able to hold up a newspaper ad and say, 'This is what you said about that issue in black and white,' when they're changing their positions constantly."

Still, some of the newspapers' woes are self inflicted. "We haven't been very aggressive as an industry," Mr. Simonson says. NNA launched a $100,000 campaign via Bozell, Jacobs, Kenyon & Eckhardt, Minneapolis, last spring to tout the value of newspaper ads. He says the campaign will continue, and he expects 1990 and 1992 election advertising to improve as a result.

Pulliam

(Continued from Page S-1)

spend more than $1,700 per subscriber. Although Mr. Wallace says, "We've never seen an offer, we're still waiting," stockholder Mr. SerVaas says he has a letter informing him of the $1.5 billion offer.

The CNI chain is indeed a money maker. Earnings of nearly $33 million in fiscal 1987 ending the last week in December, on revenues of $403 million, were up 2.7% from fiscal 1986.

Still, there remain problems within CNI. Circulation at the *Indianapolis News*, a 119-year-old afternoon paper, peaked at 200,000 subscribers in 1965 with the demise of the Scripps-Howard *Indianapolis Times*. Today it reports 120,000, according to 1988 Audit Bureau of Circulations, in a city showing dramatic growth.

Some suggest the stagnation stems from management policies. Mr. Russell refuses to comment, saying management style is open to a variety of interpretations. Staffers contend that editorially, both papers operate without much interference from management.

With a long-standing policy of hiring interns straight out of college, the addition of solid writing and reporting talent is not a top priority, according to industry observers. The *News*' problems reflect a mediocre editorial lineup, sources say.

Mr. Russell acknowledges that both newspapers have shown only modest gains in advertising revenues, and that the Phoenix operation has been losing ad linage for six quarters. (According to *Forbes*, May 24, Mr. Pulliam may be ready to sell his Phoenix papers. Industry insiders say this would bolster the Indianapolis operations and increase the price of non-voting stock that might be put up for sale to the public.)

"I don't know when the last sales person called on me; we get mailings but no personal contacts," says Norman Wilkens, VP-account supervisor, Montgomery Zuckerman Davis, Indianapolis. That is probably a result of being "the only game in town. You have to damn the *Star* and the *News* with faint praise. They are responsive to our clients' wishes, but the personal follow-up with agencies is missing.

Industry observers contend that if the *News* continues to stagnate, it will be folded into the morning *Star*

However, CNI is interested in expanding. "I've looked at several properties in the last four or five years, including Sparks Newspapers," says Mr. Russell. "We're really only interested in print, and the searches will continue."

Central Newspapers

Headquarters: Indianapolis
President: Frank Russell
Total newspaper revenues: $427 million
Total daily circulation: 825,275
Largest newspaper by circulation: *Arizona Republic*

Indianapolis News
Daily circulation: 116,908
Indianapolis Star
Daily circulation: 231,726
Sunday circulation: 405,842
Arizona Republic
Daily circulation: 314,829
Sunday circulation: 507,081
Phoenix Gazette
Daily circulation: 103,015

Source: Audit Bureau of Circulations Fas-Fax Report, September 30, 1988. Revenues are 1987 Advertising Age estimates.

Associate editor Pat Gray Thomas coordinated this report on Newspapers.

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*Sources: S&MM, 1987; ANM 1986-1987

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Source: ABC Publisher's Statements

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Market crunch bites into 'WSJ' circulation

By IRA TEINOWITZ

The stock market plunge may be ancient history to veteran traders, but it's still posing major circulation woes for *The Wall Street Journal*, according to the latest Audit Bureau of Circulations FAS-FAX reports.

WSJ blamed the October 1987 market tumble for the continued deterioration of its circulation through September.

Daily circulation averaged 1,869,950 in the six months ended Sept. 30, a 4.7% drop from the same period last year. More significantly perhaps, *WSJ* reported circulation dropped 7.7% from the 2,025,176 it averaged for the six months ended March 31.

"This is in line with what we reported earlier," said Charles N. Stabler, deputy director of corporate relations for *WSJ* parent Dow Jones & Co., New York.

"The crash of a year ago is continuing to affect us in circulation and advertising," he said. "A lot of individual investors have been out of the market since the crash, and there have been a number of layoffs in Wall Street firms, as many as 15,000. Those were our readers."

WSJ wasn't alone in reporting circulation losses. The *New York Post's* circulation dropped 20.3% to 550,473. Most of that drop apparently happened late last year or early this year; circulation fell less than 1% from the end of March.

The New York Times reported daily circulation up 1.6%, with Sunday circulation up less than 1%. Meanwhile, the *New York Daily News* reported a very slight dip in daily circulation with Sunday sales dropping a bit more. The *Daily News* said its Sunday circulation was down 2.9% from a year ago and 3.4% from March 30, when the paper had shown a slight increase. *Newsday* reported circulation up 6.2% daily and 3.6% on Sunday.

In Chicago, where the *Chicago Sun-Times* and *Chicago Tribune* have both seen price hikes and delivery problems, daily circulation dropped 4.2% and 6.5%, respectively.

Other cities showed considerable variety in the latest statistics.

The *Detroit Free Press* and *The Detroit News* reported declines in both daily and Sunday circulation. Meanwhile, the *Houston Chronicle* and *The Houston Post* both reported circulation increases.

In Los Angeles, the *Daily News'* Sunday edition is still outselling the *Los Angeles Herald Examiner*, though the *Herald Examiner* outsells the *Daily News* on weekdays.

In Kansas City, Mo., *The Kansas City Star*, an afternoon paper, continued to lose circulation, but its morning rival, *The Kansas City Times* (both owned by Capital Cities/ABC) picked up only a little. The *Star's* daily circulation has dropped a hefty 13.2% to 184,882 in the last year. Meanwhile the *Times* circulation has risen 1.2% to 281,886.

In a similar situation, *The Milwaukee Journal*, an evening paper, saw its circulation drop 6.4% to 269,155, at the same time the morning *Milwaukee Sentinel* fell 4.1% to 181,298.

Florida cities and Sun Belt areas like Phoenix, Ariz., are doing well, with most major newspapers reporting circulation increases.

However, the *Fort Lauderdale* (Fla.) *News*, the evening paper of the Tribune Co.'s *News* and *Sun-Sentinel* duo, showed circulation plummeting 29.8% to 39,833. The *Sun-Sentinel* more than made up the difference, reporting a 17.2% jump to 184,200 weekdays and a 6.8% increase on Sundays to 296,404.

The Miami News, which Cox Enterprises has already said it will close or sell by yearend, reported daily circulation fell 13.9% to 47,736. *The Miami Herald* reported its circulation rose 0.7% daily to 401,423.#

Newspaper circulation highlights

Average circulation for six months ending Sept. 30, 1988, compared with average for six months ending Sept. 30, 1987.

Newspaper	Daily	% chg	Sunday	% chg
National				
Wall Street Journal	1,869,950	−4.7%	———	———
USA Today	1,338,734	+1.1	———	———
New York				
Times	1,038,829	+1.6	1,601,085	+0.7
Post	550,473	−20.3	———	———
Daily News	1,281,706	−0.3	1,568,862	−2.9
Newsday	680,926	+6.2	706,440	+3.6
Los Angeles				
Times	1,116,334	+0.3	1,394,910	+0.7
Herald Examiner	235,252	−1.5	185,684	−4.8
Daily News	170,809	+7.2	197,311	+12.9
Orange County Register	333,560	+5.1	380,706	+5.1
Chicago				
Tribune	715,618	−6.5	1,098,127	−1.7
Sun-Times	579,272	−4.2	600,257	−2.2
Dallas				
Morning News	354,703	NA	530,640	NA
Times Herald	224,568	NA	318,774	NA
Denver				
Post	231,020	+0.2	409,257	+1.2
Rocky Mountain News	344,550	+3.7	389,212	+4.3
Detroit				
Free Press	629,065	−3.1	710,112	−3.1
News	677,385	−1.4	828,166	−1.1
Houston				
Chronicle	420,320	+3.3	561,664	+5.0
Post	318,218	+5.7	359,046	+3.5
Minneapolis/St. Paul				
Star-Tribune	400,914	+3.0	644,946	+2.4
Pioneer Press & Dispatch	192,603	−0.2	255,435	+1.6
Seattle				
Post-Intelligencer	206,155	NC	———	———
Times	237,245	NC	———	———
Times/Post-Intelligencer	———	———	502,940	+0.3

Notes: *New York Post* changed from all-day to a.m. publication since September, 1987. *The Dallas Morning News* counts daily circulation as the average of its Monday, Tuesday, Wednesday, Thursday and Saturday papers but doesn't include Friday.
NC - Indicates no change. NA - Indicates not available. Source: Audit Bureau of Circulations.

New products

(Continued from Page 57)

Kitchen shelf-stable microwaveable meals for children in Denver. Ruhr/Paragon. 10/17, P. 8.

Johnson & Johnson—Ortho Pharmaceutical Corp. introducing a milder dose of Retin-A acne treatment, called Retin-A 0.025% cream. No consumer marketing is planned. 10/24, P. 89.

Kellogg Co.—Rolling national with Blueberry Squares ready-to-eat cereal, its fourth fruit-filled biscuit cereal line extension. Leo Burnett USA. 10/3, P. 65.

Kraft—Testing Velveeta cheese sauce in Southwestern markets, including San Antonio, Texas. TV. Burnett. 10/17, P. 65.

Philip Morris Cos.—General Foods Corp. rolling national with Post Oat Flakes, an adult cereal. Grey Advertising. 10/3, P. 1.

Noxell Corp.—Preparing to launch a women's fragrance called Cooler. 10/24, P. 8.

Procter & Gamble Co.—Has introduced nationally Bounce With Staingard dryer sheets, a combination fabric softener and stain resister. D'Arcy Masius Benton & Bowles. 10/3, P. 65.

Quaker Oats Co.—Testing six varieties of Old Town Oven Stuffs microwaveable deli sandwiches in Cleveland, Denver and Pittsburgh. Print, TV. Bayer Bess Vanderwarker. 10/17, P. 8. Quaker readying two new oat bran products, a hot cereal and a cold cereal, under the Quaker Oat Bran name for an April national introduction. Also testing Quaker Oatmeal Crunch, a potential flanker brand for its Oh!s cold cereal. It could be rolled out regionally next year. Bayer Bess Vanderwarker. 10/24, P. 92.

Ralston Purina Co.—Rolling national with Kit 'N Kaboodle semimoist premium cat food. Couponing, print, TV. DDB Needham. Also rolling national with Whisker Lickin's, its first cat treat. Print. Centra Advertising. Testing Cat Menu dry cat food in 15 Southeastern markets. Also adding a second flavor to Happy Cat cat food. Print, TV. Tatham-Laird & Kudner. Expanding distribution of Unique, a superpremium canned cat food acquired in 1987. 10/3, P. 28. Continental Baking Co. introduced nationally Oatmeal Goodness bread in four varieties. Print, TV. Grey. 10/3, P. 65. Rolling national Bran News cereal, which moved into regional markets earlier this year. TV. Ally & Gargano. 10/10, P. 69. Continental Baking adding a strawberry Fruit & Creme Twinkies flavor. Tatham-Laird & Kudner. 10/31, P. 59.

Rocky Mountain Medical—Introducing TenderCare biodegradable, chemical-free disposable diapers nationally in December. The diapers have an element inserted to cause breakdown upon contact with landfill dirt. They're available primarily through mail order and health-food and children's specialty retail outlets. Print. Polan & Waski. 10/31, P. 51.

S&P Holding Co.—Pabst Brewing Co. introducing Olympia Dry beer in Houston, with plans to expand nationally. Asher/Gould. 10/10, P. 12.

Schering-Plough Corp.—Maybelline Co. expected to announce that it's reformulating all its mascaras and face products. DDB Needham. 10/24, P. 8.

Sebastiani Vineyards—Importing Changlee Chinese beer in agreement with Oriental Trading Distributors. Point of purchase. 10/10, P. 12.

Squibb Corp.—Introducing a uniformly packaged Squibb Care line of pain relievers, antacids, fiber laxative and cough and cold/allergy remedies in Philadelphia. The line will move into three unidentified markets later in the year with national rollout scheduled for 1989. Couponing, print, radio, TV. Tom Attea Co.; Neil Faber Media. 10/10, P. 3.

Stroh Brewery Co.—Reportedly about to introduce a dry beer, possibly within a month. 10/10, P. 69.

United Biscuits—Keebler Co. introducing nationally Rainbow Chips Deluxe cookies. Print, TV. Burnett. 10/24, P. 89.

Veragon—Introduced Drypers superdry disposable diapers in Gulf Coast states. Print, TV. Fogarty & Klein. 10/31, P. 51.

Zele USA—Testing in several U.S. markets Zele Light flavored "panache" beer from Vancouver, British Columbia, with plans to go national next year. Radio, TV. Agency Group. 10/10, P. 12.#

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Latin shops

(Continued from Page 59)

must work out a deal with one partner, former creative director Sergio Graciotti who wants to sell.

Lintas:Worldwide is another agency looking to grow via acquisition in Brazil. Local agency President Ivan Pinto said Duailibi, Petit, Zaragoza, one of the top creative agencies, would be a good fit because Interpublic and DPZ share many clients—including Johnson & Johnson, General Motors Corp., Sterling Drug, Coca-Cola Co. and Nestle.

Mr. Pinto denied the two are talking but admitted he's looking at four acquisition candidates.

Sister agency McCann plans to buy a "highly creative strategic planning-oriented agency" among the top 25 in Brazil by Dec. 15, Mr. Olesen said. Another acquisition is planned for next year.

The Brazilian acquisitions could be merged into the existing McCann-Erickson Publicidade, stand alone or share some functions with the existing agency and work separately on others, he said.

Mexico

In Mexico, talk is leading to deals.

Saatchi bought into affiliate Iconic, Mexico City, hoping to merge it with its other affiliate, Montenegro-Saatchi & Saatchi, sources say. The deal was constructed just in time for Saatchi to pitch for $3 million of PepsiCo business (AA, Oct. 17).

BBDO Worldwide is thinking of merging its Dieste, Merino/BBDO with another agency.

Sources say Publicidad Ferrer, Mexico's No. 1 agency, is in discussions with a multinational.

Mexico is also on McCann's shopping list, even though McCann already ranks No. 2.

Argentina

"In Argentina, you need critical mass to be able to offer all services," said Nelson Homem de Mello, Young & Rubicam president for Latin America.

To develop that mass, Y&R de Argentina, Buenos Aires, merged Aug. 1 with a local agency to form Funes Straschnoy Dreyfus/Young & Rubicam—part of the recent flurry of Argentine acquisitions.

Other agencies are doing the same. Earlier this year, Lintas:Worldwide bought Colonnese & Asociados and merged into its existing office to form Colonnese-Lintas.

Saatchi is negotiating to buy a small stake in affiliate Lautrec SA.

Sources say DDB Needham Worldwide is negotiating to buy Argentina's Ruben Maril SA de Publicidad for $1 million. However, Ruben Maril, a partner, said he has an affiliation with DDB but is talking to several international agencies. Mr. Maril said he's helping DDB look for a Brazilian agency as well.#

Cecilia Bouleau in Mexico City and Cathy Kirby in Buenos Aires contributed to this story.

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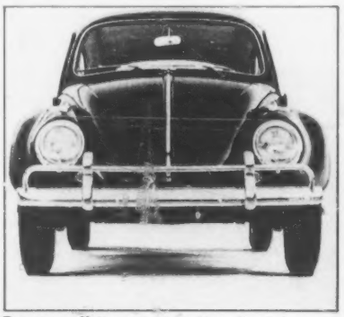

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a consumer chooses to buy a roll of Kodak film, for example, "the brand itself has added value because it has been advertised."

Lately, the role of advertising has assumed even greater proportions. Brand names (and parent companies) are bought and sold on the basis of that certain intangible equity known as "goodwill," established for the most part through advertising.

"Clients are more appreciative of the role of advertising today, [because] they've developed a monetary value of the brand franchise," says Allen Rosenshine, president-ceo of Omnicom Group. "A brand is a marketable commodity." While the value of brand names has made advertising more crucial, many ad experts believe the role of advertising as a sales tool has declined over the years.

"There was a time when many [products] would have a gigantic edge simply because they were on TV," Mr. Manning says. Now, "appearing on the TV screen in and of itself is meaningless."

Media advertising may defend a client's product against a competitor's attack on market share, but it alone won't guarantee a sales increase. It can, however, help "sell" a political candidate to voters, promote the use of condoms to fight AIDS or raise awareness of the dangers of drug abuse.

"Most advertising doesn't really sell anything the way a clerk in a store does," says Alan Gottesman, an ad industry analyst at PaineWebber. In most cases "it doesn't compel a purchase."

The most it can do, the experts say, is to boost awareness, encourage trial and convey psychological benefits to people who already use the brand, particularly if it is well-established and in a slow-growth category.

People may see themselves as part of the "Pepsi generation," and so will feel good about drinking Pepsi, but they won't necessarily go out and buy it. Yet sales of some products clearly are driven by advertising that compels consumers to act.

A direct-response TV commercial or print ad may prompt someone to buy a book, order a vegetable slicer or join a club. A commercial will encourage a moviegoer to see a new film or to stay away. A spot for a supermarket will tell shoppers what's on sale this week, prompting an unexpected purchase.

Most established consumer products and services now, however, are more alike than ever before, and new products aren't very new—or without competition—for very long. Rosser Reeves' USP (Unique Selling Proposition) may not be dead, but achieving that lasting element of exclusivity in an ad claim is becoming much more difficult in today's marketplace.

This change has "created a demand for advertising to deal with more and more intangible aspects . . . the emotional quotient of a brand as opposed to functional aspect," Mr. Rosenshine says.

At the same time, the audiences that advertisers seek—and the media that reach them—are becoming even more fragmented. Consumers, despite their seeming fascination with advertising's creative process, are more cynical and disbelieving about its claims.

It's not that advertising's power has diminished for most other products. Instead, its form has merely changed.

Broadly defined, advertising now more widely encompasses and encourages alternatives to traditional marketing methods, such as couponing and other price promotions, to store events, civic events, public relations and even touch-screen computers that generate recipes. Advertising itself has become more regionalized and targeted to specific uses and users of a product.

In the glory days of television in the mid-1950s, says Thomas Leahy, president of CBS Marketing, "our industry was so powerful that the sheer exposure of your message would sell your products. It evolved to a matter of not the value of the process or exposure, but simply, 'What is it going to cost you?' "

Some of that power still exists in countries newly exposed to the American-style inundation of advertising.

In parts of Latin America, for example, "a much greater part of the task is truly information and education, in which housewives and families who are just moving into an economic class where they consider products and services [are] really hungry for information that puts it in a social usage," says Norman Brown, chairman-ceo of Foote, Cone & Belding Communications. "It helps them operate in the world they're developing into."

But in the U.S., times have changed, and the novelty of advertising exposure is dulled because virtually every company is doing it. Instead, "What's really happening is there's a broader definition of what advertising is," says Anthony Adams, marketing research director at Campbell Soup Co.

"There are a lot more tools to be used, and used in combination with one another. It's not just the chocolate, vanilla and strawberry flavors," he says.

Today's more segmented market works against this three-flavored TV, radio and print mix because it demands advertising that can get "closer to the consumer, and some of those media are more distant. A diet of only traditional media won't do it," Mr. Adams says.

Campbell, for example, has resurrected its "Campbell Kids" characters not only for advertising but also in-store appearances and other promotions. (It also has returned to a popular slogan of yesteryear, "M'm M'm good!" a softer-sell, more emotional approach than the previous "Soup is good food" campaign.)

Five or 10 years ago, alternative marketing methods were "inconsequential," he adds. Now, the new media may account for as much as 10% of a total marketing budget, particularly with less-advertised brands. And managers for such brands—defined as those with TV budgets of $5 million or less—are now being instructed to look more seriously at these strategies because their budgets are below the spending "threshold" required for effective TV reach.

Ad agencies have been working overtime to accommodate themselves to this gradual shift toward "below-the-line" marketing services. Most larger shops have acquired, started or affiliated with sales-promotion companies, direct marketing, public relations, even grocery-store shelf-space management.

Ogilvy & Mather is doing pioneering work in scanner research involving the Universal Product Code and supermarket checkout counters. Such moves are partly defensive to prevent the drainage of ad revenue by other alternatives offered by competing companies.

But there is a more aggressive side to this development. Agency executives are also concerned about "orchestrating" client marketing efforts so they can control the overall consumer message with an effective, cohesive approach. The job of creating wonderful ads—the essence of agency activity—remains at the heart of the process. But increasingly, agency chiefs worry that too much promotion without general advertising will erode brand loyalty and ultimately harm product quality and marketing innovation, all of which adds up to a loss of agency revenues. So they push forward on all fronts.

"I think advertising in the most general sense prevents competing companies from ultimately losing profits and margins to the price factor," Mr. Rosenshine says. "Even though we see so much of advertising and marketing effort going into sales promotion, the fact of the matter is that sales promotion only works effectively when you're promoting something with inherent value," he adds. "You can't promote sales of a piece of crap."

Giving brands their identity—and thus a perceived value—is advertising's unique power, even if, as studies suggest, pricing remains the more powerful short-term sales motivator. "I think for consumer products and services, advertising is just absolutely essential," says Mr. Brown. "I don't think brands can exist without it; certainly they cannot flourish. It's kind of the final visible point of competition between companies."

The waning of "generic," unbranded or no-name products, so popular in the 1970s when inflation was soaring in the U.S., reflects the notion that price alone won't do the job, these executives say. Innovation, quality and the image of brands remain crucial elements in the modern day sales mix, especially in markets where status matters. Would a Mercedes-Benz retain the cachet that it carries based on high price or quality manufacturing alone? Aren't consumers wary of heavily discounted price deals that seem too good to be true?

The final irony, it seems, is that the public's fascination with advertising coincides with its waning ability to directly move products off store shelves. But while many in the industry complain that advertising alone doesn't do the job it once did, the various "newer" marketing disciplines are wholly dependent on advertising to lay the groundwork by creating value and demand among consumers.

Advertising, however entertaining or dull, in its best form articulates the most significant point of difference between products. "When brands get weakened or products disappear, and price is the only differentiator, quality will go down as well," says Kenneth Roman, chairman-ceo of Ogilvy Group. "I challenge you to tell me of one enduring success story built on price alone."

THE AD AGE 500: A FIVE YEAR ACCOUNTING

Year	Gross income W'wide	Gross income U.S.	Gross income Foreign	Billings W'wide	Billings U.S.	Billings Foreign
Top 500 agencies						
1987	9,613.1	6,217.7	3,395.4	65,702.4	42,971.2	22,731.2
1986	8,648.9	6,502.2	2,146.7	59,318.8	44,740.8	14,578.0
1985	8,174.6	6,262.2	1,912.4	55,805.5	41,371.8	14,433.7
1984	7,129.4	5,276.7	1,852.7	48,443.9	35,895.4	12,548.5
1983	6,088.6	4,458.1	1,630.6	41,388.0	30,334.2	11,053.7
Top 100 agencies						
1987	8,402.4	5,015.7	3,386.7	57,294.6	34,593.7	22,700.9
1986	7,366.7	5,223.9	2,142.8	50,513.5	35,937.3	14,576.2
1985	6,870.1	5,030.3	1,839.8	46,805.7	32,880.2	13,925.5
1984	6,272.2	4,423.3	1,848.9	42,608.0	30,115.3	12,492.6
1983	5,390.1	3,761.3	1,628.8	36,535.6	25,514.2	11,021.4

NOTES: Dollars are in millions. Change is computed from previous years' figures, including 1982, not shown. All figures are constant, representing reporting by the top agencies in the year given.

The AA 500 agencies include subsidiaries of parent agencies also on the list. Totals of subsidiaries were subtracted from the 500 composite figures when those totals were consolidated into their parent's numbers. This procedure prevents a subsidiary from being counted twice.

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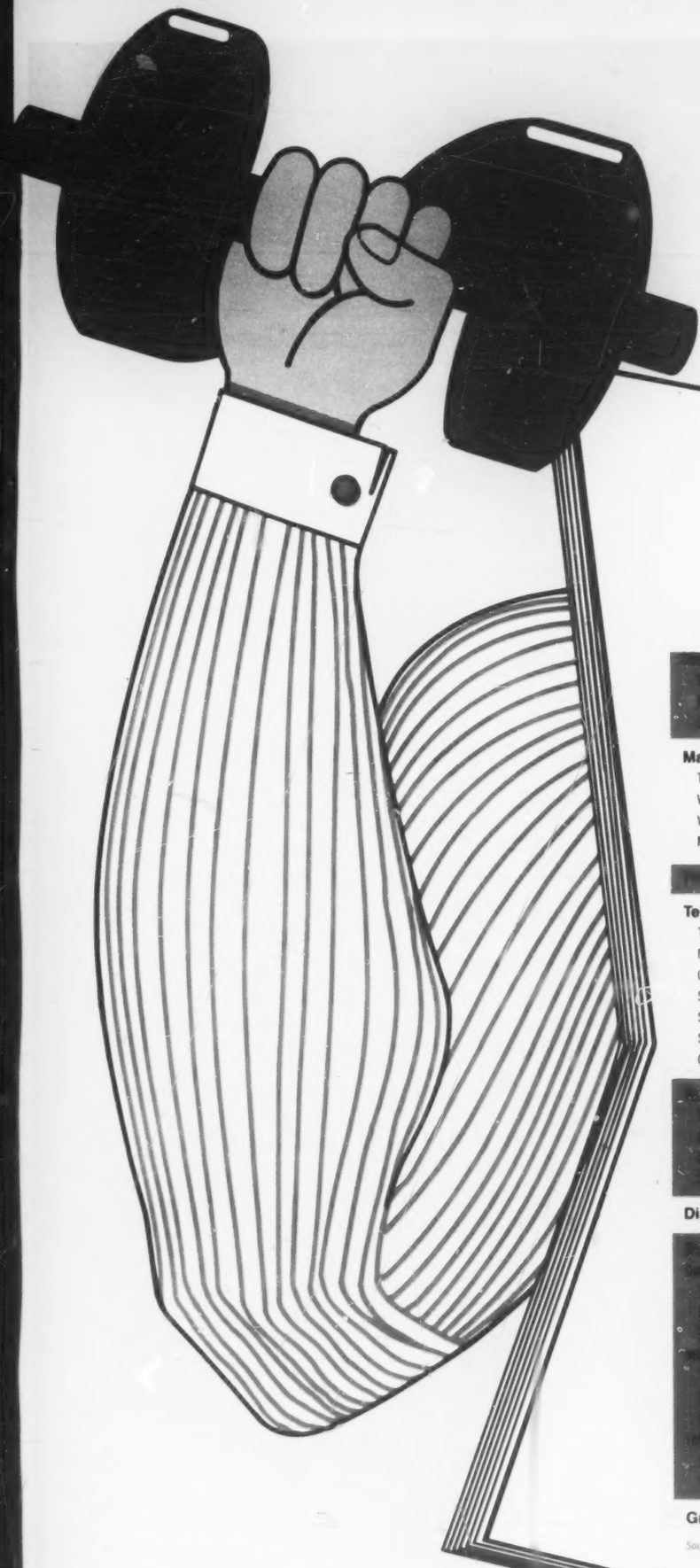

MEDIA

THE POWER

ESTIMATED ANNUAL U.S. ADVERTISING

	1977	1978	1979	1980	1981
Magazines					
Total	2,162	2,597	2,932	3,149	3,533
Weeklies	903	1,158	1,327	1,418	1,598
Women's	565	672	730	782	853
Monthlies	694	767	875	949	1,082
Television					
Total	7,612	8,955	10,154	11,474	12,886
Network	3,460	3,975	4,599	5,130	5,575
Cable (nat'l)	—	—	—	50	105
Syndication (nat'l)	—	—	—	50	75
Spot (nat'l)	2,204	2,607	2,873	3,269	3,746
Spot (local)	1,948	2,373	2,682	2,967	3,368
Cable (local)	—	—	—	8	17
Direct mail	5,164	5,987	6,653	7,596	8,944
Grand total	37,440	43,330	48,780	53,550	60,430

Source: Prepared for Advertising Age by Robert J. Coen, McCann-Erickson

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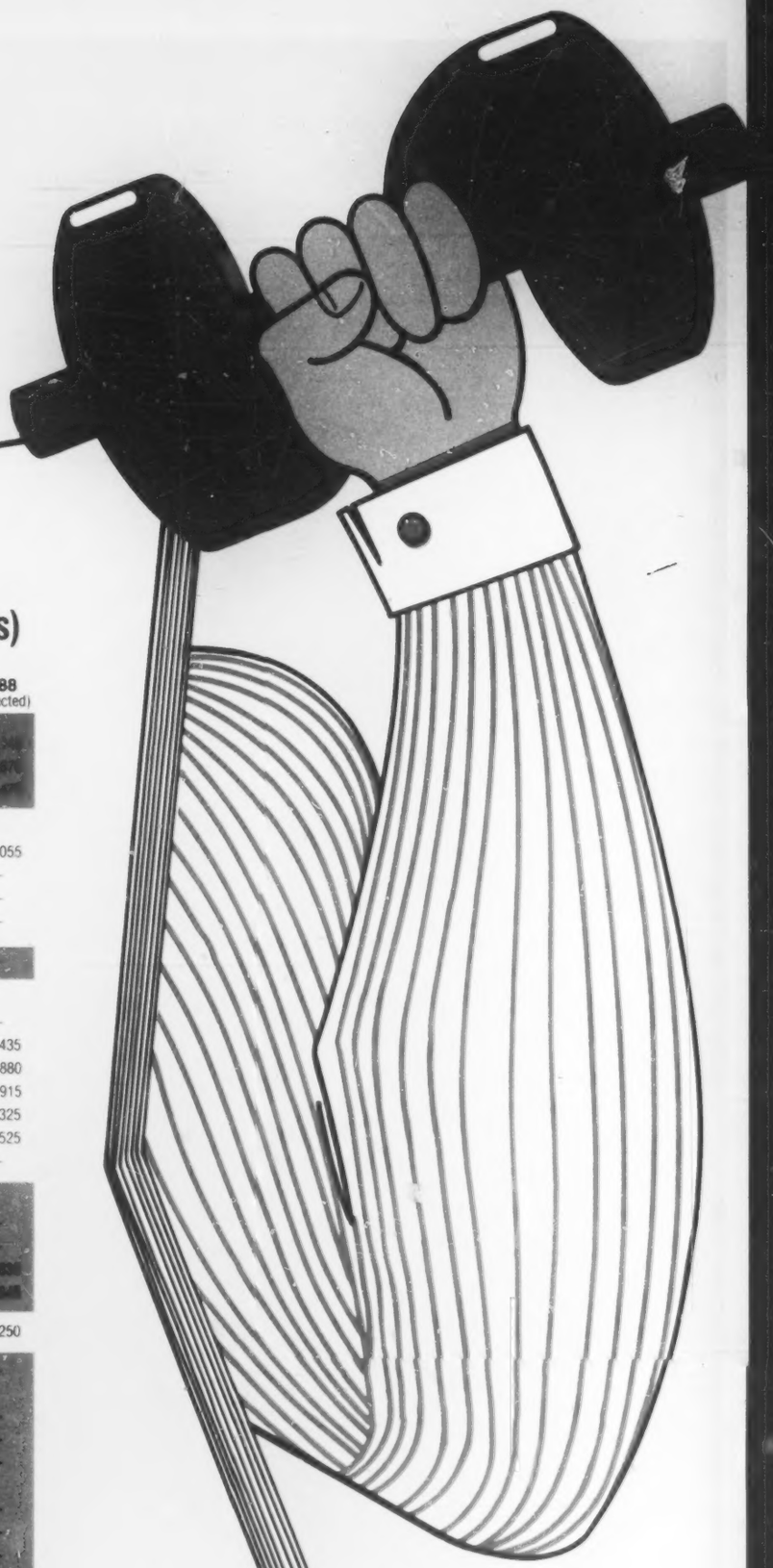


EXPENDITURES 1977–1987 (in millions of dollars)

1982	1983	1984	1985	1986	1987	1988 (Projected)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3,710	4,233	4,932	5,155	5,317	5,607	6,055
1,659	1,917	2,224	2,297	2,327	2,445	—
904	1,056	1,209	1,294	1,376	1,417	—
1,147	1,260	1,499	1,564	1,614	1,745	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—
14,716	16,842	20,090	21,290	22,881	23,904	—
6,210	7,017	8,526	8,285	8,342	8,500	9,435
195	303	492	637	676	760	880
150	300	420	520	600	762	915
4,364	4,827	5,488	6,004	6,570	6,846	7,325
3,765	4,345	5,084	5,714	6,514	6,833	7,525
32	50	80	130	179	203	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10,319	11,795	13,800	15,500	17,145	19,111	21,250
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—

As American society ages, growth slows and segments become harder to pinpoint, marketers making their decisions on how best to reach their targets will put a greater burden on research experts.

A SYMPHONY OF DEMOGRAPHIC CHANGE

By Peter Francese

Demographic, social and economic change has transformed America's consumer markets from being relatively easy pickings to elusive targets. Today's intensely segmented consumer markets are more difficult to predict, harder to reach and tougher to sell than ever before.

In such an environment it should surprise no one that advertisers are searching for greater efficiencies in their marketing and advertising efforts. For many years management's focus has been on achieving greater efficiency in operations such as manufacturing and distribution. But with the shift to smaller production runs of more highly differentiated products, the focus has switched to selling more products with the same or fewer advertising and promotion dollars.

An essential element for more efficient marketing is a deeper understanding of the consumers. Such understanding is rarely achieved but is, in fact, an ongoing process as consumer trends unfold and the American family changes in size and character.

As we prepare to move into the last decade of the 20th century there are many population and household trends developing simultaneously. Some, like the shortage of teen-agers, are in evidence now, while others will appear throughout the decade.

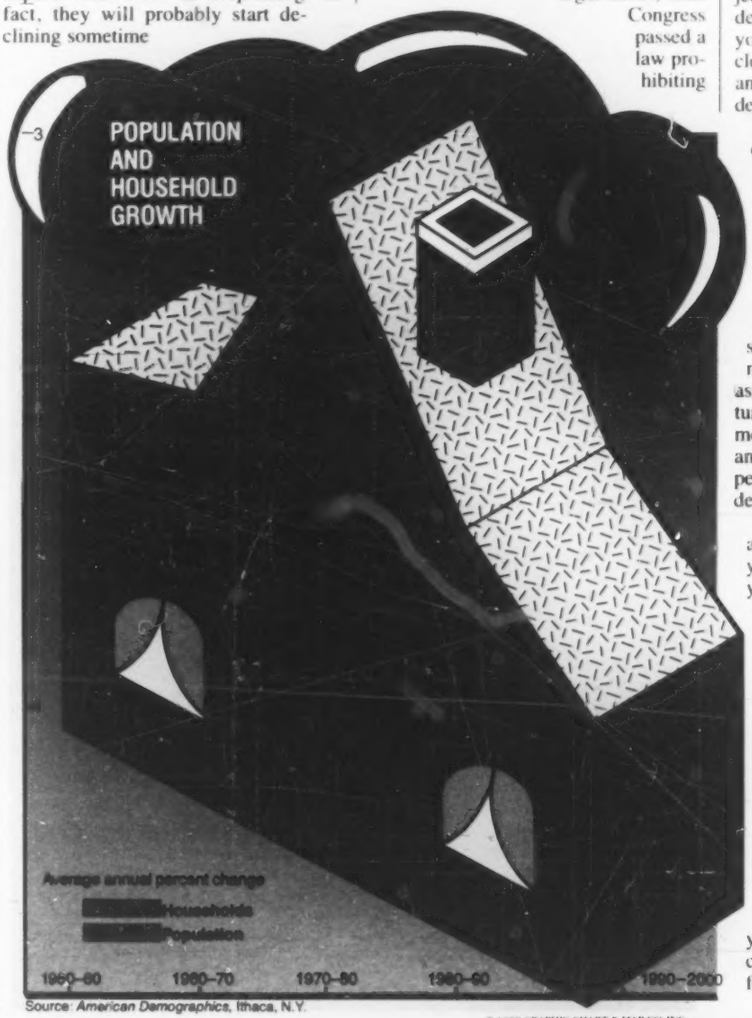
There are three major themes in a symphony of demographic change with numerous melodies: slowing population and household growth; an aging society; and an increasing fragmentation of consumer markets.

Each of these trends and its components has implications for the way we communicate with consumers, the types of messages that will influence their behavior and the kinds of products and services they will buy.

* * *

The U.S. population is growing at just under 1% per year, and each year the rate of growth diminishes slightly. The major component of growth is births, which at 3.8 million have hit a post-baby boom record low. No one expects total births to keep rising. In fact, they will probably start declining sometime in the early 1990s.

The other component, immigration, was growing rapidly and adding between 500,000 and a million-plus people a year (including an estimate of illegal aliens) until Congress passed a law prohibiting the employment of undocumented workers. That may have serious long-term consequences for U.S. growth because as the population ages, deaths will rise to completely offset births. Thus, within the next generation, immigration will be our major, and perhaps only, source of growth.



Source: *American Demographics*, Ithaca, N.Y.

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Households grew more than twice as rapidly as the population during the 1970s, fueling the demand for all kinds of home-related products. But now households are increasing only 1.5 times as fast, and during the 1990s the growth rates will probably converge.

The major consequence of such low overall growth is to intensify the search for the more rapidly growing consumer market segments. Almost no one will be satisfied with sales or profit growth of less than 1% per year. The trick is to find a faster-growing segment before everyone else does or build market share faster than anyone else. Some of the faster-growing segments are demographic (i.e., working women with very young children), but some are geographic (i.e., Florida). A sharper focus on demographic segments means advertisers will want more tightly targeted marketing campaigns. A heightened awareness of geographic segments means more regional and local marketing.

* * *

The U.S. population is aging because while the number of young adults is falling, the number of mid-age and very old people is rising rapidly.

The number of young adults 18 to 24 peaked in the early 1980s and is projected to decline by 12% over the next decade. This means 3 million fewer young people to buy beer, motorcycles, college educations, cosmetics or any of the other products and services designed for young consumers.

There is some evidence that this decline may be at least partly offset by rising purchasing power due to higher wages and lower unemployment rates. But while cash-register receipts may not be deeply affected, there will be fewer people to run those cash registers or to provide service in what is supposed to be a service-based economy. This suggests the telephone and the modem-equipped personal computer as major shopping methods of the future. Catalogs now in print form will more and more appear in video form and the sales clerk will more often appear as the UPS or U.S. Postal Service delivery person.

Contrary to the decline in young adults is the growing children-and-young-teen market. By 1998 5-to-12-year-olds will be up 10%, and they are becoming more sophisticated consumers every year. This should mean growth for videogames, preteen cosmetics and microwavable foods.

The majority of young children today who live with both parents see them go to work every weekday. So they are taking on more household responsibilities and making more and bigger purchasing decisions for themselves.

The difference between men's and women's patterns of lifetime employment becomes smaller every year. Even a majority of mothers with children under age 1 are in the labor force. This tends to fragment pur-

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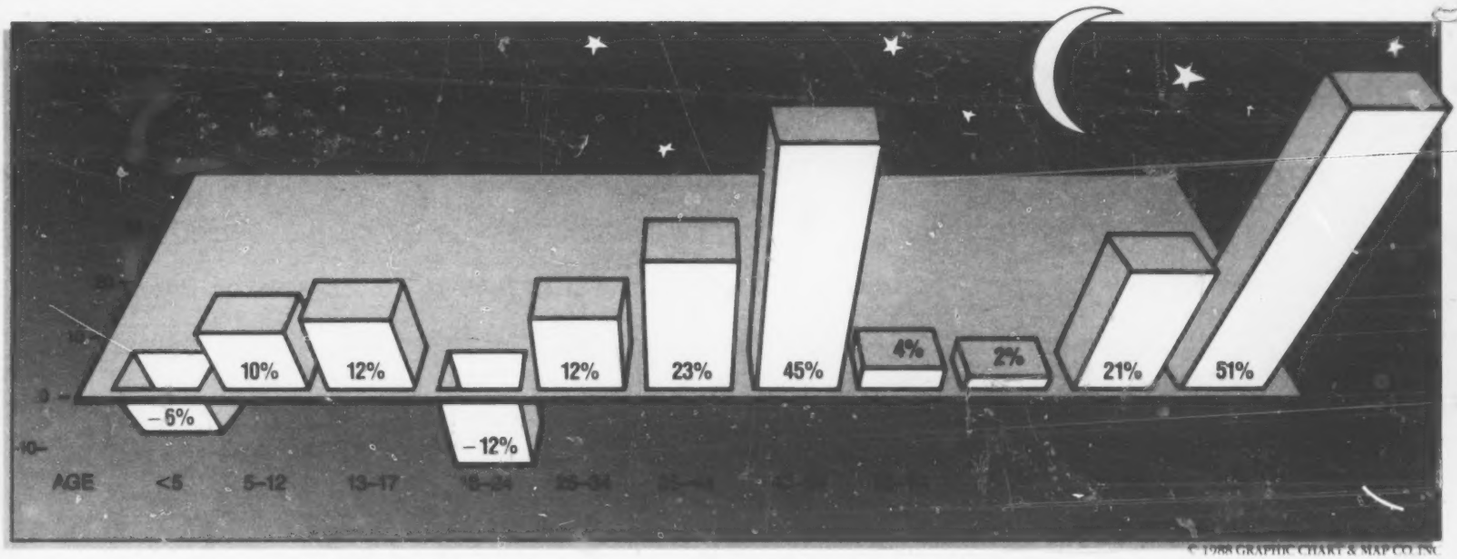

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(Continued from Page 130)
chasing behavior within the household, change how people spend their time and reduce the opportunities for reaching an entire household with one advertising message.

The second reason why this country is getting older is the middle-aging of the baby boom. During the next decade the market segment called the baby boom will move into middle age and in the process move into its peak earning and spending years. In 1990 the baby boom will be about 25 to 44 years old. In 2000, therefore, they will be about 35 to 54. During the next decade the 35-to-44 age segment will grow 23% and the 45-to-54 age segment will jump 45% *(see chart)*. Only one other age segment will grow faster: those 85 and older. But no other group earns or spends more than the 45-to-54s.

According to the latest Consumer Expenditure Survey consumers 45 to 54 spend the most on food (30% above average), apparel (38% above average) and retirement programs (54% above average). The 35-to-44 age group spends the most on housing, motor vehicles and entertainment. At current spending levels a 1% increase in householders 35 to 54 means an additional $8.9 billion in consumer expenditures.

As they get older, baby boomers are also settling down in a big way. Interstate mobility declines sharply with age and people in their 30s and 40s take a greater interest in their home and in their community. As baby boomers put down roots, literally and figuratively, the lawn and landscape business should do well. But there will also be a greater interest in locally produced products. This suggests greater regional as well as market-by-market diversity and a rising demand for advertising with a local flavor and content.

Time management is a big deal with baby boomers. Thus, retailers that find ways to reduce the time and hassle of shopping will get a competitive edge. This may mean an increase in the information content (i.e., size, location, colors available, price, etc.) of print advertising to make shopping easier.

One market segment for which time does not seem a problem is the mature market. No consumer group has been more misunderstood than older Americans. The 55-plus market has had a reputation for high growth but low income. For part of this market that is the case, but for the majority the exact opposite is true.

Almost half the nation's discretionary income accrues to people 55 or older. The word growth hardly describes most of this population. Three quarters of the mature market is between 55 and 75; the Census Bureau projects that age group to grow a mere 3% in the next 10 years. But the population 75 to 84 is expected to grow rapidly (up 21%) and the oldest old, those 85-plus, will increase 51% by 1998. More than one in five people in this oldest age group are in a nursing home or hospital and many live at or near poverty.

The rapid increase in the very old will create enormous demand for long-term health-care facilities along with the staff and equipment to maintain them. Assuming present levels of institutionalization, there will be a demand for about one new 100-bed nursing home every single day for the next 10 years. The sharp contrasts in the mature market—from bedridden patients in a nursing home to big spenders on a cruise—makes this consumer group difficult to understand and hard to communicate with.

More than the usual amount of consumer research is required before developing an advertising campaign targeted to this group.

* * *

The fragmentation of consumer markets combined with increasingly diverse media means more research information about consumers must be processed and understood before making marketing and advertising decisions.

If advertisers, responding to demographic change, want more highly targeted messages and more efficiency in their advertising efforts, perhaps they also will obtain research to measure marketing performance.

Maybe a new breed of efficiency expert will move from the assembly line to the advertising agency.

More complicated consumer markets require more sophisticated consumer research and the integration of consumer information into media buying and marketing decisions. This is what is often called data base marketing and never have we had more data with which to do such marketing.

In a few years billions of figures from the 1990 census will be available to add to the already substantial output from scanner cash registers, people meters, panel diaries, syndicated studies and market-research reports. The marketing or advertising director in the 1990s will have to be extraordinarily skilled at processing vast amounts of data and making sense of it.

Out of those oceans of numbers must come not only a better understanding of consumer markets but also more precise measurements of marketing efficiency. ■

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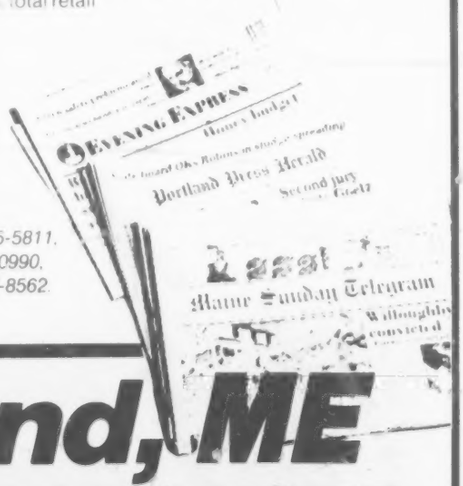
Jim McNeil (Landon-Portland) 207-799-0990,
Frank Chicko (Landon-Boston) 617-337-8562.



Portland, ME

PORTLAND NEWSPAPERS: 390 Congress Street, Portland, ME 04101,
Source: S&MM 1981 & 1985, Data Service, 1986 Survey of Buying Power

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New deals coming?

Philip Morris brand-builders still not satisfied

By FRED DANZIG and JUDANN DAGNOLI

NEW YORK—If the group efforts to buy RJR Nabisco fail, Philip Morris Cos.—fresh from its $13 billion buyout of Kraft—might be prepared to shell out more cash to acquire some Nabisco brands.

This possibility emerged during an interview with PM Chairman Hamish Maxwell, Vice Chairman William Murray and Staff VP-Marketing Planning James J. Morgan, who discussed with ADVERTISING AGE the pragmatic ways in which they approach their growth-oriented marketing and corporate goals.

"We've got a full plate now" with Kraft, said Mr. Maxwell, but he added that if Kraft had not been targeted, "we could have had some interest in some Nabisco business if it had become available. Certainly we have some interest in certain parts of their business right now."

Would he be interested in participating in a group bid? He would consider this under certain circumstances, he said.

Mr. Maxwell also agreed with those who say no corporation should feel itself immune from the possibility of takeover.

"That's true for IBM and it has to be true for Philip Morris," he said. "But I think you'd have to say the financing of the RJR deal"—the prime example of a group takeover bid—"is turning out to be not as easy as all that," he added *(see story on Page 2).*

Staff photo by Doug Goodman

At Philip Morris offices in New York: William Murray (l.), Hamish Maxwell and James Morgan.

Concerning additional acquisitions, Mr. Maxwell said: "You've got to do acquisitions and also develop brands of your own in order to grow. Every food company has grown through acquisition. We feel we have a balance in the way we've grown."

He added: "We want to be the best; we don't really care if we're the biggest or not. We are concerned that people don't think that somehow or other [the Kraft acquisition] adds tremendously to a major amount of change."

Mr. Maxwell took issue with those who believe Philip Morris now has retailer clout that poses a threat to its competitors.

"Even with Kraft, we're still a relatively minor factor in grocery stores, as a whole," said Mr. Maxwell. "Look at the shelves and what's on them and you'll find that we are still a small part of the store.

"The customer," he said, referring both to the supermarket chains and consumers, "is still king."

The Kraft deal, the PM executives said, has strengthened PM's global presence as a U.S. food company that must compete with giant foreign-owned food marketers such as Nestle and Unilever.

Mr. Murray added that the Kraft buy should also give PM a greater "critical mass" in Europe as access to a common

(Continued on Page 66)

Ailes: What he wants next

Roger Ailes at his desk in Bush's campaign headquarters in Washington.

Bush adman aims attack at Madison Ave.

By STEVEN W. COLFORD

WASHINGTON—Having sold America on George Bush for president, Roger Ailes now may be setting his sights on corporate America.

The extraordinary political adman, who showed America Mike Dukakis' tank, Willie Horton's prison and Boston Harbor's dead fish, thinks he can do for General Motors Corp. or RJR Nabisco what he did for the vice president—create ads that reach the audience, inform the audience and move product off the shelf. And do it better than "Madison Avenue boys," as he calls them.

"Sure, I'd do [product] advertising," he said. "I've even had some calls from corporations."

Mr. Ailes' blunt assessment of product advertising was part of a lengthy interview with ADVERTISING AGE after last week's election and right before leaving Washington for a one-day vacation in Florida.

Following that, Mr. Ailes moves on to another campaign, this one in Costa Rica where client Raphael Calderone is running for president. The interview follows:

ADVERTISING AGE: *Would you do product advertising?*

Roger Ailes: [I see] how much waste there is in most ad agencies' work for their clients. I realize it can be done

(Continued on Page 47)

Last Minute News

Conde Nast buys antiques book

NEW YORK—Conde Nast Publications Chairman S.I. Newhouse has purchased *Art & Antiques* from Allison Publications, sources close to Conde Nast said. Conde Nast executives wouldn't confirm or deny the acquisition, though early last week they admitted Mr. Newhouse was buying a magazine. At the time, Conde Nast also said Rebecca Darwin, publisher of *The New Yorker*, would move to publisher of the magazine being acquired. *Art & Antiques*, which is published 10 times annually, has a circulation of more than 100,000.

Soviet Union hosts Pepsi

SOMERS, N.Y.—Pepsi-Cola Co. is about to begin filming what's believed to be the first U.S. commercial ever made in the Soviet Union, sources said. The spot, directed by Leslie Dektor, is expected to feature Soviet youths, using its "Choice of a new generation" theme. The company couldn't be reached for comment at press time. BBDO Worldwide, New York, is Pepsi's agency.

Foster's Lager taps AC&R/CCL

MELBOURNE, AUSTRALIA—Carlton & United Breweries named AC&R/CCL, Los Angeles, to succeed George Patterson Pty. here as creative agency for its estimated $25 million Foster's Lager account in the U.S. and Canada. AC&R/CCL continues to

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Inside:

What's Ayer's future at BK?—P. 3
Networks get nasty in ads—P. 3
Crawford ready for Omnicom—P. 4
Ad Age focuses on Britain—P. 43

Rivals team up for RJR brands

Group bids a new trend in mergers

By LAURIE FREEMAN and JUDANN DAGNOLI

Group bids from strange bedfellows soon may be the norm in the next round of megamerger deals.

In the battle for RJR Nabisco, Forstmann, Little & Co. and Goldman, Sachs & Co. teamed with Procter & Gamble Co., Ralston Purina Co. and Castle & Cooke to plan an estimated $23 billion bid for the marketer's companies and brands.

Sources believe that more group bids for the tobacco/food products giant may be in the offing. RJR's food brands—which include Oreo cookies, Ritz crackers, Nabisco cereals, Milk-Bone dog biscuits and Del Monte fruits and vegetables—are generating keen interest among companies who may not be able to finance a major bid for the company on their own.

Last week, both Borden Inc. and Quaker Oats Co. said they were interested in certain RJR businesses, but indicated they were unwilling to take on enough debt to acquire the entire company.

Group bids such as the one Forstmann Little put together are becoming "the new reality," said Gordon Wade, a consultant with Cincinnati Consulting Group. "These are highly unusual times and P&G, like everyone else, is adjusting to the new economic environment it's competing in."

John Quelch, marketing professor at Harvard Business School, called it "the era of strategic alliances." Mr. Quelch said global marketing is influencing companies to work together to better compete when trade restrictions are lifted in Europe in 1992.

"These strategic alliances promise to replace regional marketing as the buzzword for 1989," he said.

Already, once-unlikely joint ventures among competing marketers are cropping up overseas, he said, particularly in research and development.

Analysts speculated the Forstmann Little group would break up RJR as follows: P&G would get Planters' salty snacks and Fleischmann's margarine; Ralston would take Milk-Bone and Nabisco cereals; Castle & Cooke would take Del Monte; and the tobacco business probably would be kept by Forstmann Little.

The major question mark is the cookie and cracker division, with an estimated price tag of nearly $4 billion; both P&G and Ralston are seen as possible buyers.

This group deal is particularly unusual for P&G.

"For P&G to act in concert with other [companies] like this is unheard of," said John T. Thomas, an executive recruiter and former P&G manager.

P&G generally shies away from acquisitions that require large debt. It also avoids hostile takeover battles, preferring instead to be a white knight.

Although the pending offer cannot be deemed hostile because it was invited by RJR's special board of directors committee, the ego-ridden bidding war promises to be a mudslinger.

The two bids already in from Shearson Lehman Hutton, Salomon Bros. and F. Ross Johnson's management group and Kohlberg, Kravis Roberts & Co. have already provoked controversy and personality clashes between the major players.

Indeed, Forstmann Little, which is leading the consumer-products

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M&M/Mars candy to raise visibility with Disney link

By JUDANN DAGNOLI

Mars Inc.'s M&M/Mars candy division plans to announce a multiyear strategic alliance with Walt Disney Co. as part of a new, aggressive marketing stance.

The effort will be spearheaded by Al Poe, M&M/Mars' new VP-marketing, who was known for aggressive ad spending and new-product activity when he worked on the company's pet-food business.

Mr. Poe was most recently marketing director for Mars' pet-food operations in the U.K. He arrived in Hackettstown, N.J., two weeks ago to replace John Langdon, former senior VP-marketing. Mr. Langdon now is president of Topps Chewing Gum.

The Disney tie-in signals that the secretive and insular company is looking for new ways to promote its products and is willing to enter into joint ventures with other marketers, sources said.

"One thing you'll see at Mars will be more tie-ins with the big players—Disney, Coca-Cola, McDonald's—if they can get them," a source close to Mars said. "They [Mars] will be looking for co-marketing opportunities and are trying to be more creative in looking for edges to compete in a more difficult market."

A Mars spokesman said an announcement about the company's long-term deal with Disney would probably be made this week. The company set a Nov. 30 news announcement "to unveil plans for one of the most significant business endeavors the company has ever undertaken."

Disney wouldn't comment on a new M&M/Mars link, but the two companies recently joined in back-to-school and Halloween promotions involving nine of Mars' candy brands (AA, June 6).

Sources said the promotion will feature Disney characters in network TV spots.

D'Arcy Masius Benton & Bowles, New York, is believed to be the agency for the promotion, although the agency wouldn't confirm it. The company's other candy agency is Backer Spielvogel Bates.

Observers familiar with Mr. Poe described him as a marketing "visionary" and credit him for major gains made by Mars' U.K. Pedigree Pet Foods business.

"He has completely shaken up Mars' thinking," said one agency source familiar with Mr. Poe.

The source said Mr. Poe was the driving force behind pet-food line and brand-name extensions that resulted in new categories and new sizes.

> "One thing you'll see at Mars will be more tie-ins with the big players—Disney, Coca-Cola, McDonald's—if they can get them."

He is said to have conceived the idea of dog drinks to complement dog foods, a new-product concept Mars is believed to be considering for introduction in the U.K.

Observers believe he will move swiftly to introduce new products in the U.S., and will pump up ad spending for existing brands.

At M&M/Mars, Mr. Poe takes on a candy business that competitors contend has been stumbling of late and been behind in new-product introductions.

Although M&M/Mars is testing Balisto, a chocolate-covered grain-based bar, and PB Max, a peanut butter chocolate bar, it hasn't had any recent national launches.

Its main competitor, Hershey Foods Co., recently bought the Cadbury-Schweppes confectionery brands in the U.S., including Mounds and Almond Joy candy bars, giving it about a 39% share of the $8 billion U.S. candy market compared with Mars' 37%.

Wayne Walley in Los Angeles contributed to this story.

Sears

(Continued from Page S-2)

pose of the network was to let the world know that Allstate, Coldwell Banker and Dean Witter were all part of Sears. We accomplished that."

Although Sears maintains its mission-accomplished posture, some question whether three years and $40 million in advertising were required for a basic awareness campaign. Although the financial units work together on certain services, including mortgages and home insurance, marketing heads at all three can give few solid examples of cross-selling efforts.

Fred Morache, VP-advertising & PR at Coldwell Banker, says his unit is looking to increase business by "sharing customers between members of the network" but would not elaborate. Dean Witter offers a variety of financial services through its Discover card, but "none of them have much to do with the network," says Beth Metzler, Dean Witter's PR manager. Allstate gives examples of scattered efforts to snare new insurance customers outside Sears stores, but the company has no master plan for the activities.

Despite Sears' insistence that it is satisfied with the network as is, there are strong indications that the company has no choice but to retrench from an overly ambitious initial plan. When Sears rolled out the network, the company also opened 50 branches of the Sears Savings Bank in California. Within a few years, however, Sears began to close the branches, and today only one remains.

"We realized that a brick-and-mortar strategy of providing financial services wasn't the way to go," Mr. Fairweather says. Also, financial centers are located in only 330 of Sears' 825 stores.

Still, Sears has reaped some successes with the network. In 1987, the three units' combined revenues rose 22% to $20.7 billion: $15.6 billion from Allstate, $3.9 billion from Dean Witter and $1.2 billion from Coldwell Banker. Merchandise group revenues totaled $28.1 billion, up 3.7% from a year earlier.

Several of its competitors believe the company still has the potential to become a supermarketer of financial services.

"Sears has done quite well at gathering mortgages—in particular through Dean Witter and Coldwell Banker—quietly and without fanfare," says Marshall Dennis, executive director, National Mortgage Institute. Mr. Dennis says Sears has a "sizable" mortgage portfolio, giving the company long-term relationships with homeowners and creating future cross-selling opportunities. Sears also has an enormous combined data base of each unit's customers, plus Sears and Discover cardholders.

"We never knew what Sears' internal goals were with the financial network, and clearly they took a chance. But it's much too early to make a judgment about the future of Sears and its ability to cross-sell financial services to its retail customers," says Gerald Levy, chairman of Guaranty Savings, Milwaukee. "Sears has simply learned that it's not a slam-dunk to sell financial services. It takes a while."

One of the strongest believers in Sears' potential to become a major player in financial services is Kemper Group, a direct competitor of Allstate Insurance and Dean Witter financial services. "Anyone assuming that Sears has failed with the network at this point is completely naive," says Ira Nathanson, VP-corporate communications for Kemper Financial Services.

"Whether they do it through direct mail, in-store intercepts or telemarketing, Sears is a lot smarter than people realize, and it has a great deal of potential to market financial services very aggressively one of these days," he says. "We fully expect that it will." AA

MEDIA WATCH

Money books post mixed results

Circulation	Ad revenues	Ad linage	Biggest advertiser
Money			
1,810,966('88)	$38,982,000 ('88)	704.4 pp. (1/88-6/88)	General Motors Corp.
1,878,279('87)	$37,234,000 ('87)	770.4 pp. (1/87-6/87)	
Changing Times			
1,192,163 ('88)	$7,044,010 ('88)	364.9 pp. (1/88-6/88)	Fidelity Investments
1,397,485 ('87)	$8,041,443 ('87)	390.4 pp. (1/87-6/87)	
Sylvia Porter's Personal Finance			
459,549 ('88)	$2,137,607 ('88)	197.6 pp. (1/88-6/88)	Fidelity Investments
406,361 ('87)	$2,307,187 ('87)	251.2 pp. (1/87-6/87)	

Note: ABC circulation data, ad linage and revenue figures are for first two quarters.

Affinity

(Continued from Page S-1)

While some predict that the pace of affinity card introductions will slow during the next several years, others say the programs will remain popular. But they warn that the next generation of cards will reveal more about consumers' affinity to their wallets than to a group or charity. At the same time banks will be more careful about choosing partners.

"Banks are being more selective of the groups they decide to work with. Some are even going back to the sponsoring organizations and renegotiating their offers," says Greg Spagna, president of the financial services group of Market Facts research company.

He says banks are revamping their programs because research shows that consumers are interested in merchandise discounts and low interest rates—more than pass-along benefits for affinity groups. "If all of the value goes to the sponsoring organization, consumers don't respond as well," Mr. Spagna says.

Stephen Bartell, director of ID Plus, MasterCard's affinity division, echoes this refrain, saying the motivation to use the card will increasingly come from consumers' understanding of "what the card can do for them."

But he does not discount the importance of affinity ties. "We have no indication that affinity cards have peaked. In fact, more banks are coming into affinity marketing and bringing more associated groups in than ever before," Mr. Bartell says.

The concept still is evolving, although it still is billed as a something-for-everyone program. Credit-card companies and banks attract cardmembers, increase card usage and have a way to distinguish their products. The Visa study shows that affinity card holders tend to spend more—their average monthly statement was $693 compared to a systemwide Visa average of $388.

In addition, Visa found for 44% of its affinity cardholders, the affinity card was their first Visa.

Participating groups may receive fees for bringing in new cardholders, and they get a product to sell as their own. Consumers get the satisfaction of using a credit card that reinforces group allegiance and benefits the organization—and they are increasingly being lured by competitive rates and merchandising discounts.

A recent study by *American Banker* confirms the importance consumers place on basic economic benefits. Low interest rates and fees were the main reason 28% and 21%, respectively, acquired affinity cards. Only 11% listed benefits to sponsoring groups at the top.

Several types of cards have been created to date: product benefit cards, lifestyle cards and personality cards, among others.

Product benefit cards, for example, may offer frequent flier discounts; lifestyle cards typically involve groups of people united by common interests; personality cards play off the devotion of star gazers—the Elvis Presley affinity card claims to be the first of this type.

Amid cries of oversaturation, experts cite developing areas. Employee benefit cards may become a common company perk; retailers may switch to co-branding cards instead of running independent charge operations; marketers may zero in on ethnic groups—two affinity programs already target Armenians; and mall cards with frequent-shopper benefits will pop up in key residential/commercial areas.

Most think that the next stage of affinity card development will be dominated by similar highly targeted, localized programs. "The next surge of activity will be highly segmented programs, by lifestyle, by geographic region and by demographic characteristics," says John Pollock, publisher of *Bank Credit Observer*.

Kelly Wells, president of Future Resources, an affinity program developer, thinks "most of the good cause-related groups are gone." Nonetheless, she's confident the basic idea is sound. "The genius of the concept is its ability to reinvent itself," Ms. Wells says.

Her company is working on several programs due next year. One, for the 400,000-member National Committee for the Prevention of Child Abuse, entails a tie-in with a major family magazine in the cause-related effort. Another, involving the entertainment industry, will support the Actors' Fund.

Mr. Bartell says MasterCard will "continue, wherever possible, to unearth opportunities" for new affinity programs and further enhance programs.

Whether the cards provide altruistic or materialistic perks, banks and sponsoring organizations need to be more creative in relating card benefits to the association, says John Love, publisher of *Bank Network News*.

"The concept of affinity cards has to go back to its roots: real benefits." AA

Contributing editor Kristine Stiven coordinated this report on Financial Services Marketing.

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Coupons gain favor with U.S. shoppers

By IRA TEINOWITZ

CHICAGO—Shoppers are using coupons as much as ever and do not see coupons or other promotional devices as cheapening a product's value, according to a new study.

Fully 98% of households have used coupons in the past year and 97% of households in the past 30 days, reports a national survey of 654 households by Frankel & Co. a marketing services company.

The survey has a 2% margin of error.

But the study finds some changes in the past four years in the way consumers view coupons and other promotional programs.

Among the changes:

- Consumers are more willing to send in for rebates.
- Consumers are more likely to use coupons for brands they usually buy, and less likely to use coupons as incentives to try new brands.
- The great majority of consumers take coupons with them when they go grocery shopping.
- Shoppers are redeeming fewer coupons they get in grocery stores.
- Consumers are less likely to play rub-off games, though 48% of consumers still play the games.

The 1988 study, similar in methodology to one Frankel conducted in 1984, reported that 89% of all consumers liked coupons and 47% felt more positively toward brands that offered some sort of promotions.

Half of consumers said promotions didn't affect their overall feelings about a brand either way.

"Consumers hold a generally more favorable opinion of those brands of grocery products that offer promotional discounts of one type or another," the study reported.

Shoppers, according to the study, also appeared willing to participate in a variety of promotional programs, with 84% reporting having used free samples and 87% rebates in the past year.

The study said 62% participated in sweepstakes and 48% used proofs of purchase to get a free gift.

Don Packard, research director, said the positive feelings of consumers toward coupons was one of the study's biggest surprises.

"The magnitude of the favorability was a little bit of a surprise to me," he said, noting that there had been sales promotion industry concern that too much couponing might hurt a brand.

He attributed consumers' increased willingness to use rebates to more rebates being offered and a rise in the amount of individual rebates.

"Their value has increased over the years," he said. "Now even batteries give $1 back."#

How shopper's use coupons

Questions	Percentage answering "always" or "almost always" 1984	1988
Do you use coupons for brands normally bought?	78%	84%
Do you use coupons to try new brands or products?	38	32
Do you use coupons that you get in groceries?	54	29
Do you take coupons with you when grocery shopping?	84	81
Do you use coupons that enter you in sweepstakes?	29	21
Do you send in labels or proofs of purchase for refunds or rebates?	34	54

Source: Frankel & Co.

Interpublic taps Day as its 1992 emissary

By JON LAFAYETTE

NEW YORK—Barry Day has been called away from McCann-Erickson Worldwide to assess the changes 1992 will bring to the European market for Interpublic Group of Cos., the agency's parent.

Mr. Day, 54, who had been vice chairman of McCann since 1981, will become Interpublic Chairman Philip Geier Jr.'s assistant. They first worked together in 1970 when Mr. Day joined McCann as creative director of the London office and Mr. Geier became McCann London chairman.

McCann has no plans to replace Mr. Day, a flamboyant creative executive who helped the agency create global images for clients including Coca-Cola Co. and Exxon Corp. He also set up a worldwide creative team headed by Exec VP-Worldwide Creative Director Marcio Moreira.

B. Day

Other executives will be brought in to oversee agency services Mr. Day had monitored as worldwide director of professional services.

"I've got things in place at McCann, and Geier said, 'How'd you feel about getting back in harness again?' " Mr. Day said.

The year 1992 is important because governments in Europe hope to harmonize regulations by then and create a unified European marketplace.

"The key project I'll be working on is a proper assessment of what 1992 and a single European market means," he said. "Much has been said about it, written about it, which is partly true and the rest a lot of rubbish. He [Mr. Geier] wants to make it a theme this year and take an Interpublic overview.

"Phil feels that we, as European as well as worldwide leaders, should have a view on and make clients aware" of the implications of the changes in Europe, Mr. Day said.

Mr. Day said that as an emissary from Interpublic, he will be working with the company's other agencies, Lintas:Worldwide and Lowe Marschalk, as well as government officials, clients and even non-clients.

He also will work on other undisclosed projects for Interpublic.

Mr. Day began his career in 1956 as a management trainee with Lintas, where he rose to creative director. He earned bachelor's and master's degrees from Balliol College, Oxford, England.#

Audi to give TV networks second shot

By RAYMOND SERAFIN

TROY, MICH.—Audi of America will likely return to network TV in late February or early March, but isn't backing away from its long-term commitment to build an image through print.

Network and cable buys would be used to enhance the first-quarter launch of a new multivalve engine for the 90 Quattro, and in the second quarter to introduce a coupe version of the 90 series, according to Anthony Kirton, director of marketing for Audi, a unit of Volkswagen of America.

Audi and General Motors Corp.'s GMC Truck division earlier bowed out of network TV (AA, Oct. 24), each saying it would invest the money in print media, where it could better afford to build a long-term image among affluent prospects.

That decision prompted responses from "plenty of magazines" and one "pretty interested" network, Mr. Kirton said.

The money for TV represents ad spending increases specifically for the launch periods, and won't come out of the print budget, Mr. Kirton said.

"We will maintain a major print presence in 1989. We still believe it is our base medium," he said.

But, he added, "We're taking a long, hard look at cable, and we will probably be a relatively heavy user."

Cable offers a niche marketer such as Audi some of the same ability as specialty magazines to reach narrow target groups, Mr. Kirton said.#

Omnicom job

(Continued from Page 4)

factory progress," said Alan Gottesman, analyst at PaineWebber. "If I had to pick one [negative], it would be the new-business activity of DDB Needham," he said.

"I don't know whether it's been successfully accomplished," said Mr. Crawford of the DDB Needham merger. But he expressed confidence in Mr. Reinhard's talents. He said he attempted to lure the Needham executive to BBDO in 1980.

In reviewing Omnicom's operations, Mr. Crawford said that he's less concerned with the particulars.

"A lot of things may end up as the icing. What the cake is is the quality of operations that make up Omnicom. Sure, one wants to figure out how to maximize the operations and there are questions about integration and all that, but basically in the end how good the operating units are will spell the failure or success of Omnicom, and we can't lose sight of that."

Mr. Rosenshine, in an interview after the Nov. 4 personnel announcement, said he's "happy that we've taken [Omnicom] from consolidations and write-offs to two years of solid performance.

"DDB Needham has stabilized and BBDO continues its mandate to improve its multinational business picture. But mostly I'm happy that the creative reputation on which Omnicom is based is fully supported by the performance of the last two years."

Mr. Rosenshine said his move back to BBDO was prompted by a desire to be closer to the advertising business, and by Mr. Campbell's decision to retire. Other sources cited personality conflicts between Mr. Campbell and other BBDO executives as the reason for his departure.

Some sources said Mr. Campbell's leadership of BBDO was never viewed as more than a "transitional" role quickly agreed upon because Mr. Campbell was the only logical executive to succeed Mr. Rosenshine when Omnicom was formed.

Financial analysts generally view Omnicom's progress since April 1986 as steady but somewhat slow.

"Clearly, they've gone down the long road and made strong gains in melding the cultures together," Mr. Ostroff said. "You've got to give Allen a lot of credit for that. But they've clearly not lived up to expectations yet, and financially the company has not lit the world on fire."

He cited cash management problems as one example of less-than-strict controls, despite a 25% earnings gain in the third quarter and a 20% gain for the year to date.

"Personally, I think they might've been able to get a little bit further a little bit sooner," Mr. Gottesman said.

But both agree Mr. Crawford is the man to help move Omnicom beyond a transitional period. In his three years running the Met, Mr. Crawford erased deficits that ran as high as $8 million in one season, and helped reverse severe box-office declines.

In the 1988-89 season, 92% of the Met's seats have been sold. And Mr. Crawford has led the opera to resume recordings and its foreign tours for the first time in 13 years.

"Either I was going to stay here for the rest of my active career or this was going to be the thing that changed my mind," he said of an offer by Mr. Rosenshine in early September to replace him as head of Omnicom. "It isn't as though I didn't know the place, so I decided to do it."

"Omnicom is interesting to me because, in the first place, it's a recent development and people are wondering how well it will work. It would not interest me to run an ad agency per se, because my skills are much better suited to the parent company.

"There you have to be a lot of things, an entrepreneur, a manager, a psychiatrist and a promoter. It's fascinating to me."

Mr. Crawford is a 22-year BBDO veteran, joining the agency in 1963 as a VP-management supervisor after working stints at Benton & Bowles and Ted Bates Co. and after two years as ad manager of Chesebrough-Pond's.

In his early years, he worked with Mr. Rosenshine, then a young copywriter, on the Gillette Co. account.

ALLEN ROSENSHINE

In 1969, Mr. Crawford became head of BBDO's fledgling international division, then took over worldwide financial and administrative responsibilities in 1974, just as the company went public.

He became president of BBDO International in 1975, ceo in 1977 and chairman in 1982, shortly before leaving to join the Met full-time.

He said he had no involvement in the formation of Omnicom and has had no more than a social relationship with Mr. Rosenshine and Philip Dusenberry, BBDO vice-chairman and New York chairman-ceo, since leaving the agency.

He sees parallels between the agency and opera worlds, as both are dominated by creativity and egos, and not necessarily in that order.

"Basically, people are interested in the star system," Mr. Crawford said. "Here there's Luciano Pavarotti, [Placido] Domingo and Joan Sutherland. There it's who's going to make the advertising. Phil Dusenberry, Keith [Reinhard] and Allen [Rosenshine]. I happen to believe in brand names and what you build into them."

Observers describe Mr. Crawford as a forthright and effective manager. "He's got a unique talent to let people develop on their own," said Willi Schalk, president-chief operating officer at BBDO.

"Bruce's strength is a function of his directness," Mr. Gottesman said. "The guy's a very clear thinker and there's a v short pathway between his b...n and his mouth. He's very direct and incisive, but he's not a hip-shooter."

For his part, Mr. Crawford describes himself as an effective, moderate delegator.

"My feeling is that anybody who knows me in the business would say I'm no cowboy, no casino operator and, on the other extreme, I'm not given to reliance on unnecessary financial controls.

"What I believe in is building businesses and building them based on client needs and then getting a fair price. I'll probably give other people most of the work in designing the tools. I'm most interested in individuals and designing groups, and if that style isn't desired, no one should go into business with me.

"What I'm attempting to do [at the opera] is make sure we have the best singers and conductors and composers and designers, and to create an environment and an enthusiasm for the task at hand and make it possible for people to perform to the best of their abilities. That's what running a creative or artistic-driven operation is all about."#

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The Seco... ns JWT buy—P. 18 | Winski: One person's N.Y.—P. 40

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November 21, 1988

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Last Minute News

Omnicom, Ogilvy pact near

NEW YORK—Omnicom Group and Ogilvy & Mather are expected soon to sign their long-discussed joint media-buying agreement, possibly by Dec. 12, sources said. The flexible agreement will expand on a country-by-country basis, with the Netherlands likely to be first to start operation. Other markets to be added soon are Australia and France. Agency officials said talks were progressing but no deal was imminent.

Family Media offers discount

NEW YORK—Family Media next year will offer advertisers an "Added Impact Buys" program, a corporate ad-rate discount plan similar to incentive plans started by other magazine publishers in recent years. Discounts will be as high as 30%. Family Media's 10 consumer magazines have been organized into four categories—men, women, in-

(Continued on Page 8)

Si Newhouse on 'Woman'—P. 6

Burger King opens door for new shop

By SCOTT HUME

Burger King Corp. all but officially threw its $200 million account open for review again last week, saying it's "looking at the option of another agency developing our new creative."

A spokeswoman declined to say how aggressively the chain is looking, but she denied a report that N W Ayer, New York, has been terminated.

Ayer "continues to develop advertising and place media for our marketing programs," the spokeswoman said.

The move comes after last week's closed-door sessions with Burger King franchisees and executives of Pillsbury Co., Burger King's parent. Pillsbury is fighting a takeover attempt by Grand Metropolitan and has suggested spinning off Burger King into a separate company.

A memo to agency personnel issued Friday by Ayer USA Chairman Jerry Siano said, in part: "We have worked at an incredibly fast pace in the last 14 months for this client, and that pace will not change. Rest assured that if our relationship should change at any time with this or any other client, you will certainly be kept informed by me."

But now, only 14 months after the largest single account shift in advertising history—and after 14 months of what one agency's chief executive called "one of the screwiest agency/client relationships I've ever seen"—history appears destined to repeat itself.

As a result, several major agencies—some of which already are making informal preparations for a Burger King review (AA, Nov. 14)—suddenly are thinking about visiting Miami over the holidays.

Burger King's statement could suggest it will review only the creative assignment, allowing Ayer to keep control of the massive media-buying network it has spent 13 months—and much money—developing and staffing to service the centralized account.

Dividing the account would allow

(Continued on Page 58)

Gen'l Foods rethinks regional efforts

By JUDANN DAGNOLI

General Foods Corp., one of the leading proponents of regional marketing, is rethinking its strategy.

The company is measuring the degree that "regional marketing is a public relations venture by the marketing community and to what degree it is substantive," said James J. Morgan, staff VP-marketing planning at GF's parent, Philip Morris Cos.

Mr. Morgan was interviewed with Philip Morris Chairman-CEO Hamish Maxwell and Vice Chairman William Murray (AA, Nov. 14).

Since early 1987, General Foods has viewed regional marketing as the answer to grocery trade demands. Funded by promotional dollars, the local programs would develop a good working relationship with the trade to help reduce promotional allowances.

But trade pressures are still coming from chains such as Winn-Dixie Stores, which has frustrated regional marketing efforts with its demand that marketers shun special local pricings and use only national pricing policies.

Although Mr. Morgan wouldn't comment directly on the Winn-Dixie situation, he said, "There's a lot of turmoil, and that's why I say a lot of things have to get sorted out of what the reality is and what the real interests are of all the different people in the loop," especially the trade.

Mr. Morgan said he will make his recommendations to Messrs. Maxwell and Murray in the near future.

Despite General Foods' fading enthusiasm, Campbell Soup Co., another major food marketer with a head start in regional marketing, remains committed.

"We have absolutely no intention of pulling back our regional marketing program," said David Hackney, Campbell's manager of public relations. "We are convinced that's where the future lies."

The divergent reactions of the two marketers appear to be caused by their differing regional goals.

Campbell, reported to be paying no slotting allowances, doesn't regard regional programs primarily as a means of reducing trade promotion costs.

And the company's program, which sepa-

(Continued on Page 62)

Illustration by Tony Griff

Seniors open a seniors shop

By DAGMAR MUSSEY

MUNICH—While other admen in their 60s retire, Friedrich Ortmeyer and Werner Herrwerth are starting a specialty ad agency here directed at "yuppies with wrinkles."

Mr. Ortmeyer, 61, a well-known creative freelancer, and Mr. Herrwerth, 64, who's a partner in Herrwerth & Partner here, claim Senior-Partner is the first agency in Europe directed at the 50-to-69 age group.

"We speak the language of this group," Mr. Ortmeyer said.

Marketers are showing interest and for good reason. Currently, 27% of the West German population is between 50 and 69 years old. By the year 2000, it could be 40%.

"I cannot yet give you any names, but we've had various inquiries from the pharmaceutical industry, some consumer-goods companies, and even a food chain inquired because some youth groups become smaller and smaller," Mr. Ortmeyer said.

Members of the 50-plus group feel neglected by advertisers since ad campaigns mostly focus at the young, he said. "But this 50-plus group is very affluent here."

Senior-Partner, a subsidiary of Herrwerth & Partner, will target the 50-plus age group but still won't neglect younger groups.

Senior-Partner plans to establish contacts with working groups at various universities, since many in the 50-plus segment are going back to college and many colleges conduct studies on the group's behavior.

Ties will also be formed with political ministries and publishing houses. "The German publishers Springer, Bauer and Jahreszeiten Verlag, all in Hamburg, have tried to launch magazines for this group, but so far nobody succeeded," Mr. Ortmeyer said. "Our newly established agency will also give advice on such publishing projects."#

J&J sends Tylenol after Alka-Seltzer

By PATRICIA WINTERS

In what could be the first major attack on Miles' Alka-Seltzer in years, Johnson & Johnson will try to take some fizz out of the antacid kingpin with new Tylenol Extra-Strength Antacid.

J&J's McNeil Consumer Products Co. has moved the Tylenol antacid into Green Bay, Wis., and a few other unidentified, smaller markets.

A source close to the company said McNeil would spend at competitive levels if the product rolls nationally, though no plans for such an introduction are in place yet.

"You can look at what Alka-Seltzer spends," the source said. "You can't compete with a whisper. You'll observe that when McNeil decides to launch a new product, they do it right."

In 1987, Miles spent $48 million on its Alka-Seltzer products, Leading National Advertisers reported. J&J spent about $70 million on the complete Tylenol line.

McNeil doesn't comment on test products, a spokeswoman said.

Tylenol Extra-Strength Antacid is being supported by TV spots, themed "It makes fast work of an upset stomach," via Saatchi & Saatchi Advertising, New York.

"This is literally the first effervescent entry I can remember . . . in years," said Robert Benezra, analyst with H.C. Wainwright & Co., noting that Bristol-Myers Co. failed with a heavily promoted entry, Resolve, in the early- to mid-1960s.

"No one has ever been able to duplicate the success of Miles" with Alka-Seltzer, he said.

Since Resolve failed, three other competing products have been tested but never rolled out: American Home Products Corp.'s Anacin Seltzer; Block Drug Co.'s Seltzer 2000; and Warner-Lambert Co.'s Bromo-Seltzer in tablet form.

Alka-Seltzer is the longtime leader in the effervescent segment of the antacid category; its only significant competitor is regular Bromo-Seltzer, which owns a small share of the market but gets little ad support.

Last year, Alka-Seltzer had an estimated 13% share of the total $870 million antacid category.

McCann-Erickson Worldwide is the agency for regular Alka-Seltzer; Wells, Rich, Greene handles Alka-Seltzer cold-remedy products.

Tylenol antacid is a testament to the strength of brand names in an economy where it's extremely difficult to launch new ones. Line extensions that cross over into other categories pervade nearly every package-goods market, from cosmetics to drugs to foods.

Tylenol already has crossed over into other categories with Tylenol Cold and Tylenol Sinus medicines. A move into antacids is considered a natural because the test product contains both an antacid and Tylenol's key analgesic, acetaminophen. Alka-Seltzer contains both an antacid and aspirin.

Expanding Tylenol also is important as the analgesic brand leader faces increasing competition in the $2.2 billion market due to the rise of ibuprofens, such as American Home Products' Advil and Bristol-Myers' Nuprin, and renewed interest in aspirin.

"They are trying to take the Tylenol name and get it into as many categories as they can because they have that brand recognition," said Elizabeth Hicks, an ana-

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States may sue over airfare ads

By JENNIFER LAWRENCE

Five states are threatening to sue five airlines for deceptive advertising in what could become a significant regulatory showdown.

Last week, the states notified American Airlines, British Airways, Continental Airlines, Pan American World Airways and Trans World Airlines by letters that surcharges must be included in the advertised fare rather than in a footnote.

State attorneys general in California, Massachusetts, New York, Texas and Washington told the airlines they must be in compliance after Nov. 30 or face lawsuits.

At press time, the airlines hadn't said whether they'd comply.

The states' action pits them against specific U.S. Department of Transportation orders that allow certain surcharges to be included in a footnote of an air-fare ad. These surcharges usually pertain to international air fares and include a $3 departure fee, a $10 customs fee and a security surcharge (usually $10).

However, the states maintain airlines that disclose surcharges through footnotes violate their respective state laws.

Writing on behalf of the five states in the Nov. 14 letter, Texas Assistant Attorney General Stephen Gardner warned the airlines, "The states are aware that certain members of the industry have voiced the opinion that state enforcement of our consumer protection laws has been pre-empted by the DOT. The states disagree. Regardless of whether DOT is willing to allow deceptive advertising, the states are not."

The who's-in-charge-here question is complicated further by a fed-

(Continued on Page 60)

Security Pacific combines accounts

Banking on D'Arcy

By MARCY MAGIERA

LOS ANGELES—Security Pacific Corp. deposited its consolidated $20 million account for its five Western banking subsidiaries at D'Arcy Masius Benton & Bowles.

"We were looking for an agency that can handle building a cohesive interstate image for us," said Deborah Lewis, Security Pacific first VP-director of corporate communications. "DMB&B demonstrated they can run an interstate campaign from one location."

DMB&B competed against J. Walter Thompson USA and Hal Riney & Partners for the combined account.

Riney lost $10 million in billings from the company's flagship Security Pacific National Bank. It had held the account for 15 months.

Security Pacific operates Security Pacific National Bank in California; Rainier National Bank in Washington and Alaska; Oregon Bank in Oregon; and Arizona Bank in Arizona. It will acquire Nevada National Bank in January.

DMB&B has been Arizona Bank's agency.

The consolidation also affects McCann-Erickson Worldwide, Seattle, which is losing Rainier's $4 mil-

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October consumer magazine ad linage

	Current month 1988	1987	Year-to-date 1988	1987
■ Auto/cycle/rec. vehicles				
ATV Sports	17.8	35.8	284.5	423.2
Autoweek (52X)	186.6	162.5	1,654.2	1,490.2
Car & Driver	89.2	86.2	1,009.2	930.7
Car Collector & Car Classics	22.3	17.9	169.9	172.1
Car Craft	74.3	86.7	833.1	864.9
Circle Track	72.7	66.5	808.2	763.9
Cycle	27.0	21.4	425.3	446.3
Cycle World	37.8	29.2	474.4	501.3
Dirt Rider	28.4	29.5	371.6	342.6
Dune Buggies & Hot VWs	70.0	72.9	740.5	762.9
Family Motor Coaching	187.1	154.6	1,749.1	1,558.0
4 Wheel & Off-Road	96.1	87.5	891.5	887.4
Four Wheeler	84.0	89.0	894.0	861.0
Hot Rod	69.5	60.9	877.1	744.2
Motorcyclist	21.7	24.9	426.6	473.5
Motor Trend	62.9	52.5	772.6	746.6
Motorhome	101.7	79.6	933.1	850.3
Rider	39.9	25.3	397.5	413.1
Road & Track	104.8	86.1	1,031.0	1,002.6
Trailblazer	64.0	67.0	654.2	533.6
Trailer Life	103.5	103.3	983.4	1,051.7
Total Group	**1,561.3**	**1,439.3**	**16,381.0**	**15,820.1**
% change	**8.5%**		**3.5%**	
■ Boating & yachting				
Boating	165.3	147.8	1,597.0	1,522.5
Chesapeake Bay	77.0	69.3	525.2	475.3
Cruising World	261.8	268.2	1,260.8	1,283.7
Lakeland Boating (11X)	70.0	58.5	809.9	716.1
Motor Boating & Sailing	140.6	153.5	1,556.6	1,632.8
Sail	121.0	115.1	1,103.9	1,096.3
Trailer Boats (11X)	42.1	30.1	628.4	530.6
Western Boatman (6X)	—	—	258.3	186.1
Yachting	145.5	152.0	1,450.5	1,425.1
Total Group	**1,023.3**	**994.5**	**9,190.6**	**8,868.4**
% change	**2.9%**		**3.6%**	
■ Civic/fraternal				
American Legion	41.7	36.4	363.9	340.4
Elk (10X)	17.4	18.0	155.2	175.6
Kiwanis	21.3	17.6	140.3	160.9
Lion (10X)	7.1	13.0	58.1	76.8
Rotarian	32.7	21.5	172.8	148.3
V.F.W. (11X)	34.0	33.8	262.4	284.1
Total Group	**154.2**	**140.3**	**1,152.7**	**1,186.1**
% change	**9.9%**		**-2.8%**	
■ General				
American Health (10X)	52.2	79.5	548.9	580.5
American Heritage (8X)	—	—	229.8	187.8
American West (6X)	41.5	36.3	172.3	183.8
The Atlantic A.	38.1	46.4	398.9	337.2
Bon Appetit A.	107.2	95.2	795.0	789.9
Cable Guide	40.8	32.6	317.6	216.5
Changing Times	74.0	69.5	550.5	614.0
Conde Nast's Traveler	66.7	38.5	495.4	113.0
Connoisseur	133.6	139.9	820.8	750.8
Consumers Digest (6X)	—	—	114.0	113.3
Ebony	92.7	99.6	984.0	912.4
Fifty Plus	38.8	41.0	314.2	384.1
Finance (10X)	28.1	48.0	291.0	383.5
Food & Wine	72.6	73.8	519.0	555.9
Games (6X)	—	—	64.6	67.0
Golden Years	30.8	37.0	316.0	295.9
Gourmet	135.4	148.0	981.9	976.8
Harper's Magazine A.	34.7	36.5	320.9	303.0
Harrowsmith (6X)	—	—	254.4	240.0
Let's Live	49.0	58.0	486.0	456.0
Life	64.8	41.7	542.7	448.1
Modern Maturity (6X)	45.8	50.6	182.4	228.3
Money	185.2	194.1	1,145.7	1,253.8
Money Maker	9.2	8.0	41.8	36.8
National Geographic	21.5	26.4	218.1	199.2
National Geographic Traveler (4X)	—	—	118.7	117.0
Natural History	52.8	51.5	376.2	347.9
Prevention	49.0	61.0	548.1	619.6
Psychology Today	34.1	32.7	278.5	292.0
Reader's Digest A.	96.0	112.6	984.1	887.7
Saturday Evening Post (9X)	33.1	42.1	246.5	289.3
Smithsonian	101.5	119.3	843.9	827.5
Town & Country	194.2	212.8	1,282.7	1,284.9
Travel-Holiday	72.0	64.2	549.5	531.0
Travel & Leisure	158.6	141.8	1,088.2	967.8
Vanity Fair	119.4	93.6	907.0	657.8
Writer's Digest	23.1	26.8	288.7	279.7
Yankee	104.3	108.2	751.1	790.9
Total Group	**2,400.7**	**2,467.1**	**19,368.9**	**18,520.6**
% change	**-2.7%**		**4.6%**	
■ Home				
Americana (6X)	17.0	26.8	83.2	107.7
Architectural Digest A.	223.6	174.8	1,454.8	1,217.5
Better Homes & Gardens	153.6	155.4	1,161.7	1,097.2
Colonial Homes (6X)	77.1	83.5	304.2	322.3
Columbus Monthly-Homes (4X)	35.6	33.2	150.5	120.1
Country Home (6X)	84.6	77.2	281.5	277.8
Country Living	125.4	114.7	913.3	876.2
Family Handyman (10X) A.	57.1	66.8	421.4	454.8
Florida Home & Garden	91.6	55.5	727.6	418.4
Flower & Garden (6X)	38.0	39.6	214.9	212.0
Home	90.7	51.6	614.5	532.2
Home Mechanics	79.9	83.8	529.2	587.3
The Homeowner (10X)	32.7	40.1	241.9	296.7
Horticulture	36.7	35.9	388.3	363.9
House Beautiful	109.2	95.7	714.0	714.0
House & Garden	121.5	139.9	913.1	935.1
Metropolis	104.1	101.6	557.1	523.4
Metropolitan Home	109.5	80.9	852.5	634.4
1,001 Home Ideas	69.2	81.0	573.1	510.4
Organic Gardening	36.7	40.3	443.2	487.8
Phoenix Home/Garden	75.8	81.0	713.5	709.0
Practical Homeowner	33.8	52.3	332.6	386.2
San Diego Home/Garden	63.8	63.0	706.6	650.2
Southern Accents (6X)	—	—	588.7	499.1
Southern Living	127.4	140.4	1,208.5	1,183.5
Sunset Magazine A.	153.7	162.5	1,379.9	1,365.9
Workbench (6X)	—	—	192.6	227.6
Total Group	**2,148.1**	**2,077.4**	**16,662.2**	**15,710.8**
% change	**3.4%**		**6.1%**	
■ In-flight & other passenger				
Aboard Group (6X)	—	—	176.2	135.2
Alaska Airlines	57.4	57.0	555.4	554.8
America West Airlines	72.5	64.3	622.0	500.5
American Way (24X)	203.1	164.5	1,378.4	1,089.6
East/West Network:				
Continental	[illegible]	—	496.3	—
Eastern Review	[illegible]	71.3	557.7	667.8
Northwest	[illegible]	53.7	397.9	468.7
Pan Am Clipper	[illegible]	61.3	442.1	431.1
Spirit	[illegible]	67.2	625.2	595.9
TWA Ambassador	3.9	58.8	453.6	495.4
Vis 'A Vis	94.1	74.8	629.9	583.8
Halsey Publication:				
Delta Sky	94.5	101.7	809.2	809.2
Pace Communications:				
Piedmont Airlines	104.5	111.2	960.7	900.0
US Air	76.9	73.3	605.4	517.2
Spirit of Aloha (6X)	22.5	33.1	207.8	311.0
Total Group	**1,084.1**	**992.1**	**8,917.7**	**8,060.1**
% change	**9.3%**		**10.6%**	
■ Men's				
Esquire A.	139.8	109.7	991.3	898.8
Firehouse Magazine	68.3	56.6	464.9	460.8
Gentlemen's Quarterly A.	241.8	220.9	1,728.5	1,542.6
M Magazine	122.2	102.0	783.8	757.5
Muscle & Fitness	122.5	128.8	1,223.6	1,237.4
Penthouse A.	38.1	42.7	428.2	406.7
Playboy A.	58.7	61.2	534.9	523.8
Salute (10X)	27.9	30.7	233.2	181.2
Total Group	**819.3**	**752.5**	**6,388.4**	**6,008.8**
% change	**8.9%**		**6.3%**	
■ Metropolitan				
Aloha (6X)	—	—	—	—
Atlanta	82.2	71.7	693.5	591.9
Baltimore	72.9	115.7	678.7	749.1
Boston	191.4	181.8	1,560.7	1,606.4
California	121.6	90.8	652.6	609.1
Chicago	172.4	120.0	1,116.5	1,018.2
Chicago's North Shore	101.1	96.3	908.1	842.5
Cincinnati	80.7	98.7	492.9	631.4
Cleveland	60.2	77.5	579.8	687.1
Coast (39X)	242.2	212.0	1,944.9	2,282.0
Columbus Monthly	88.0	93.9	716.2	724.4
Connecticut	139.8	134.4	1,038.4	999.9
D/Magazine	127.1	142.7	864.5	1,096.8
Denver	30.7	38.7	333.8	360.8
Detroit Monthly	95.1	85.4	839.9	690.3
Grand Rapids	45.8	29.0	394.3	416.2
Gulfshore Life (10X)	55.0	57.0	659.0	611.0
Honolulu	52.1	56.8	576.3	605.3
Houston Metropolitan Mag.	58.0	73.0	576.0	697.0
Louisiana Life	—	—	173.4	191.0
Madison	44.0	51.0	360.7	506.6
Memphis	82.3	77.0	838.6	789.0
Mid Atlantic Country	40.3	27.6	367.4	339.7
Milwaukee	65.0	78.0	553.9	604.6
Minneapolis/St.Paul	116.1	119.8	1,015.1	1,026.6
Minnesota Monthly	43.3	35.9	441.2	443.9
Nashville	34.0	80.0	432.0	476.0
New England Monthly	67.0	47.0	485.9	440.2
New Jersey Monthly	136.3	135.4	1,032.1	942.3
New Mexico	34.6	38.0	386.2	323.8
Ohio	72.9	72.5	575.9	608.2
Orlando	86.8	94.0	855.8	917.9
Palm Beach Life	93.0	77.1	609.4	598.8
Palm Springs Life	109.9	119.9	1,149.0	1,158.6
Philadelphia	179.1	175.9	1,510.4	1,461.9
Phoenix	—	—	—	—
Pittsburgh	63.3	74.3	689.1	674.2
St. Louis	39.3	68.8	440.3	595.1
San Diego	146.9	185.6	1,654.1	1,552.9
San Francisco Focus	149.8	134.5	975.8	959.8
South Florida Magazine	83.9	62.5	1,005.7	546.2
Texas Monthly	183.1	146.9	979.5	968.1
Twin Cities	111.8	104.1	775.6	698.1
The Virginian (6X)	—	—	305.8	298.6
Washington (7X)	—	—	356.3	300.0
The Washingtonian	194.3	183.0	1,523.7	1,483.8
Total Group	**3,993.2**	**3,963.9**	**34,119.0**	**34,125.1**
% change	**0.7%**		**0.0%**	
■ Music/entertainment				
Audio	41.3	40.7	429.8	467.1
Dance Magazine	49.0	51.8	525.9	582.3
Playbill	65.2	55.6	510.7	447.5
Video Magazine	67.3	66.0	629.0	684.0
Total Group	**222.9**	**214.1**	**2,095.4**	**2,180.8**
% change	**4.1%**		**-3.9%**	
■ Outdoor & sport				
Alaska	36.2	32.4	346.0	340.1
The American Handgunner (6X)	—	—	263.0	229.0
American Hunter	40.6	34.4	268.3	251.6
American Rifleman	38.9	24.5	256.5	222.0
Bass Master (10X) A.	—	—	526.9	543.0
Bicycling (9X)	70.2	62.5	1,025.2	817.6
Ducks Unlimited (6X)	—	—	141.3	176.9
Field & Stream	77.8	75.5	852.8	869.4
Fins & Feathers A.	35.2	34.0	151.3	311.2
Fishing World (6X)	—	—	185.2	190.2
Florida Sportsman	103.7	97.9	1,339.7	1,282.3
Golf Digest	75.3	70.5	1,071.9	975.4
Golf Illustrated	40.0	30.3	394.6	261.4
Golf Magazine	62.3	47.8	920.9	748.8
Gun Dog (6X)	—	—	198.4	181.3
Guns	53.0	41.0	376.0	326.0
Guns & Ammo	87.6	84.5	524.1	490.3
In-Fisherman (6X)	—	—	—	—
Outdoor Life	86.8	89.5	782.0	818.8
Outside Magazine	—	—	—	—
Petersen's Hunting	98.7	91.6	536.8	539.9
Runner's World (12X)	45.6	42.7	355.2	365.8
Salt Water Sportsman	101.2	79.8	1,178.2	1,040.5
Sierra (6X)	—	—	203.1	192.9
Shooting Times	54.9	51.7	396.2	380.5
Ski (8X) A.	178.0	170.2	633.8	625.2
Skiing (7X) A.	151.1	225.0	582.1	618.3
Skin Diver	102.8	84.2	1,151.8	1,040.9
Southern Outdoors (9X)	53.6	36.0	513.9	410.2
Southern Saltwater (8X)	—	28.2	264.7	224.4
Sport Magazine	35.5	40.8	362.7	398.2
Sports Afield	60.4	113.2	735.3	850.0
Tennis	39.5	48.3	777.3	723.6
Waterski (8X)	52.3	51.3	551.8	390.7
Western Outdoors (10X)	41.0	35.8	395.7	383.0
Wildfowl (6X)	37.8	37.5	114.8	89.6
WindRider (8X)	—	—	369.9	312.8
Wing & Shot (6X)	—	—	89.8	72.3
World Tennis	28.9	28.6	572.1	336.7
Total Group	**1,888.5**	**1,889.5**	**19,509.3**	**18,030.7**
% change	**-0.1%**		**8.2%**	
■ Photography				
American Photographer	28.0	41.2	320.3	370.2
Petersen's Photographic	31.9	31.6	264.2	270.3
Popular Photography	82.0	82.5	787.9	737.4
Total Group	**141.9**	**155.3**	**1,372.4**	**1,377.9**
% change	**-8.6%**		**-0.4%**	
■ Science/electronic/mech				
Discover	36.7	48.7	344.6	435.2
Home Office Computing	53.8	44.7	415.1	403.0
Omni	124.8	89.8	643.1	584.5
Personal Computing	218.0	266.8	2,137.9	1,706.2
Popular Mechanics	79.0	88.0	780.5	832.8
Popular Science	78.5	78.9	670.2	687.8
Scientific American	31.0	73.6	382.5	423.2
Spectrum	146.8	67.8	656.7	648.0
Total Group	**768.5**	**758.1**	**6,030.6**	**5,720.7**
% change	**1.4%**		**5.4%**	
■ Woman/fashion/service				
Beauty Digest (6X)	32.5	13.3	121.8	52.3
Bride's Magazine (6X) A.	350.5	268.7	2,420.4	2,101.8
Cosmopolitan A.	228.5	223.2	1,979.1	1,981.2
Elle Magazine	228.8	237.8	1,819.0	1,681.6
Essence	92.9	73.5	721.8	715.1
Family Circle (17X) A.	144.4	227.3	1,444.0	1,318.0
Glamour	169.6	211.1	1,728.0	1,875.6
Good Housekeeping A.	163.6	170.4	1,270.4	1,375.3
Harper's Bazaar	139.2	170.1	1,182.7	1,346.8
Health	42.2	46.3	369.9	443.6
Ladies' Home Journal	123.1	135.3	1,080.0	1,011.3
Mademoiselle	172.1	148.4	1,508.4	1,484.4
McCall's	112.3	118.5	810.6	919.3
Military Lifestyle (10X)	60.7	49.8	452.1	441.1
Modern Bride (6X)	262.6	177.0	1,906.9	1,721.5
Ms.	40.8	49.8	317.6	421.8
New Woman	98.6	91.8	845.7	806.7
Parents Magazine A.	144.8	127.2	1,080.1	1,073.9
Redbook	112.5	116.3	987.1	991.9
Savvy	63.7	40.4	440.9	327.4
Self	122.0	113.1	1,028.8	1,000.9
Seventeen	93.4	102.1	1,237.6	1,256.7
Shape	73.0	76.3	725.6	732.4
Soap Opera Digest (26X)	28.2	32.8	239.3	219.2
Soap Opera Update	9.0	—	96.5	—
Teen Magazine	47.6	63.2	555.0	599.2
True Story A.	58.4	67.5	487.0	485.3
Vogue	352.0	339.8	2,740.9	2,772.3
W Magazine	220.1	149.1	1,248.6	1,268.7
Weight Watchers	36.7	29.9	332.4	312.5
Woman (10X)	43.7	43.3	343.5	248.4
Woman's Day (15X) A.	253.1	302.4	1,346.1	1,374.9
Workbasket	28.9	43.9	227.8	290.7
Working Mother	89.1	87.2	728.4	786.1
Working Woman	108.6	106.2	953.4	934.9
Total Group	**4,346.8**	**4,252.8**	**34,777.2**	**34,372.6**
% change	**2.2%**		**1.2%**	
■ Youth				
Boys' Life	15.5	14.0	170.2	157.7
Campus Life (10X)	88.2	99.3	374.3	393.2
Total Group	**103.7**	**113.3**	**544.6**	**550.9**
% change	**-8.5%**		**-1.2%**	
■ Business/national				
Barron's	215.4	248.1	1,803.4	2,115.4
Black Enterprise	80.7	70.9	775.5	696.9
Business Month	47.5	30.2	373.8	234.2
Business Week (52X) A.	696.8	596.3	3,667.2	3,588.4
Financial World (26X)	74.7	55.5	545.4	579.8
Forbes (26X)	582.6	504.5	2,753.4	2,867.7
Fortune (26X)	452.6	462.6	2,596.2	2,459.5
Frequent Flyer	54.1	60.0	469.7	576.3
Futures	90.8	136.2	622.4	615.7
Inc. Magazine	135.9	115.7	958.9	904.9
Income Opportunities	88.1	93.1	764.1	687.1
Industry Week (25X) A.	137.0	91.6	889.2	803.4
Nation's Business (12X) A.	42.7	46.2	357.5	334.7
Venture	77.4	64.7	553.8	630.5
Total Group	**2,776.1**	**2,575.8**	**17,130.4**	**17,094.6**
% change	**7.8%**		**0.2%**	
■ Business/regional				
Advantage-Nashville's Bus. Mo.	84.0	85.2	559.0	576.2
Arizona Bus. Gazette (52X)	49.0	113.3	664.5	752.8
Baltimore Bus. Jrnl.	109.1	106.0	836.3	854.8
Boston Bus. Jrnl. (52X)	133.0	142.6	1,217.0	1,392.8
Bus. First of Buffalo	93.0	77.1	700.2	626.1
Bus. First of Columbus	—	—	—	—
Bus. Jrnl.-Milwaukee	243.3	119.8	1,426.3	1,231.0
Bus. Jrnl.-Sacramento	99.2	60.1	846.8	858.7
Bus. North Carolina	33.6	50.5	388.7	449.4
Capital Dist. Bus. Review (52X)	111.4	78.7	874.0	793.7
Caribbean Business	164.0	185.0	1,448.0	1,440.0
Corporate Rpt. Kansas City	20.6	27.4	202.8	220.0
Corporate Rpt. Minnesota	68.5	79.0	732.5	758.0
Crain's Chicago Bus. (52X)	205.2	209.5	1,519.3	1,526.2
Crain's Cleveland Bus. (52X)	116.6	81.1	737.2	634.0
Crain's Detroit Bus. (52X)	111.8	94.4	800.6	782.0
Crain's New York Bus. (52X)	91.0	62.0	517.0	390.0
Florida Trend (13X)	56.2	73.3	614.0	764.1
Georgia Trend	51.2	71.7	564.9	676.9
Grand Rapids Bus. Jrnl.	58.4	47.1	527.2	468.9
Hawaii Business	50.0	38.5	490.2	463.6
Houston Bus. Jrnl. (52X)	108.0	77.5	706.0	616.5
Indianapolis Bus. Jrnl. (52X)	224.7	158.5	1,568.7	1,518.6
Manhattan Inc.	85.9	96.8	633.1	740.5
New England Bus. (20X) A.	57.6	56.0	564.1	664.0
New Orleans City Bus.	40.6	60.6	473.7	557.3
Pacific Bus. News (52X)	125.2	111.3	1,072.5	1,159.3
Pittsburgh Bus. Times (52X)	—	—	—	—
Providence Bus.News	109.7	75.0	864.8	635.7
Regardie's/Washington Review Publication:	162.0	174.0	1,488.0	1,366.0
Broward Review	68.2	50.4	579.3	347.2
Miami Review	88.3	65.5	636.2	482.1
Palm Beach Review	95.2	45.6	560.3	262.4
San Jose Bus. Jrnl.	84.7	—	725.0	—
St. Louis Bus. Jrnl. (52X)	137.1	148.4	1,146.5	1,289.6
Warfield Monthly Baltimore	64.6	75.7	687.6	653.8
Total Group	**3,401.0**	**2,957.5**	**27,350.3**	**25,754.1**
% change	**15.0%**		**6.2%**	
■ National Sunday mags				
Parade (52X)	70.8	54.0	561.4	507.0
USA Weekend (52X)	54.1	41.2	472.5	391.7
Vista Magazine	31.3	20.4	183.2	126.3
Total Group	**156.2**	**115.5**	**1,217.1**	**1,025.0**
% change	**35.2%**		**18.7%**	
■ Newspaper Sunday magazine				
Boston Globe	320.0	295.0	2,179.0	2,320.0
Chicago Tribune	145.7	193.1	1,096.5	1,118.1
Cleveland Plain Dealer	85.2	76.9	655.3	621.7
Columbus Dispatch	31.5	23.9	290.3	339.5
Detroit Free Press	59.6	64.3	484.9	497.8
L.A. Times	100.1	75.4	750.8	592.9
Louisville Courier-Jrnl.	52.0	52.0	384.0	528.0
New York Times Mag.	564.9	411.1	3,384.2	3,314.0
Philadelphia Inquirer	—	—	—	—
Seattle Times	254.0	318.0	859.0	838.0
St. Louis Post Dispatch	110.3	87.3	777.4	712.3
Toledo Blade Magazine	37.7	34.6	329.1	388.2
Washington Post	216.2	136.1	1,352.1	1,247.9
Total Group	**1,977.2**	**1,767.7**	**12,542.6**	**12,518.4**
% change	**11.8%**		**0.2%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	145.5	130.8	1,702.4	1,371.3
Army Times Military Group:				
Air Force Times (52X)	195.1	180.3	1,638.1	1,648.7
Army Times (52X)	189.8	177.0	1,567.0	1,604.4
Navy Times (52X)	214.9	196.7	1,789.0	1,790.5
The Blood-Horse (52X)	280.8	267.9	2,742.8	3,314.0
Capper's (26X)	29.0	19.2	241.6	265.2
Commonweal (22X)	7.1	7.0	60.4	69.4
Golf World (40X)	59.5	79.5	1,064.6	970.5
Grit (52X) A.	40.0	29.7	292.5	280.8
National Journal (50X)	103.7	110.3	724.1	665.8
National Review (25X)	37.0	54.8	358.6	339.7
New Republic (48X)	64.6	56.3	416.5	399.5
New York Magazine (50X)	331.0	388.1	2,411.9	2,525.3
New Yorker	262.9	293.2	1,749.9	1,899.2
Newsweek (52X) A.	283.5	340.1	1,957.3	2,103.3
People (51X)	378.2	318.2	2,880.0	2,761.1
Rolling Stone (25X)	166.9	131.1	1,469.6	1,322.5
Sporting News (52X)	65.3	63.8	508.3	522.5
Sports Illustrated (52X)A.	338.5	265.1	2,420.4	2,099.8
Time (52X) A.	292.6	242.8	1,980.9	1,869.7
Travelhost (52X) C.	3,561.0	3,518.5	32,473.0	32,064.0
TV Guide (52X) A.	442.5	394.3	2,798.1	3,039.0
US Magazine (26X)	69.7	76.2	525.7	488.8
U.S. News & World Report (50X) A.	198.9	189.5	1,463.1	1,308.2
Total Group	**7,758.0**	**7,510.4**	**65,235.9**	**64,723.0**
% change	**3.3%**		**0.8%**	

NOTES: (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but not prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. All figures represented in this table are supplied by the magazines. AD AGE makes no attempt to verify them and therefore is not responsible for inconsistencies or errors.

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LEADING NATIONAL ADVERTISERS

(Companies ranked 101-200)

By R. CRAIG ENDICOTT

Spending on national advertising rose 6.7% in 1987 over the prior year to $5.73 billion for the nation's leading advertisers ranked Nos. 101-200, according to ADVERTISING AGE.

Media moguls can find encouragement in this percentage of total national ad dollars allocated to media. The nation's Top 100 national advertisers, identified by AD AGE in its Sept. 28 special issue, spent 54%, or $15.36 billion, of their $28.4 billion total national dollars in media in 1987, up from 53.8% in the prior year.

The Second 100 continued to favor spot TV, which grew 6.3% to $1.1 billion, reflecting heavy regional advertising for new product introductions. Network TV spending closed only a fraction behind at $1.02 billion, up 9.2%.

This burst by network TV gave the Second 100 11.6% of the nation's total network expenditure, up from 10.9% in 1986, while the group's spot TV expenditure slipped from 13.3% to 13.1% of the nation's spot spending. This compares with the Top 100's 1987 network percentage of 75.7%, up from 74.4%, and spot TV percentage of 40%, down from 41.4%.

Total spending in network among all advertisers in the U.S. during 1987 was $8.81 billion, and spot TV spending, $8.40 billion, according to BAR/LNA Multi-Media Service reports.

Highly volatile market conditions of 1987 and 1988—characterized by heavy acquisition and divestiture activity, the market crash of Oct. 19, 1987, and the decline of the dollar—left few of the Second 100 unscathed. Ad spending fluctuated wildly among the ranks as 25 new entries joined the list, sandwiched between chart leader GTE Corp., at $83.1 million, and No. 200, Florists' Transworld Delivery Association, at $33.1 million. The same volatility opened Top 100 slots to 13 companies that were among the Second 100 last year. Likewise, 10 companies ranked in the Top 100 for 1986 dropped into the Second 100 in 1987.

Seven of the new Second 100 entries were foreign-based, and five of them "spent" their way onto the chart by buying consumer product-oriented companies that support strong ad programs and/or seasoned brands. Along with the buyout activity came the introduction of a completely new category to 1987's Second 100—auto rental. Both Hertz and Avis entered the chart for the first time: Hertz being unbundled from Allegis Corp. (now UAL Inc.) in a management/Ford Motor Co.-led buyout venture called Park Ridge Corp., No. 157; Avis Inc., No. 165, gained its independence from Wesray Capital Corp. in a buyout by its employees. Where a company markets different products or services, categories are determined by the business that generates most of the company's sales.

Hidden in the 6.7% composite growth statistic was lower ad spending from 31 of the Second 100. Two of the major primary business categories—computers/electronics & appliances, with eight advertisers, and pharmaceuticals, with seven—recorded no gain in advertising from the prior year. However, the telephone category showed a decline of 19.2% in advertising. No. 133 US West came in as the only category member among six that didn't show an ad volume reduction. All year-to-year comparisons in this report are based on the same cast of companies.

Retailers carried much of the ad-growth load for the Second 100. Sixteen retailers comprised the category that accounted for $1.04 billion in total advertising, or 18% of the composite total. Retail spending increased 8.9% from the previous year for the same companies, and only three companies in the sector registered spending declines—No. 104 Campeau Corp., No. 120 May Department Stores Co. and No. 188 Wickes Cos.

Buyouts probably influenced the declines for all three, simply because sold units take with them their ad budgets and consolidations generally mean budget redundancies that lead to economies of scale. Toronto-based Campeau purchased for $6.7 billion Federated Department Stores in a 10-week takeover battle, and to pay off the heavy debt, sold I. Magnin, Bullock's, Filene's, Foley's, Gold Circle and MainStreet. Management at Wickes Cos. attempted to buy the retailer, but withdrew its offer this October because of deteriorating earnings, leaving the door open for a leveraged buyout proposed jointly by Blackstone Capital Partners L.P., and Wasserstein, Perella Partners L.P. Wickes's board approved the terms. May completed its acquisition of Associated Dry Goods (Lord & Taylor) in 1987.

U.S.-based companies entering the 1987 list through the acquisition route include USAir Group, No. 192, which bought Piedmont Aviation and Pacific Southwest Airlines; Primerica Corp., No. 196, formerly American Can Co., bought Smith Barney. Playtex Inc., No. 177, entered when it spun off from BCI Holdings Corp., parent of Beatrice Cos. The company recently underwent yet another ownership change in a complex buyout directed by Joel Smilow, who has led the company under five different owners since taking over the head post himself in 1969.

Acquisition provided the springboard to the Second 100 chart for five foreign companies: Bond Corp. Holdings, Perth, Australia, No. 160, entered through its acquisition of G. Heileman Brewery and Pittsburgh Brewery; No. 170 Imperial Chemical Industries PLC, London, acquired Glidden Paints and Stauffer Chemical Co. Hanson PLC, London, No. 176, seems to be running a corporate lazy Susan. It sold Glidden Paints, bought Kidde Inc. (Ertl Toys, Jacuzzi, Universal Gym, Farberware) but by mid-1988 had sold two of its bigger advertised brands—Lea & Perrins sauces and Durkee Foods. Sony Corp., No. 108, bought CBS Records, and Guinness PLC, No. 191, bought Schenley Industries (Dewar's scotch).

Acquisitions also enabled a number of companies to improve their position on the chart. No. 132 Tonka Corp. moved up when it turned white knight in acquiring Kenner Parker Toys, No. 189 in 1986; News Corp., No. 127, rose from No. 181 largely through the $3 billion acquisition of Triangle Corp., ranked No. 170 in 1986.

The acquisition craze that is changing the American business landscape left its mark of heavy debt on the Second 100, assuring more corporate spinoffs down the road. American Stores, No. 131, eyed the California strength of Lucky Stores and in 1988 bought the retailer ranked 143 in 1986, but it was believed that American acted because it was vulnerable to takeover and believed a debt-ladened balance sheet would deflect would-be suitors. Dayton Hudson Corp., No. 113, survived a takeover attempt by the Haft family of Dart Group Corp. by obtaining favorable anti-takeover legislation in Minnesota and then accumulating $339 million of its own stock. F.W. Woolworth Co., No. 109, fended off an attempted takeover by the same Dart group in early 1988 by adopting poison-pill provisions. Holiday Corp. underwent a $2.4 billion recapitalization plan that included special dividend payments and $1 billion in asset sales to keep it clear of corporate raiders.

The U.S. market lost some of its appeal to foreign companies because of the dollar's downward turn. The dollar in particular has hurt those companies repatriating large dollar volumes into a stronger currency. Auto importers, No. 186 Jaguar and No. 181 Volvo AB, each lost 6% in unit sales. They partially blame the decline on the dollar-induced higher cost of the foreign-made product and market-imposed damper on high-end products relating to the '87 stock market crash. Volvo canceled the launch of its low-priced 480 ES in 1988 because of the market downturn. But there was a silver lining in this dollar-darkened cloud for foreign companies that had money to spend. U.S. buyout targets became cheaper, evidenced by the five foreign companies that entered the Second 100 list through acquisition of U.S. companies.

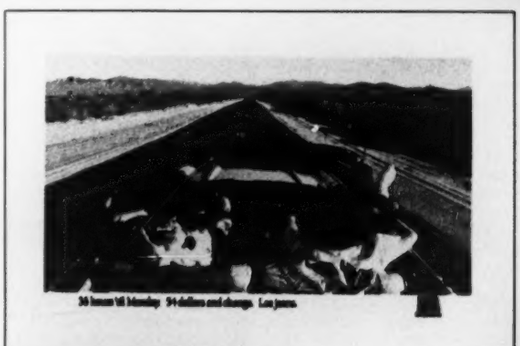
The medium most affected by negative market trends was newspapers—particularly hurt by the loss of financial advertising relating to the Black Monday crunch. No. 179 Dow Jones & Co., publisher of the *Wall Street Journal* and *Barrons*, in particular felt the impact. By midyear 1988, neither publication had regained its advertising momentum. Total newspaper spending among the

(Continued on Page S-34)

Retailers claimed 16 places among AD AGE's Second 100 leading national advertisers ranking in 1987 and spent 14% of all the media dollars attributed to the group. Second 100 companies also claimed 11.2% of all U.S. measured media in 1987, up from 10.8% in 1986. Network and spot TV in this report accounted for 58.4% of total media. A complete ranking is shown on Page S-2.

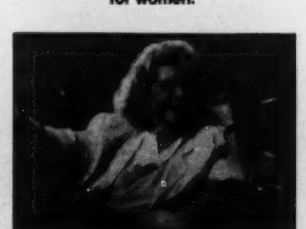
Dick Cavett speaks for Hormel in its campaign for new product Top Shelf, nonfrozen entrees that go from "top shelf" to microwave and cook in two minutes.

Estee Lauder signed up supermodel Paulina Porizkova as part of a corporate makeover to give its product lines—including the "Knowing" fragrance, cosmetic and skincare line—a more contemporary and international flavor.



These cruisers in Lee jeans are touring in VF Corp. ads as part of VF's on-going TV and "laid back" b&w print effort to upstage Levi Strauss. Both hold a 25% share, with Levi Strauss powered by its 501 Blues line for men, and VF by its Lee jeans for women.

With 24,433 co-op members FTD is no pansy; nor is Merlin Olsen, always clutching the right bouquet. Lauren Bacall helps the Beef Council cook up promos sizzling with stardom.



In Dewar's ads, bemused Chef Jeremiah Tower liked his with soda. Guinness PLC liked it even more, consuming the brand with the rest of Schenley Industries in a buyout.

Ad spending by leaders ranked 101 to 200

Rank '87	Rank '86	Company, headquarters	Total '87 spending	Unitisers and	Syndicated programming	Newspaper	Magazine	Network TV	Spot TV	Cable TV networks	Radio	Outdoor
101	74	**GTE Corp.**, Stamford, Conn.	$83,147	$35,000	$48,147	$5,531	$9,070	$10,353	$15,147	$492	$7,454	$100
102	126	**Estee Lauder Inc.**, New York	82,542	20,000	62,542	4,392	26,771	0	30,303	154	921	0
103	100	**BellSouth Corp.**, Atlanta	82,145	40,000	42,145	4,645	6,264	0	17,347	0	13,291	599
104	98	**Campeau Corp.**, Toronto	80,692	44,000	36,692	NA	3,634	0	30,034	0	2,865	159
105	106	**Levi Strauss Associates**, San Francisco	80,415	47,000	33,415	133	6,542	15,477	4,709	3,816	2,710	29
106	107	**Wal-Mart Stores**, Bentonville, Ark.	80,356	48,000	32,356	NA	1,512	0	30,737	101	4	1
107	146	**Imasco Ltd.**, Montreal	80,293	32,000	48,293	NA	7	0	43,346	103	2,852	1,984
108	—	**Sony Corp.**, Tokyo	79,669	22,000	57,669	1,412	49,321	1,543	3,576	1,170	631	16
109	108	**F.W. Woolworth Co.**, New York	79,033	49,000	30,035	NA	3,351	10,130	8,063	1,369	8,843	79
110	92	**Xerox Corp.**, Stamford, Conn.	78,906	42,000	36,906	1,316	21,114	8,647	3,765	396	1,647	23
111	112	**Polaroid Corp.**, Cambridge, Mass.	78,234	45,000	33,234	1,564	7,352	21,285	1,047	348	1,638	0
112	135	**Whirlpool Corp.**, Benton Harbor, Mich.	77,459	25,000	52,459	6,280	19,753	16,766	3,744	4	5,901	11
113	123	**Dayton Hudson Corp.**, Minneapolis	77,430	36,000	41,430	NA	221	0	36,310	0	4,647	252
114	109	**Metropolitan Life Insurance Co.**, New York	76,220	20,000	56,220	1,955	8,082	33,230	6,840	1,673	2,696	1,746
115	104	**Trans World Airlines**, New York	75,812	29,000	46,812	24,365	4,942	45	15,473	0	1,746	240
116	119	**Gulf & Western**, New York	75,546	30,000	45,546	3,974	2,158	11,383	25,149	1,943	906	33
117	89	**Brown-Forman Corp.**, Louisville, Ky.	74,748	27,000	47,748	3,261	28,493	6,694	1,919	625	2,064	4,692
118	134	**Mennen Co.**, Morristown, N.J.	74,054	25,000	49,054	0	3,323	43,115	1,262	1,355	0	0
119	133	**VF Corp.**, Wyomissing, Pa.	73,881	43,000	30,881	196	11,887	13,530	4,512	565	0	391
120	90	**May Department Stores Co.**, St. Louis	73,338	30,000	43,338	5,722	2,337	4,064	29,621	0	1,434	159
121	117	**Carter-Wallace**, New York	72,003	45,000	27,003	8	4,686	19,782	2,131	302	94	0
122	110	**Blue Cross & Blue Shield Assn.**, Chicago	70,399	21,000	49,399	15,071	920	4,427	22,158	3	5,799	1,022
123	132	**A.H. Robins Co.**, Richmond, Va.	69,668	15,000	54,668	201	4,239	16,371	33,065	791	0	0
124	157	**Zayre Corp.**, Framingham, Mass.	69,374	36,000	33,374	NA	446	0	25,954	0	6,953	21
125	46	**CBS Inc.**, New York	69,090	10,000	59,090	18,384	32,620	0	3,213	175	3,768	930
126	121	**Cotter & Co.**, Chicago	68,990	24,000	44,990	NA	4,620	4,761	19,713	1,652	13,993	52
127	181	**News Corp.**, Sydney	68,301	8,000	60,301	2,776	13,170	13,843	23,227	2,509	4,184	592
128	—	**U.S. Shoe Corp.**, Cincinnati	68,289	37,000	31,289	723	1,983	0	28,507	13	0	63
129	122	**Canon Inc.**, Tokyo	67,586	17,000	50,586	3,405	21,532	18,450	4,124	1,665	867	545
130	129	**First Brands Corp.**, Danbury, Conn.	66,824	31,000	35,824	58	2,218	29,482	2,789	818	461	0
131	127	**American Stores Co.**, Irvine, Calif.	66,596	34,000	32,596	NA	0	0	27,266	0	5,266	64
132	189	**Tonka Corp.**, Minnetonka, Minn.	65,393	18,000	47,393	198	1,086	23,334	21,284	1,491	0	0
133	166	**U.S. West**, Englewood, Colo.	65,189	30,000	35,189	4,271	3,166	619	16,198	0	8,639	2,295
134	130	**Capital Cities/ABC**, New York	64,974	8,000	56,974	8,767	32,020	0	4,577	1,706	9,188	715
135	85	**U.S. Sprint Communications Co.**, Shawnee Mission, Mo.	64,683	21,000	43,683	77	662	34,840	7,546	546	11	0
136	194	**Citicorp**, New York	64,589	19,000	45,589	NA	11,992	13,744	14,280	365	4,954	223
137	128	**Wellcome Foundation**, London	64,108	34,000	30,108	69	4,108	25,420	175	333	0	0
138	97	**Pacific Telesis Group**, San Francisco	62,327	30,000	32,327	5,905	1,775	0	22,976	0	1,265	406
139	147	**Apple Computer**, Cupertino, Calif.	61,427	22,000	39,427	8,465	11,914	10,768	2,492	190	5,567	31
140	136	**Cadbury Schweppes PLC**, London	60,154	21,000	39,154	121	1,092	11,684	24,804	184	1,241	28
141	142	**Ciba-Geigy AG**, Basel, Switzerland	59,807	31,000	28,807	77	10,019	8,584	5,825	434	3,861	7
142	137	**Hattori Seiko Co.**, Tokyo	59,293	22,000	37,293	3,129	9,444	13,081	10,107	264	1,115	154
143	151	**Kimberly-Clark Corp.**, Irving, Texas	59,280	12,000	47,280	601	10,429	33,630	1,863	696	48	13
144	169	**Domino's Pizza**, Ann Arbor, Mich.	58,955	14,000	44,955	NA	269	25,835	15,288	731	2,624	209
145	160	**Black & Decker Corp.**, Towson, Md.	58,906	20,000	38,906	236	13,025	17,875	4,499	424	2,847	0
146	163	**Sandoz Ltd.**, Basel, Switzerland	57,810	26,000	31,810	1,292	5,171	19,177	4,901	44	1,025	0
147	124	**Alberto Culver Co.**, Melrose Park, Ill.	56,944	28,000	28,944	13	3,848	19,413	3,311	1,548	776	36
148	168	**3M**, St. Paul, Minn.	56,589	29,000	27,589	127	12,720	6,009	8,034	4	704	1
149	139	**Mattel Inc.**, Hawthorne, Calif.	56,411	13,000	43,411	192	3,919	18,360	18,696	2,235	0	10
150	200	**Bertelsmann AG**, Guetersloh, W. Germany	55,802	12,000	43,802	8,347	32,930	14	1,555	616	326	7
151	148	**SmithKline/Beckman Corp.**, Philadelphia	55,732	29,000	26,732	85	3,024	18,346	3,866	471	940	0
152	174	**Chevron Corp.**, San Francisco	55,474	18,000	37,474	1,710	8,562	1,594	18,018	168	7,391	31
153	—	**Helene Curtis Industries**, Chicago	54,572	18,000	36,572	0	5,297	29,195	502	701	877	0
154	165	**NEC Corp.**, Tokyo	54,548	27,000	27,548	1,412	21,943	1,847	847	1,151	13	335
155	—	**Pan Am Corp.**, New York	53,739	16,000	37,739	21,489	4,239	0	8,835	23	2,273	881
156	159	**Reckitt & Colman PLC**, London	53,654	26,000	27,654	22	4,246	18,103	4,256	19	0	9
157	—	**Park Ridge Corp.**, Park Ridge, N.J.	52,431	21,000	31,431	13,355	6,782	3,019	6,325	0	1,776	175
158	154	**Isuzu Motors**, Tokyo	51,815	12,000	39,815	7,454	12,134	5,853	14,166	204	0	4
159	125	**MCI Communications Corp.**, Washington	51,806	17,000	34,806	14,066	7,103	11,357	75	0	2,205	0
160	—	**Bond Corp. Holdings**, Perth, Australia	50,567	20,000	30,567	1,476	506	1,421	14,650	67	10,790	1,657
161	153	**NWA Inc.**, St. Paul, Minn.	50,543	10,000	40,543	7,182	8,928	17,108	2,648	895	2,737	1,045
162	114	**Jerrico Inc.**, Lexington, Ky.	50,495	20,000	30,495	NA	4	4,664	25,172	464	105	87
163	84	**Greyhound Corp.**, Phoenix	50,439	23,000	27,439	4,324	3,224	14,656	3,177	2,048	7	3
164	—	**Circuit City Stores**, Richmond, Va.	50,371	24,000	26,371	NA	0	0	26,354	0	17	0
165	—	**Avis Inc.**, Garden City, N.Y.	50,019	20,000	30,019	7,791	8,044	0	7,921	188	5,983	92
166	156	**MasterCard International**, New York	49,906	14,000	35,906	NA	9,844	20,435	943	412	4,322	50
167	116	**Geo. A. Hormel & Co.**, Austin, Minn.	49,306	18,000	31,306	711	10,291	2,203	6,269	253	11,270	309
168	—	**Exxon Corp.**, New York	49,081	18,000	31,081	5,506	1,285	0	19,776	1,004	3,418	71
169	177	**Melville Corp.**, Harrison, N.Y.	48,477	20,000	28,477	NA	3,237	0	11,391	70	13,777	3
170	—	**Imperial Chemical Industries PLC**, London	48,376	16,000	32,376	0	11,559	10,885	8,335	177	1,406	15
171	193	**Mitsubishi Motors Corp.**, Tokyo	48,149	10,000	38,149	7,145	7,059	8,373	14,816	314	333	109
172	—	**Orion Pictures Corp.**, New York	46,591	18,000	28,591	NA	422	11,354	12,324	1,303	3,086	102
173	184	**Holiday Corp.**, Memphis, Tenn.	46,314	11,000	35,314	NA	6,255	15,077	5,731	1,762	1,490	5,000
174	—	**United Parcel Service of America**, Greenwich, Conn.	46,113	15,000	31,113	929	3,478	21,539	4,453	700	15	0
175	94	**Hewlett-Packard Co.**, Palo Alto, Calif.	45,288	18,000	27,288	400	18,865	7,992	13	18	0	0
176	—	**Hanson PLC**, London	45,043	18,000	27,043	608	14,263	1,404	10,565	184	0	8
177	—	**Playtex Inc.**, Stamford, Conn.	44,327	15,000	29,327	322	4,536	22,674	607	1,189	0	0
178	—	**Suzuki Motor Co.**, Hamana-gun, Japan	44,121	14,000	30,121	3,138	1,439	4,401	16,236	386	3,841	678
179	183	**Dow Jones & Co.**, New York	43,703	14,000	29,703	1,316	4,527	1,424	7,713	4,330	10,393	0
180	—	**Foodmaker Inc.**, San Diego	43,231	11,000	32,231	NA	0	0	25,501	0	6,496	335
181	185	**Volvo AB**, Goteborg, Sweden	43,184	13,000	30,184	6,456	14,568	1,008	4,057	1,711	2,384	1
182	—	**Merrill Lynch & Co.**, New York	42,715	10,000	32,715	NA	10,977	19,360	365	294	1,500	220
183	187	**Hearst Corp.**, New York	42,315	10,000	32,315	5,518	20,219	76	5,550	106	279	567
184	192	**Visa International**, San Mateo	41,490	12,000	29,490	NA	9,131	15,374	3,134	582	1,210	58
185	197	**Allied-Lyons PLC**, London	40,064	10,000	30,064	164	11,186	3,861	9,556	164	1,365	3,767
186	—	**Jaguar**, Coventry, England	40,022	13,000	27,022	11,424	9,885	0	5,365	0	456	63
187	199	**Thompson Medical Co.**, New York	39,904	7,000	32,904	22	775	16,313	5,385	8,374	2,035	2
188	167	**Wickes Cos.**, Santa Monica, Calif.	39,696	12,000	27,696	1	2,466	9,429	12,180	225	3,319	79
189	196	**Turner Broadcasting System**, Atlanta	38,784	5,000	33,784	1,650	7,707	13,084	6,211	4,076	872	186
190	190	**State Farm Mutual Auto. Ins. Co.**, Bloomington, Ill.	38,714	10,000	28,714	282	1,480	14,203	2,351	316	9,936	146
191	—	**Guinness PLC**, London	38,283	8,000	30,283	52	25,347	0	79	0	1,081	3,725
192	—	**USAir Group**, Arlington, Va.	37,773	11,000	26,773	9,929	1,077	4,781	7,640	116	2,044	1,187
193	188	**De Beers Consolidated Mines**, Kimberly, South Africa	37,522	6,000	31,522	NA	20,696	10,629	163	36	0	0
194	175	**Tambrands Inc.**, Lake Success, N.Y.	37,333	12,000	25,333	6	7,821	15,251	1,571	676	8	0
195	—	**Collins Foods International**, Los Angeles	37,056	9,000	28,056	NA	0	0	25,736	190	1,750	380
196	—	**Fresenius Corp.**, Greenwich, Conn.	36,682	10,000	26,682	3,964	9,906	8,166	3,894	676	45	9
197	—	**National Live Stock & Meat Board**, Chicago	35,363	6,000	29,363	105	9,109	13,942	2,743	361	3,072	0
198	198	**Canandaigua Wine Co.**, Canandaigua, N.Y.	35,077	9,000	26,077	194	918	15,733	1,676	4,561	2,922	61
199	—	**Block Drug Co.**, Jersey City, N.J.	34,418	8,630	25,418	7	165	18,905	3,701	1,139	2,413	9
200	—	**Florists' Transworld Delivery Assn.**, Southfield, Mich.	33,114	7,000	26,114	2,660	863	16,034	4	229	6,141	0

Notes: Dollars are in thousands. Business Newspaper from Media Records. Magazine includes business publications from BPA/Ross Reports; farm publications from Agricultural Marketing Information Services (AGRICOM); magazine and newspaper supplement from BAR/MA Multi-Media reports. Network, spot and cable TV, and outdoor from BAR/MA reports. Radio includes spot radio from Radio Expenditure Reports and network radio from BAR/MA Multi-Media reports. 1986 rank is constant reading. See "Notes to ranking," P. S-94

Media volume up 6.7% for 2nd 100

RANK **147**

Alberto Culver Co.

Melrose Park, Ill.
ADVERTISING: **$ 56.9** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	514	435	18.2
Earnings	18	13	37.0
■ U.S.	**1987**	**1986**	**% chg**
Sales	404	341	18.5
Operating income	46	34	36.3
■ Division sales	**1987**	**1986**	**% chg**
Mass market	256	214	19.6
Institutional	85	84	0.2
Other prods.	178	141	26.4

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	13	11	10.7
Magazine	3,710	3,773	(1.7)
News. supp.	15	0	NA
Business publ.	124	119	3.9
Outdoor	36	17	109.4
Network TV	19,413	16,974	14.4
Spot TV	3,311	3,266	1.4
Network cable TV	1,548	1,256	23.2
Spot radio	776	248	213.3
Measured	28,944	25,663	12.8
Unmeasured	28,000	25,000	12.0
Total	56,944	50,663	12.4

■ **Note:** Fiscal 1987 ended Sept. 30, 1987.

ALBERTO CULVER CO.
2525 Armitage Avn.
Melrose Park, Ill. 60160
(312) 450-3000

Corporate personnel: P. Douglas McAuley, group vp-U.S. consumer prods.
Marketing personnel: Ralph M. Sutherland, vp-genl mgr, domestic toiletries div; Robert C. Maurer, vp-genl mgr, household prods div; David D. DeTomaso, vp-genl mgr, professional div.
Brands/services by agency of record:
Baker's Joy
VO5 Hot Oil Conditioner
VO5 hairdressing
Bold Hold
FDS
Molly McButter
SugarTwin
Static Guard
Ad agency: BBDO Chicago: Robert Pingrey, sr vp-mgmt super.

■

Alberto styling products
Alberto hair spray
VO5 hair spray
VO5 shampoo/conditioner
Mrs. Dash
Consort
TCB
TresSemme
Ad agency: HCF & Lois/GGK, Chicago: Steve Gross, exec VP.

RANK **185**

Allied-Lyons PLC

London
ADVERTISING: **$ 40.1** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1988	1987	% chg
Sales	7,505	5,699	31.7
Earnings	195	147	32.9
■ U.S.	**1988**	**1987**	**% chg**
Sales	1,477	731	102.0
Operating income	NA	NA	NA
■ Division sales	**1988**	**1987**	**% chg**
Beer, retailing	2,809	2,427	15.7
Wine, spirits	2,630	1,372	91.6
Food	2,185	1,970	10.9
Central cos.	1	1	(43.8)

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	164	1,846	(91.1)
Magazine	10,876	18,285	(40.5)
News. supp.	310	349	(11.1)
Business publ.	NA	31	NA
Outdoor	3,767	5,030	(25.1)
Network TV	3,861	5,505	(29.9)
Spot TV	9,556	5,393	77.2
Network cable TV	164	345	(52.4)
Network radio	0	221	NA
Spot radio	1,365	0	NA
Measured	30,064	37,004	(18.8)
Unmeasured	10,000	12,000	(16.7)
Total	40,064	49,004	(18.2)

■ **Note:** Fiscal year ended March 5.

ALLIED-LYONS PLC
Allied House
156 John St.
London EC1P1AR England
01-253-9911

Corporate Personnel: Richard Martin, chmn & ceo; Roy Moss, mng dir; Ronald B. Marly, president-ceo-Baskin-Robbins.
Hiram Walker
P.O. Box 33006
Detroit, Mich. 48232
(313) 965-6611
Marketing personnel: Stephen Eskoff, president; William P. Wilde, vp-dir mktg.
Brands/services by agency of record:
Harvey's Port & Sherries
Ad agency: Advertising to Women, New York: Robert Menna, vp-acct dir.

■

Canadian Club
Irish Mist
Ad agency: Eisaman Johns & Laws, Chicago: Mike de Maio, exec vp.

■

Royal Canadian
Ad agency: Simons Michelson Zieve, Troy, Mich.: James A. Michelson, president.

■

Cordials
Flavored brandies
Schnapps
Ad agency: D'Arcy, Masius, Benton & Bowles, Bloomfield Hills, Mich.: Tom Hayden, group acct dir.

W.A. Taylor & Co.
Miami
Marketing personnel: John Harcaufka, president; Ronald N. Robillard, vp-dir mktg.
Brands/services by agency of record:
W.A. Taylor
Ad agency: Della Femina, McNamee WCRS, New York: Jerry Della Femina, chmn.

Maidstone Wine & Spirits
Universal City, Calif.
Marketing personnel: Roy Stevens, president; David Boyle, vp, dir-mktg; James Flaherty, vp-natl sales mgr.
Brands/services by agency of record:
Maidstone wines
Ad agency: Foote Cone & Belding Communications, Los Angeles: Harry Landsiedel, sr acct dir.

Baskin-Robbins
31 Baskin-Robbins Place
Glendale, Calif. 91201
(818) 956-0031
Marketing personnel: James Emhardt, president; Carol Kirby, vp-mktg; Marvin Maron, mgr-adv & field mktg.
Brands/services by agency of record:
Baskin-Robbins
Ad agency: J. Walter Thompson USA, Los Angeles: Dorothy Mulligan, acct super.

Tetley Inc.
100 Commerce Drive
Shelton, Conn. 06484
(203) 929-9200
Marketing personnel: H.F. McInerney, president; Mark T. Timbie, vp-mktg; Gary R. Cooper, group mktg mgr.
Brands/services by agency of record:
El Pico coffee
Ad agency: Robles Communications, New York: Nelson Garcia, acct super.

■

Tetley tea & coffee
Ad agency: North Castle Partners Advertising, Greenwich, Conn.: Bob Pallatto, acct super.

RANK **131**

American Stores Co.

Irvine, Calif.
ADVERTISING: **$ 66.6** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1988	1987	% chg
Sales	14,272	14,021	1.8
Earnings	154	145	6.8

U.S. advertising by media

($ in thousands)

■ Media	1988	1987	% chg
Outdoor	64	180	(64.3)
Spot TV	27,266	26,333	3.5
Spot radio	5,266	4,716	11.7
Measured	32,596	31,229	4.4
Unmeasured	34,000	33,000	3.0
Total	66,596	64,229	3.7

■ **Note:** Fiscal years ended Jan. 30, 1988 and Jan. 31, 1987.

AMERICAN STORES CO.
19100 Von Karman Ave., Suite 500
Irvine, Calif. 92715
(714) 476-4400

Corporate personnel: L.S. Skaggs, chmn & president; Jonathan L. Scott, vice chmn-exec vp.

AMERICAN SUPERSTORES
Wilmington, Del.
Marketing personnel: Alan Stewart, president.

Acme Markets
Philadelphia, Pa.
Marketing personnel: Robert Neslund, president; Jim Horn, sr vp-mktg & distribution.
Brands/services by agency of record:
Acme Markets
Ad agency: J. Walter Thompson USA, Philadelphia: Paul Kraune, acct super.

Jewel Food Stores
Melrose Park, Ill.
Marketing personnel: Joseph Bugos, president; William Bolton, vp-mktg; Robert Lutz, adv mgr.
Brands/services by agency of record:
Jewel food stores
Ad agency: HCF & Lois/GGK, Chicago: Brad Beechen, mgmt super; Valerie Sanders, sr acct exec; Ann Morton, acct exec.

Star Markets
Cambridge, Mass.
Marketing personnel: Martin A. Scholtens, president; Brian Pijanowski, dir-mktg; Bill Paul, vp-sales & mktg.
Brands/services by agency of record:
Star Markets
Ad agency: Rossin, Greenberg, Seronick & Hill, Boston: Jim Rosean, vp-acct svcs; Carole Alexander, acct exec.

OSCO DRUG
Oakbrook, Ill.
Marketing personnel: Terry Hanson, president; Ron Grove, vp-mktg; John Kromer, vp-adv.
Brands/services by agency of record:
Osco drug stores
Ad agency: HCF & Lois/GGK, Chicago: Ed Holzer, chmn & ceo; Cathy Bergsman, acct exec.

ALPHA BETA STORES
Irvine, Calif.
Marketing personnel: Dennis Eck, president.
Alpha Beta Co.
La Habra, Calif.
Marketing personnel: Donald Kohler, president-south region; Larry Hodges, president-north region; William Wade, sr vp-adv; Don Bates, vp-mktg.
Brands/services by agency of record:
Alpha Beta Co.
Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, Los Angeles: Dick Hamblin, president; Cindy Stalling, vp.

Skaggs Alpha Beta
Richardson, Texas
Marketing personnel: Neill Crowley, president; Warren Ivie, vp-adv.
Brands/services by agency of record:
Skaggs Alpha Beta stores
Ad agency: Bloom Agency, Dallas: Paul MacMahon, chmn-mgmt rep; Sherry Babcock, sr vp-mgmt super; Mary Emich, vp-acct super; Tracy Gray, acct exec.

Buttrey
Great Falls, Mont.
Marketing personnel: Edward Agnew, president; Lynn Weight, adv mgr; Jeff Philips, dir-adv & mktg.
Brands/services by agency of record:
Buttrey stores
Ad agency: Wendt Advertising, Great Falls, Mont.: Bruce Day, acct exec; Cally O'Donnell, media dir; Sandi McCann, media buyer.

RANK **139**

Apple Computer

Cupertino, Calif.
ADVERTISING: **$ 61.4** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1988	1987	% chg
Sales	2,661	1,902	39.9
Earnings	217	154	41.3
■ U.S.	**1988**	**1987**	**% chg**
Sales	1,940	1,412	37.4
Operating income	211	161	30.8

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	8,465	8,070	4.9
Magazine	10,020	6,680	50.0
News. supp.	0	101	NA
Business publ.	1,894	373	408.2
Outdoor	31	37	(16.1)
Network TV	10,768	10,313	4.4
Spot TV	2,492	3,202	(22.2)
Network cable TV	190	468	(59.5)
Network radio	0	292	NA
Spot radio	5,567	7,457	(25.3)
Measured	39,427	36,991	6.6
Unmeasured	22,000	21,000	4.8
Total	61,427	57,991	5.9

■ **Note:** Fiscal years ended Sept. 25, 1987 and Sept. 26, 1986.

APPLE COMPUTER
20525 Mariani Ave.
Cupertino, Calif. 95014
(408) 996-1010

Marketing personnel: Charles M. Boesenberg, sr vp-Apple/USA; Jerry Malec, vp-business mktg; Bruce S. Mowery, dir-mktg comm; Janet Strauss, mgr-business adv & sales promo; Sharon Lack, mgr-educational adv & sales promo.
Brands/services by agency of record:
Apple computers
Ad agency: BBDO/West, Los Angeles: Bob Spofford, exec vp-mgmt dir; Martha Pease, sr vp-mgmt super; Seth Romanow, vp-acct super (educational); James Yaffe, vp-acct super (business).

RANK **165**

Avis Inc.

Garden City, N.Y.
ADVERTISING: **$ 50.0** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	971	812	19.6
Earnings	50	42	19.0

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	7,791	4,596	69.5
Magazine	4,633	2,905	59.5
News. supp.	55	72	(23.2)
Business publ.	3,356	1,943	72.7
Outdoor	92	23	306.6
Spot TV	7,921	6,622	19.6
Network cable TV	188	167	12.7
Network radio	5,343	0	NA
Spot radio	640	592	8.1
Measured	30,019	16,919	77.4
Unmeasured	20,000	11,000	81.8
Total	50,019	27,919	79.2

AVIS INC.
900 Old Country Road
Garden City, N.Y. 11430
(516) 222-3000

Corporate personnel: Joseph V. Vittoria, chmn & ceo; James E. Collins, sr vp-sales & mktg; Lawrence Ferezy, sr vp-cfo; Donald L. Korn, vp-human resources; Vincent Manago, vp-accounting; Robert Cardillo, vp-mktg; Thomas Byrnes, vp-sales; Demetria Mudar, dir-pr.
Brands/services by agency of record:
All svcs
Ad agency: Backer Spielvogel Bates, New York: Randall Hackett, exec vp; Alan Kellam, mgmt rep; Don Simon, Michael Stewart, acct supers; Rob Rawley, Jodi Ginsberg, acct execs.

RANK **103**

BellSouth Corp.

Atlanta
ADVERTISING: **$ 82.1** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	12,269	11,444	7.2
Earnings	1,665	1,589	4.8
■ Division sales	**1987**	**1986**	**% chg**
Local service	5,032	4,882	3.1
Interstate access	2,760	2,640	4.6
Intrastate access	844	812	3.9
Toll revenues	1,580	1,460	8.2
Other	2,117	1,708	23.9

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	4,645	6,370	(27.1)
Magazine	5,694	6,203	(8.2)
News. supp.	32	103	(68.6)
Business publ.	538	64	734.9
Outdoor	599	670	(10.6)
Spot TV	17,347	17,702	(2.0)
Spot radio	13,291	11,376	16.8
Measured	42,145	42,487	(0.8)
Unmeasured	40,000	40,000	0.0
Total	82,145	82,487	(0.4)

BELLSOUTH CORP.
1155 Peachtree St. N.E.
Atlanta, Ga. 30367
(404) 249-2000

Marketing personnel: John L. Clendenin, chmn & ceo; C. Richard Yarborough, vp-pr; M.T. Brandt, adv dir.
Brands/services by agency of record:
BellSouth svcs
Southern Bell
Ad agency: Earle Palmer Brown Cos., Atlanta: Alfred Nucifora, president; Mike Lindley, vp-mgmt super; Donna Keating, acct super; Gene Camoosa, sr vp-media dir.

South Central Bell
Birmingham, Ala.
Marketing personnel: Don G. Reichardt, adv dir; John Clark, Frank Wiedmer, Judy Eberhart, Eric Puchstein, operations mgrs.
Brands/services by agency of record:
Ad agency: Tucker Wayne/Luckie & Co., Atlanta & Birmingham, Ala.: Sid L. Smith, exec vp; Rick McReynolds, Mike Murphy, vps-acct supers; Karen Stephens, Elizabeth Shanklin, Laura Doumont, Chris Brown, acct execs.

BellSouth Mobility
Atlanta
Marketing personnel: J.A. Thorpe, vp-mktg; JoAnn Blount, dir-mkt planning; D.A. McGraw, genl mgr-adv & promo.
Brands/services by agency of record:
BellSouth Mobility
Ad agency: Hutcheson Shutze, Atlanta: Debbie Grossman, vp-acct svc dir; Jan Freund, acct super; Jean Frankenburger, acct exec.

BellSouth Advertising & Publishing
Atlanta
Marketing personnel: Mike Crain, vp-sales & mktg; Wayne Collier, mgr-adv.
Brands/services by agency of record:
BellSouth Advertising & Publishing
Ad Agency: Tucker Wayne/Luckie & Co., Atlanta: Ed Hinckley, acct super; Tom Luckie, acct exec.

RANK **150**

Bertelsmann AG

Guetersloh, W. Germany
ADVERTISING: **$ 55.8** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1988	1987	% chg
Sales	6,390	4,734	35.0
Earnings	198	113	75.2
■ U.S.	**1988**	**1987**	**% chg**
Sales	1,790	1,100	62.7
Operating income	NA	NA	NA
■ Division sales	**1987**	**1986**	**% chg**
Publishing	NA	618	NA
Music, video	NA	722	NA
Book & record clubs	NA	1,100	NA
Gruner & Jahr	NA	1,300	NA
Printing, mfg.	NA	NA	NA
Electronic media	NA	121	NA

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	8,347	3,755	122.3
Magazine	24,615	25,412	(3.1)
News. supp.	8,040	6,273	28.2
Business publ.	283	27	959.2
Outdoor	7	105	(93.6)
Network TV	14	93	(85.4)
Spot TV	1,555	700	122.0
Network cable TV	616	604	2.0
Network radio	315	780	(59.6)
Spot radio	11	79	(86.0)
Measured	43,802	37,828	15.8
Unmeasured	12,000	11,000	9.1
Total	55,802	48,828	14.3

■ **Notes:** Fiscal year ended June 30, 1988. Bertelsmann revenues are converted at the rate of DM1.94 = $1. All other figures DM1.80 = $1. Doubleday and Bertelsmann Music Group are included for six months (Jan. 1 to June 30, 1987).

BERTELSMANN AG
Carl-Bertelsmann-Strasse 270
4830 Guetersloh 1
West Germany

Bertelsmann Inc.
666 Fifth Ave.
New York, N.Y. 10103
(212) 765-6500

Bantam Doubleday Dell
Publishing Group
New York
Corporate personnel: Albert Vitale, president.
Marketing personnel: Matthew Shear, dir-mktg; Jack Hoeft, president-sales & mktg.
Brands/services by agency of record:
Bantam Doubleday Dell Publishing Group uses several agencies. Contact marketing personnel for specific agency information.

Doubleday Book & Music Club
New York
Coroprate personnel: Peter von Puttkamer, president.
Marketing personnel: Elizabeth J. Sherer, vp-mktg.
Brands/services by agency of record:
Doubleday Book & Music Club uses several agencies. Contact marketing personnel for specific agency information.

Doubleday Book Shops
New York
Corporate personnel: Gary Del Vecchio, president.
Marketing personnel: Sid Gross, merch mgr.
Brands/services by agency of record:
Doubleday Book Shops uses several agencies. Contact marketing personnel for specific agency information.

Gruner & Jahr USA/Publishing
New York
Coroprate personnel: Elizabeth Crow, president.
Marketing personnel: Vincent DePierro, adv dir.

Brands/services by agency of record:
Parents
Expecting
YM
Ad agency: Ketchum/Hicks & Greist, New York: Al Kracht, mgmt super.

Bertelsmann Music Group
New York
Corporate personnel: Michael Dornemann, president-ceo, co-chmn.
Brands/services by agency of record:
Bertelsmann Music Group
Ad agency: Ketchum/Hicks & Greist, New York: Al Kracht, mgmt super; James Tierney, acct exec.

New products tool B&D sales

Black & Decker Corp. is pegging its continued growth on new product development. In 1985, the company drew 5% of total sales from new products (three years old or less). That total climbed to 15% in 1987 and is targeted for 35% in the next several years. A big part of that growth has come from transforming products gained in the 1985 purchase of General Electric's small appliance business into the B&D brand.

RANK **145**

Black & Decker Corp.

Towson, Md.
ADVERTISING: **$ 58.9** MILLION

Sales & earnings
($ in millions)

	1987	1986	% chg
Worldwide			
Sales	1,935	1,791	8.0
Earnings	56	6	782.5
U.S.			
Sales	1,057	1,039	1.7
Operating income	69	34	103.3
Division sales			
Power tools	796	740	7.6
Accessories	192	157	22.3
Outdoor prods.	162	144	12.5
Household prods.	655	656	(0.2)
Service	130	114	14.0

U.S. advertising by media
($ in thousands)

Media	1987	1986	% chg
Newspaper	236	294	(19.6)
Magazine	12,127	7,469	62.4
News. supp.	214	327	(34.6)
Business publ.	684	153	348.5
Outdoor	0	7	(100.0)
Network TV	17,875	23,425	(23.7)
Spot TV	4,499	2,234	101.4
Network cable TV	424	289	46.8
Network radio	2,106	0	NA
Spot radio	741	0	NA
Measured	38,906	34,196	13.8
Unmeasured	20,000	18,000	11.1
Total	58,906	52,196	12.9

Note: Fiscal year ended Sept. 27, 1987 and Sept. 28, 1986.

BLACK & DECKER CORP.
701 E. Joppa Road
Towson, Md. 21204
(301) 583-3900

Corporate Personnel: Nolen D. Archibald, chmn & president-ceo; William E. Stevens, exec vp; George M. Sherman, sr vp, president-power tools group; Dennis G. Heiner, sr vp, president-household prods group; Gary DiCamillo, president-U.S. power tools; Joseph Schmidt, president-accessories and fastening.
Marketing personnel: Steven E. Simms, vp-mktg, power tools group; Kenneth E. Homa, vp-mktg, household prods group; Ellen Foreman, mgr-adv power tools group; Scott Lippett, mgr-adv & pr, household group.
Brand/services by agency of record:
Power tools
Ad agency: Leo Burnett USA, Chicago: Peter Metz, acct dir; Ken Fill, acct super; Peter Barber, Karen Garny, Tony Weisman, acct execs.

■

Household group
Ad agency: McCann-Erickson, New York: Ed Comisky, group dir; Joe Tilli, mgmt rep; Dennis Jordan, acct super.

RANK **199**

Block Drug Co.

Jersey City, N.J.
ADVERTISING: **$ 34.4** MILLION

Sales & earnings
($ in millions)

	1988	1987	% chg
Worldwide			
Sales	357	309	15.7
Earnings	38	33	16.3
U.S.			
Sales	212	192	10.3
Operating income	29	24	19.8
Division sales			
Dental	237	201	18.1
Consumer prods.	62	58	6.4
Ethical pharm.	58	50	16.8

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Newspaper	7	1	768.5
Magazine	156	267	(41.6)
Business publ.	6	17	(66.9)
Network TV	18,906	15,829	19.4
Spot TV	3,791	2,561	48.0
Network cable TV	1,139	979	16.4
Spot radio	2,413	2,386	1.1
Measured	26,418	22,040	19.9
Unmeasured	8,000	7,000	14.3
Total	34,418	29,040	18.5

Note: Fiscal year ended Mar. 31, 1988.

BLOCK DRUG CO.
257 Cornelison Ave.
Jersey City, N.J. 07302
(201) 434-3000

Marketing personnel: Donald LeSieur, exec vp-mktg; Peter Mann, sr vp-genl mgr, consumer prods div; John Perry, vp-mktg, consumer prods div; G. Andrew McMullen, vp-sales, consumer prods div; Mike Fink, vp-mktg, household prods div; Joseph Weinberg, vp-sales, household prods div; Ken Ballantyne, vp-genl mgr, dental prods div; Edward Brady, vp-corp devel; Adam Kratochwill, dir-creative svcs; Avrum Geller, dir-mktg svcs.
Brands/services by agency of record:
BC analgesic powders & tablets
Super Poli-Grip denture adhesive
X-14 mildew spray
Ad agency: Bloom Agency, Dallas: Paul MacMahon, president; Beth Mack, acct super.

■

Polident denture cleanser
Poloris dental poultice
Pyco-Pay toothbrushes
PycoTwin
Sensodyne toothpaste & toothbrushes
Wernet's Dentu Creme denture cleanser
Wernet's denture adhesives
Ad agency: Carrafiello, Diehl & Associates, Irvington, N.Y.: Phyllis Howe, acct exec.

■

Dentu-Creme
Dentu-Gel
Polident powder & tablets
Smokers Polident
2000 Flushes
Ad agency: Grey Advertising, New York: Jack Frantz, exec vp; Casey Wojciechowski, vp-mgmt super.

■

Caffree toothpaste
Dentrol denture adhesives
Gold Bond powder
Nytol sleep aid
Tegrin lotion for psoriasis
Tegrin medicated shampoo
Ad agency: Jordan, McGrath, Case & Taylor, New York: David Hauer, mgmt super.

■

Keep It In Your Sneaker powder
Ad agency: S&N Advertising, Boston: Diane Summers, mgmt super.

RANK **122**

Blue Cross & Blue Shield Association

Chicago
ADVERTISING: **$ 70.4** MILLION

U.S. advertising by media
($ in thousands)

Media	1987	1986	% chg
Newspaper	15,071	19,730	(23.6)
Magazine	908	1,113	(18.4)
News. supp.	0	57	(100.0)
Business publ.	12	24	(52.5)
Outdoor	1,022	835	22.3
Network TV	4,427	4,952	(10.6)
Spot TV	22,158	20,715	7.0
Network cable TV	3	9	(65.6)
Spot radio	5,799	4,263	36.0
Measured	49,399	51,699	(4.4)
Unmeasured	21,000	22,000	(4.5)
Total	70,399	73,699	(4.5)

BLUE CROSS & BLUE SHIELD ASSOCIATION
676 N. St. Clair St.
Chicago, Ill. 60611
(312) 440-6000

Marketing personnel: Leonard E. Wood III, sr vp-mktg; Duane R. Carlson, vp-comm; Gere Collosky, adv mgr.
Brands/services by agency of record:
Blue Cross & Blue Shield Assn.
Ad agency: Hal Riney & Partners, Chicago: Steve Jackson, acct super.

Domino's outruns competition

Domino's Pizza, the nation's top pizza deliverer, continued its fast growth in 1987 geared to outlet expansion and speed. It added 674 stores ending the year with 4,279 units, and took $3 off the pizza price if delivery took more than 30 minutes. It seldom did: average delivery time at year-end 1987 was 23.09 minutes.

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We Call Him A Subscriber.

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Act now to reserve space in the big Fifth Anniversary Issue, Nov.7.

NATIONAL WEEKLY EDITION
The Washington Post

DATA SOURCE: Erdos & Morgan, 1988

RANK
160

Bond Corp. Holdings

Perth, Australia
ADVERTISING: **$ 50.6** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1988	1987	% chg
Sales	5,009	2,489	101.2
Earnings	403	128	214.0
■ U.S.	**1988**	**1987**	**% chg**
Sales	1,513	NA	NA
Operating income	83	NA	NA
■ Division sales	**1988**	**1987**	**% chg**
Brewing, hotels, liquor	2,229	1,271	75.3
Property	202	33	514.8
Petroleum	47	42	12.1
Coal	33	31	5.1
International	478	52	812.1
Media	85	55	54.0
Corporate	615	394	56.3

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	1,476	649	127.3
Magazine	506	1,302	(61.2)
Business publ	NA	30	NA
Outdoor	1,657	1,228	35.0
Network TV	1,421	2,049	(30.6)
Spot TV	14,650	12,999	12.7
Network cable TV	67	260	(74.2)
Network radio	34	462	(92.8)
Spot radio	10,756	5,880	82.9
Measured	30,567	24,860	23.0
Unmeasured	20,000	17,000	17.6
Total	50,567	41,860	20.8

■ **Note:** Fiscal year ended June 30. 1987 ad totals reflect $2.5 million in measured advertising that Bond spent on Pittsburgh Brewing Co. which was folded into Heileman at yearend. Totals also include $100,000 Heileman spent on Christina Schmidt beer, which it did not own in 1986. 1988 figures include eight months of Heileman among acquisitions not accounted for in 1987 figures.

BOND CORP. HOLDINGS
45th Floor, R&I Tower,
108 St. George's Terrace
Perth, Western Australia, 6000

Have brews, will travel

Bond Corp., G. Heileman's new owner, will ship Lone Star and Rainier trans-Atlantic and import Castlemaine.

G. Heileman Brewing Co.
100 Harborview Plaza
La Crosse, Wis. 54601
(608) 785-1000

Marketing office:
10 S. Wacker, Suite 3200
Chicago, Ill. 60606
(312) 715-2000

Marketing personnel: Ian Crichton, sr exec vp-mktg & sales; Jon Garner, vp-mktg; Sam Frank, mktg dir, Old Style & Lone Star; Hugh Nelson, group mktg mgr, Colt 45 & Champale & Mickey's; Paul Hughes, mktg dir, J. Schmidt, Rainier, Kingsbury, Special Export, Henry Weinhard, La Croix and Cold Springs waters; Charles Simpson, group mktg mgr, C. Schmidt's & Carling Black Label; Michael Graham, vp-mktg & sales, Pittsburgh Brewing Co. division (Iron City, IC Light).

Brands/services by agency of record:

Old Style & Special Export
La Croix waters
Henry Weinhard
Kingsbury
Cold Springs
Heileman media buying

Ad agency: Young & Rubicam, Chicago: Eric Fredricks, sr vp-mng dir; Jim Magill, sr vp-group dir; Don Berardini, vp-mgmt super; Ken Markey, acct super, Henry Weinhard; Chris Donaghy, acct super, Old Style; Tim Pretzsch, acct super, Special Export; Dana Anderson, vp-mgmt super; Michael Powers, acct super, La Croix, Cold Springs & Kingsbury.

■

Colt 45
Champale
C. Schmidt's (Philadelphia)
J. Schmidt (Minneapolis)

Ad agency: W.B. Doner & Co, Baltimore & Chicago: David Sackey, exec vp-genl mgr; Howe Burch, vp-mgmt super; Phil Byrd, acct exec, Champale and Colt 45; Leo Portnoy, vp-mgmt super, J. Schmidt and C. Schmidt's.

■

Lone Star
Iron City & Rainier

Ad agency: Mojo/MDA, San Francisco: Steve Wille, sr vp; Josh Nichol, acct dir; Mike Foster, acct exec, Lonestar and Iron City; Jeff Leggett, acct exec, Ranier.

■

IC Light

Ad agency: Della Femina, McNamee WCRS, Pittsburgh: Les Gallagher, sr vp; Ed Flaherty, vp-acct super; Sally Philson, acct super; Andrea Graus, acct exec.

RANK
117

Brown-Forman Corp.

Louisville, Ky.
ADVERTISING: **$ 74.7** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1988	1987	% chg
Sales	1,355	1,404	(3.6)
Earnings	103	90	15.4
■ Division sales	**1988**	**1987**	**% chg**
Wine, spirits	1,003	1,064	(5.7)
Home furnishings	199	194	2.3
Personal prods	153	147	4.6

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	3,261	5,469	(40.4)
Magazine	24,977	24,185	3.3
News. supp	3,516	4,664	(24.6)
Outdoor	4,692	4,938	(5.0)
Network TV	6,694	16,210	(58.7)
Spot TV	1,919	4,402	(56.4)
Network cable TV	625	506	23.4
Network radio	135	0	NA
Spot radio	1,929	2,647	(27.1)
Measured	47,748	63,022	(24.2)
Unmeasured	27,000	36,000	(25.0)
Total	74,748	99,022	(24.5)

■ **Note:** Fiscal year ended April 30.

BROWN-FORMAN CORP.
850 Dixie Highway
Louisville, Ky. 40201
(502) 585-1100

Marketing personnel: Stephen B. Kauffman, exec vp, exec dir-mktg; John V.O. Kennard, sr vp-mktg, spirits; Jon G. Shastid, sr vp-mktg, wines; Norbert J. Kruer, vp-mktg admin; Richard C. Tongberg, vp-mkt rsch.

Brown-Forman Beverage Co.
Nashville, Tenn.

Marketing personnel: Arthur S. Hancock, exec vp, exec dir-mktg; Timothy D. Younkin, sr vp-mktg, Jack Daniel's; Hans L. Stern, sr vp, group mkt dir, exec dir-Brown-Forman Media Svcs; Dennis Walsh, vp-line extension devel; Bob Lagow, vp-mktg admin.

Brands/services by agency of record:

Jack Daniel's

Ad agency: Advanswers, St. Louis: Lee Zobrist, project mgr; Gordon Hendry, sr vp, dir-special prods; Joe Rosseau, exec group dir.

■

Canadian Mist
Early Times
Southern Comfort

Ad agency: Ally & Gargano, New York: Steve Brounstein, sr vp-mgmt dir; Monty Kiernan, Paul Basquin, vps-acct dirs.

■

California Cooler
Korbel
Bolla wines
Earl Grey English Liqueur

Ad agency: FCB/Leber Katz Partners, New York: Robert Hirsch, sr exec vp, dir-client svcs.

■

Jack Daniel's
Canadian Mist
Southern Comfort

Ad agency: Burrell Advertising, Chicago: Jasper Tanner, vp-acct dir; Chuck Curry, sr vp, dir-acct svcs; Mark Lee, acct super; Alisa Starks, acct exec; Linda Price, media super; Nick Howse, vp-media dir.

■

Bushmills

Ad agency: Chiat/Day, San Francisco: Matt Crisci, vp-mgmt super; Colleen Proctor, acct super.

■

Jack Daniel's

Ad agency: Simmons, Durham & Associates, St. Louis: Les Diveley, acct super; Carol Perry, acct mgr.

■

Bols
Jack Daniel's

Ad agency: TBWA Advertising, St. Louis: Mark Lashley, sr vp, dir-bus devel.

■

Hispanic mktg

Ad agency: Zubi Advertising Services, Miami: Terri Zubi, president; Mari-Tere Suarez, acct exec.

Lenox Inc.
Lawrenceville, N.J.

Marketing personnel: Thomas R. McInerney, vp-mktg, china & crystal; Peter R. Cheyney, vp-adv & mktg comm, china & crystal; Gordon Muckler, dir-mktg, Lenox Collections; William W. Berger, vp-mktg, Lenox Collections.

Hartmann Luggage
Lebanon, Tenn.

Marketing personnel: Dorothy B. Penix, sr vp.

Brands/services by agency of record:

Lenox China & Crystal
Lenox Collections
Hartmann Luggage

Ad agency: FCB/Leber Katz Partners, New York: Howard Berg, sr vp-group mgmt dir; Patricia Price, vp-mgmt dir; Mary Hildeburn, Karen Eustace, Michelle Gould, acct execs; Robert Gordon, president-direct mktg; Carlo Ammariti, acct super; Liz Greene, vp-acct dir.

RANK
140

Cadbury Schweppes PLC

London
ADVERTISING: **$ 60.2** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	3,202	2,701	18.6
Earnings	175	150	16.6
■ U.S.	**1987**	**1986**	**% chg**
Sales	1,506	1,124	33.9
Operating income	132	112	18.0
■ Division sales	**1987**	**1986**	**% chg**
Confectionery	1,383	1,236	11.9
Beverages	1,819	1,193	52.4
Food	NA	272	NA

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	121	987	(87.8)
Magazine	1,036	2,727	(62.0)
News. supp	41	67	(39.3)
Business publ	15	100	(84.7)
Outdoor	28	129	(78.0)
Network TV	11,684	14,951	(21.8)
Spot TV	24,804	19,510	27.1
Network cable TV	184	316	(41.8)
Network radio	654	570	14.6
Spot radio	587	97	503.3
Measured	39,154	39,454	(0.8)
Unmeasured	21,000	21,000	0.0
Total	60,154	60,454	(0.5)

■ **Note:** Fiscal 1987 ended Jan. 2, 1988. Average exchange rates used in this profile were £1 = $1.5764 U.S. in 1987 and £1 = $1.4678 U.S. in 1986, a 7.4% growth in the value of the pound against the dollar.

CADBURY SCHWEPPES PLC
1-4 Connaught Place
London W2 2EX England

Cadbury Schwepps
High Ridge Park
Stamford, Conn. 06905
(203) 329-0911

■

Cadbury Beverages

Marketing personnel: Steve Wilson, president-bev div; Randy Papadelis, vp mktg-bev div; John Carson, president-Schweppes; Ed Merck, president-Canada Dry; Larry Brown, vp-mktg, Canada Dry & Sunkist.

Brands/services by agency of record:

Schweppes

Ad agency: Ammirati & Puris, New York: John Hayes, sr vp-acct group dir; Nancy McNally, vp-acct super; Mildred Massey, assoc acct exec.

■

Canada Dry
Sunkist

Ad agency: Wells, Rich, Greene, New York: Martin Grant, mgmt super; Fred Refsin, Carrie Raffles, acct supers.

Mott USA

Marketing personnel: Frank DeLeo, vp-mktg; Carol Harrington, Carolyn Judge, group prod mgrs.

Brands/services by agency of record:

Motts prods
Holland House
Mr & Mrs T
Red Cheek Apple Juice
Roses's Lime Juice

Ad agency: Ally & Gargano, New York: Steve Brounstein, mgmt super; Dianna Gray, acct super; Pat Prozzi, acct dir.

RANK
104

Campeau Corp.

Toronto
ADVERTISING: **$ 80.7** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1988	1987	% chg
Sales	3,530	977	261.3
Earnings	NA	61	NA
■ U.S.	**1988**	**1987**	**% chg**
Sales	3,349	807	315.0
Operating income	336	159	111.3
■ Division sales	**1988**	**1987**	**% chg**
Merchandising	3,263	786	315.1
Rental	220	156	41.0
Real estate	47	35	34.3

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Magazine	3,324	3,184	4.4
News. supp	310	453	(31.6)
Outdoor	159	417	(62.0)
Spot TV	30,034	31,796	(5.5)
Spot radio	2,865	2,909	(1.5)
Measured	36,692	38,759	(5.3)
Unmeasured	44,000	47,000	(6.4)
Total	80,692	85,759	(5.9)

■ **Note:** Fiscal year ended Jan. 30. Sales for 1988 include Federated Department Stores, acquired in 1988 by Campeau in a $6.7 billion takeover. Total advertising for Campeau declined 5.9% from 1986 to $80.7 million which compared composite totals for Campeau and Federated for both years and before the recent sale of various Federated stores by Campeau.

CAMPEAU CORP.
320 Bay St.
Toronto, Ontario M5H2P2
(416) 868-6460

Federated Department Stores
7 West Seventh St.
Cincinnati, Ohio 45202
(513) 579-7000

Abraham & Straus
Brooklyn, N.Y.

Marketing personnel: Anthony Veziris, exec vp-mktg & comm; Francesco Cantarella, sr vp-regional relations; Nancy Ryan, operational vp-adv.

Brands/services by agency of record:

Abraham & Straus

Ad agency: Martino & Co., New York: Richard Martino, president; Susan Gronich, vp-admin;

"Miami...ranks No. 1 in newspaper revenues per household."
— Advertising Age, June 27, 1988

National: (305) 376-2820/Retail: (305) 376-2700
THE MIAMI HERALD • EL NUEVO HERALD
The Combination That Sells South Florida.
KR Represented nationally by Knight-Ridder Newspaper Sales, Inc. (212) 557-1111

MARKETING—EXECUTIVES
Packaged Goods and Financial Services
MARTHA WARD ASSOCIATES
EXECUTIVE SEARCH SPECIALISTS
71 Park Ave., N.Y., N.Y. 10016 (212) 689-6227

BEST COPY AVAILABLE

Cathy Hart, Gary Wuertenberger, acct supers.

Bloomingdale's
New York

Marketing personnel: Gordon Cooke, exec vp-sales promo; Francey Smith, vp-mktg; John Jay, sr vp-creative dir; Meraed Smith, publicity dir.

Brands/services by agency of record:
Bloomingdale's

Ad agency: (In-house): John Jay, sr vp-creative dir.

■

Broadcast adv

Ad agency: Grey Advertising, New York: Herb Lieberman, exec vp; Susan Marber, vp-mgmt super; Wendy Tilles, acct super; Nina Kessler, acct exec.

Burdines
Miami

Marketing personnel: Carey Watson, sr vp-mktg; Linda Frankel, vp-adv; Jorge Lopez, operating vp-adv admin & production; Jane Smiley, operating vp-special events & publicity.

Brands/services by agency of record:
Burdines

Ad agency: (In-house): Jorge Lopez, operating vp-adv admin & production.

The Children's Place
Pine Brook, N.J.

Marketing personnel: Micki Stanek, adv coord.

Brands/services by agency of record:
The Children's Place

Ad agency: (In-house): Micki Stanek, adv coord.

Lazarus
Cincinnati

Marketing personnel: Timothy Worcester, sr vp-mktg & sales promo; Herbert Frager, div vp, graphics dir; Ralph Holt, div vp, dir-adv & analysis.

Brands/services by agency of record:
Lazarus

Ad agency: (In-house): Ralph Holt, div vp, dir-adv & analysis.

Rich's
Atlanta

Marketing personnel: Donald Van Suilichem, sr vp-mktg dir; Alma Freedman, div vp, adv dir; Thomas Smallwood, vp-creative dir.

Brands/services by agency of record:
Rich's

Ad agency: (In-house): Alma Freedman, div vp, adv dir.

RANK
198

Canandaigua Wine Co.

Canandaigua, N.Y.
ADVERTISING: **$ 35.1** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Net sales	171	173	(1.2)
Earnings	NA	11	NA

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	194	27	622.5
Magazine	736	292	151.7
Business publ	183	106	72.4
Outdoor	51	40	27.8
Network TV	15,733	13,536	16.2
Spot TV	1,678	3,665	(54.2)
Network cable TV	4,581	3,629	26.2
Network radio	308	301	2.2
Spot radio	2,614	2,203	18.7
Measured	26,077	23,799	9.6
Unmeasured	9,000	8,000	12.5
Total	35,077	31,799	10.3

■ **Note:** Fiscal year ended Aug. 31. Net sales exclude excise taxes of $21.7 million in 1987 and $21.5 million in 1986.

CANANDAIGUA WINE CO.
116 Buffalo St.
Canandaigua, N.Y. 14424
(716) 394-7900

Marketing personnel: Marvin Sands, chmn-ceo; Richard Sands, president-coo; Bertram Silk, vp-wine operations; Joseph McDonald, vp-adv & corp accts; Howard Jacobson, dir-mktg.

Brands/services by agency of record:
Wild Irish Rose
Sun Country Cooler
J. Roget
Manischewitz wine
Widmer wines
Keller-Geister Mosel wines

Ad agency: Towne, Silverstein, Rotter, New York: Steve Rotter, president; Amy Weltman, sr vp-acct svcs; Gene Samuelson, Ross Lederman, creative dirs.

Winery energizes Sun Country

The nation's third largest winery with a 5.2% share of market, Canandaigua received FDA approval to use NutraSweet in its product, and is expected to be among the first to launch a low calorie cooler. Meanwhile in fiscal 1988, Canandaigua's Sun Country line got a malt-based cooler, was repackaged in sleeker bottles and became a clear product free of pulp in keeping with market tastes.

RANK
129

Canon Inc.

Tokyo
ADVERTISING: **$ 67.6** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	7,941	7,229	9.8
Earnings	108	87	23.5
■ U.S.	1987	1986	% chg
Sales	2,579	2,513	2.6
Operating income	NA	NA	NA
■ Division sales	1987	1986	% chg
Business machines	5,988	5,359	11.7
Cameras	1,440	1,294	11.3
Optical, other	508	577	(11.9)

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	3,405	1,753	94.3
Magazine	18,939	16,117	17.5
News. supp	0	102	NA
Business publ	2,594	2,775	(6.5)
Outdoor	545	431	26.3
Network TV	18,450	18,269	1.0
Spot TV	4,124	7,188	(42.6)
Network cable TV	1,665	2,065	(19.4)
Network radio	785	0	NA
Spot radio	82	1,524	(94.6)
Measured	50,586	50,224	0.7
Unmeasured	17,000	17,000	0.0
Total	67,586	67,224	0.5

■ **Note:** There was a 23.6% appreciation of the yen against the dollar, from Y161 = $1 in 1986 to Y123 = $1 in 1987.

CANON INC.
7-1, Nishi-shinjuki 2-chome,
Shinjuki-ku, Tokyo 163, Japan

Canon U.S.A.
1 Canon Plaza
Lake Success, N.Y. 11042
516-488-6700

Marketing personnel: Tetsuo Hirasawa, dir-prod planning & mktg; Etsuo Yoshinari, dir-adv & promo; Takeshi Kikuchi, mgr-adv & sales promo-copiers; Mitsuo Goto, adv & sales promo mgr-calculators; Hajime Hirai, dir-corp pr; Harry Iwanami, dir & genl mgr-consumer products group.

Brand/services by agency of record:
Cameras
Calculators
Copiers
Medical prods
Facsimile machines
TV lenses
Semiconductor mfg equipment

Ad agency: DCA Advertising, New York: Frank Savarese, mgmt super; Nick Nakahara, vp-mgmt super; Wataro Komaki, Werner Almazar, Janet Virgil, sr acct execs; Joe Rosa, George Perlov, Laura Blake, acct execs; Wendy Davis, Drew Green, Caroline Wesel, acct coords.

■

Cameras
Typewriters
Desktop publishing
Printers
Computers

Ad agency: Grey Advertising, New York: Clark Montgomery, exec vp-mgmt rep; Ray Halowski, vp-mgmt super; Jeff Levin, Larry Geiger, group mgmt supers; Harvey Goldherz, group head; Mark Krantz, acct super; Tom Murcott, Jodi Giardina, acct execs.

RANK
134

Capital Cities/ABC

New York
ADVERTISING: **$ 65.0** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	4,440	4,124	7.7
Earnings	279	182	53.4
■ Division sales	1987	1986	% chg
Broadcasting	3,434	3,154	8.9
Publishing	1,007	971	3.7

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	8,767	9,989	(12.2)
Magazine	30,783	30,555	0.7
News. supp	855	542	57.9
Business publ	382	162	136.3
Outdoor	715	795	(10.0)
Spot TV	4,577	4,396	4.1
Network cable TV	1,706	669	155.3
Network radio	6	256	(97.7)
Spot radio	9,182	7,982	15.0
Measured	56,974	55,346	2.9
Unmeasured	8,000	8,000	0.0
Total	64,974	63,346	2.6

■ **Note:** Fiscal years ended Jan. 3, 1988 (53 week year) and Dec. 28, 1986.

CAPITAL CITIES/ABC
1330 Ave. of the Americas
New York, N.Y. 10019
(212) 887-7777

Corporate personnel: Thomas S. Murphy, chmn & ceo; Daniel B. Burke, president-coo; John B. Fairchild, exec vp, chmn & ceo-Fairchild Publications; John B. Sias, exec vp, president-ABC Network Group; Ronald J. Doerfler, sr vp & cfo; Michael P. Mallardi, sr vp, president-Capital Cities/ABC Group; Phillip J. Meek, sr vp, president-Capital Cities/ABC Publishing Group; Stephen A. Weiswasser, sr vp & genl counsel; James E. Duffy, vp & president, ABC Communications; Allan J. Edelson, vp, controller & asst secty; Joseph M. Fitzgerald, vp-investor relations; John E. Frisoli, vp-human resources; James M. Goldberg, vp-taxes; Robert T. Goldman, vp-admin; Andrew E. Jackson, vp; David S. Loewith, vp, asst controller; Patricia J. Matson, vp-corp comm; Jeffrey Ruthizer, vp-labor relations; Alfred R. Schneider, vp-policy & standards; David J. Vondrak, vp & treasurer; Philip R. Farnsworth, secty; Allen S. Bones, asst treasurer.

ABC Television Network Group

Corporate personnel: John B. Sias, president; Robert Iger, exec vp; Ann Maynard Gray, sr vp-finance; Alan Wurtzel, sr vp-mktg & rsch svc; Brandon Stoddard, president, ABC Entertainment; Roone Arledge, group president-ABC News & Sports, president-ABC News; Richard C. Wald, sr vp-ABC News; Dennis Swanson, president-ABC Sports; Dennis Lewin, sr vp-ABC Sports; Stephen J. Solomon, sr vp-ABC Sports; Mark Mandala, president-ABC Television Network Group; George H. Newi, sr vp-affiliate relations.

Broadcast Group

Corporate personnel: Michael P. Mallardi, president; Lawrence J. Pollock, president-Tele-

Now, while everyone else is sending mail that looks mass-produced, you can send mass-produced mail that looks personal, gets opened ... and gets read.

Introducing Opti-Scan: A breakthrough production technology that lets you personalize multiple direct mail package elements and insert them into a conventional closed-face personalized outer envelope.

See for yourself . . .
Better-quality multiple personalized direct mail package elements inside a conventional closed-face personalized envelope affordably and in large volume.

It gives you the look and feel of an individually typewritten letter.

Opti-Scan uses advanced imaging technology to personalize multiple package elements, and then goes one step farther: It uses state-of-the-art lasers to optically read and match your personalized mailing components and insert them into a conventional closed-face personalized outer envelope. The result: a package that looks and feels as though it has been typed by your secretary.

It lets you meet your volume requirements—from as little as 10,000 to over 1,000,000 pieces per day.

Throw away the limitations of the past. You'll no longer have to settle for either a lower-quality product or a smaller-quantity mailing, because Opti-Scan provides both: the absolute highest quality, at production volumes that can meet virtually every direct marketer's need.

It's fast and it's accurate.

Opti-Scan personalizes, matches and inserts your package elements at a rate that is up to 10 times faster than any other technology in its category. And its advanced optical reader is far more accurate than the hand-match and semi-automated matching technologies previously available.

It's the single most affordable way to personalize multiple direct mail package components and insert them into a conventional closed-face outer envelope.

Here at last is an affordable way to create truly personal-looking direct mail that can break through today's mailbox clutter. And it is efficient to use no matter how small or large your mailing may be. That means flexibility to creatively do what you need to do to get your mailings opened and read in today's competitive environment.

It's available only from LaSalle.

LaSalle has been serving the production and lettershop needs of the country's leading direct marketers for more than 40 years, providing responsive, personal service at an affordable price.

Interested in finding out more about Opti-Scan?

Mail the coupon below to receive further information and a FREE sample package. Or call Daniel Solomon at 1-800-877-0700. (In New York call 212-597-7300)

LaSalle Industries Inc.
815 Hutchinson River Parkway
New York, NY 10465
(212) 597-7300

☐ **YES!** I want to know more about Opti-Scan, the practical, cost-efficient way to create personal-looking direct mail packages that break through the clutter. Please send me a sample package and information.

☐ I'd like to see Opti-Scan in action. Call me to arrange a tour of your facility.

Name _____

Title _____

Company _____

Address _____

City _____ State _____ Zip _____

( ) _____
Phone

Mail to:
LaSalle Industries Inc.
Attention: Daniel Solomon
President, Direct Marketing
815 Hutchinson River Parkway
New York, NY 10465

AE-311

vision Stations East; Robert C. Niles, vp-Television Stations East; Kenneth M. Johnson, president-Television Stations West; James E. Masucci, vp-Television Stations West; Herbert A. Granath, president-Video Enterprises; Roger L. Werner Jr., president & ceo, ESPN; Julius Barnathan, president, Broadcast Operations & Engineering.

Publishing Group

Corporate personnel: Phillip J. Meek, president; John B. Fairchild, chmn & ceo, Fairchild Publications; Robert G. Burton, president-ABC Publishing.

Brands/services by agency of record:

ABC News

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, New York: Les Koll, vp-mgmt super.

■

Entertainment

Ad agency: Grey Entertainment & Media, New York: Don Foley, exec vp.

■

ABC Sports

Ad agency: Lois Pitts Gershon Pon/GGK, New York: George Lois, chmn-creative dir.

RANK
121

Carter-Wallace

New York

ADVERTISING: **$ 72.0** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1988	1987	% chg
Sales	483	451	7.1
Earnings	38	32	17.1
■ U.S.	**1987**	**1986**	**% chg**
Sales	372	355	5.0
Operating income	75	70	6.2
■ Division sales	**1988**	**1987**	**% chg**
Health care	225	209	7.8
Antiperspirants	122	177	(31.1)
Other prods.	136	125	8.6

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	8	7	10.4
Magazine	4,342	3,382	28.4
News. supp.	35	0	NA
Business publ.	309	152	103.9
Network TV	19,782	20,139	(1.8)
Spot TV	2,131	1,616	31.9
Network cable TV	302	626	(51.7)
Spot radio	94	100	(5.8)
Measured	27,003	26,021	3.8
Unmeasured	45,000	43,000	4.7
Total	72,003	69,021	4.3

■ **Note:** Fiscal year ended Mar. 31.

CARTER-WALLACE
767 Fifth Ave.
New York, N.Y. 10153
(212) 758-4500

Corporate personnel: Henry H. Hoyt Jr., chmn & ceo.

Carter Products Division

Marketing personnel: John D. Mack, president; David W. McLain, exec vp; Richard D. Kline, vp-mktg; Arrid prods; Stephen H. Friedman, group vp-mktg, personal prods; Frank E. Suddoth, vp-mktg, suntan prods; Mark B. Klein, vp-mktg, family prods; Paul Brickman, vp-new prods; Richard C. Deyo, dir-mktg admin; Dolores M. Schimenti, dir-mktg rsch; Anna I. Zgorska, dir-media; Alan B. Sadovnick, dir-sales promo.

Brands/services by agency of record:

Arrid antiperspirants & deodorants
Sea & Ski and Block Out suncare prods
Carter's Little Pills
Answer pregnancy & ovulation tests
Trojan condoms

Ad agency: Backer Spielvogel Bates, New York: Mark Morris, exec vp-client svcs; Renee Summer, sr vp-mgmt rep; Robert Desatnick, Melanie Lester, vps-acct supers; Noah Levine, Mark Rizzuto, acct execs; Gaye Sussman, sr vp-group media dir.

■

Pearl Drops
Pearl Drops Stainfighting toothpolishes
Nair depilatories
Rigident denture adhesive
New prods

Ad agency: Avrett, Free & Ginsberg, New York: Don Bandman, exec vp; Marlene Wheeler, vp-acct super; Melissa Garlanda, Rod Brown, acct execs; Ed Weiner, sr vp-media dir.

■

Trojan trade adv
Triple X pediculicide

Ad agency: Bloom Agency, New York: Steve McCloskey, sr vp-group mgmt super; Jon Diament, acct exec; Bonnie Barest, sr vp-media dir.

Lambert Kay

Marketing personnel: Robert A. Cuthbert, president; Thomas McShane, vp-mktg; Thomas Abrams, dir-mktg svcs.

Brands/services by agency of record:

Fresh 'N Clean pet grooming prods
Linatone food supplements
Theralin vitamins for pets
Avitron vitamins, Avimin minerals for birds
Victory insecticide & shampoos
Lassie line of grooming
Flea & tick health prods

Ad agency: (In-house): Thomas Abrams, dir-mktg svcs.

Wallace Labs

Marketing personnel: Herbert Sosman, president; Thomas G. Gerstmyer, vp-mktg; Thomas Halvorson, group prod mgr; Richard P. Krukowski, vp-new prods mktg.

Brands/services by agency of record:

Organidin
VoSol & VoSol HC
Rondomycin
Ryna, Ryna C, Ryna CX
Rynatan, Rynatuss
Tussi-Organidan, Tussi-Organidan DM

Ad agency: Rolf Werner Rosenthal Inc., New York: Ron Susa, president; Phil Brady, exec vp; Bruce Leeb, vp-acct mgmt super.

■

Depen
Lufyllin, Lufyllin-GG, Lufyllin-EPG
Soma, Soma Compound
Soma Compound with Codeine
Micrainin
Aquatensen
Diutensen, Diutensen-R

Ad agency: William Douglas McAdams Advertising, New York: Don Morgan, vp.

Wampole Laboratories
Cranbury, N.J.

Marketing personnel: John Bridgen, president; John A. Kraeutler, vp-mktg.

Brands/services by agency of record:

Diagnostic prods

Ad agencies: Thomas J. Hogan Associates, Flemington, N.J.: Thomas J. Hogan, president.

Atkinson/Pankow, Morristown, N.J.: Tom Atkinson, president.

RANK
125

CBS Inc.

New York

ADVERTISING: **$ 69.1** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	2,762	2,809	(1.7)
Earnings	453	375	20.6
■ Division sales	**1987**	**1986**	**% chg**
Broadcast	2,762	2,808	(1.6)
Other	0.2	1	(77.8)

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	18,384	20,116	(8.6)
Magazine	30,193	27,910	8.2
News. supp.	1,498	1,021	46.7
Business publ.	929	1,315	(29.3)
Outdoor	930	786	18.3
Network TV	0	11	NA
Spot TV	3,213	2,704	18.8
Network cable TV	175	44	295.9
Network radio	1,270	557	128.1
Spot radio	2,498	3,390	(26.3)
Measured	59,090	57,854	2.1
Unmeasured	10,000	10,000	0.0
Total	69,090	67,854	1.8

■ **Note:** Earnings in 1987 include gains from discontinued operations of $131.7 million from its record division, sold to Sony Corp. in Jan. 1988, and $183.6 million from the magazine division, sold in Oct. 1987. Earnings in 1986 include gains from those divisions of $111.5 million and $4.1 million, respectively, and $199.4 million largely from the sales of book publishing operations. Income from continuing operations was $136 million in '87 and $74.2 million in '86.

CBS INC.
51 West 52nd St.
New York, N.Y. 10019
(212) 975-4321

Corporate personnel: William S. Paley, chmn; Laurence Tisch, president-ceo; Gene F. Jankowski, chmn, CBS/Broadcast Group; Howard Stringer, president, CBS/Broadcast Group; George F. Schweitzer, sr vp-comm.

CBS Marketing Division

Marketing personnel: Thomas F. Leahy, president, CBS Marketing; David Poltrack, sr vp-planning rsch; Jerome Dominus, vp-sales, network tv; Richard A.R. Pinkham Jr., vp-mktg, CBS Sports; Bruce Thomas, vp-mktg svcs.

Brands/services by agency of record:

Media buying: CBS Sports, CBS Entertainment & CBS Inc.

Ad agency: Backer Spielvogel Bates, New York: Dean Scaros, exec vp-group dir; Tom Cotton, vp-acct mgr; Alain Zutter, vp-media dir.

CBS Television Stations

Corporate personnel: Eric Ober, president.

Marketing personnel: Elgon Simons, vp-sales & mktg; Peggy Myers, mktg svcs mgr; Richard Elkind, project mgr; Debby Tarnok, mktg svcs specialist; Marge Stapor, mktg rsch specialist.

CBS News

Corporate personnel: David W. Burke, president.

Marketing personnel: Joseph Passarella, dir-adv & promo.

Brands/services by agency of record:

■

WCBS-TV, New York

Ad agency: Della Femina, McNamee WCRS, New York: Matthew Mansfield, exec vp-group dir; Susan Lang, media super.

■

WCAU-TV, Philadelphia
KCBS-TV, Los Angeles
CBS Entertainment, West Coast

Ad agency: Jacobs & Gerber, Los Angeles: Allison Harris, prod mgr.

■

WBBM-TV, Chicago

Ad agency: Zechman & Associates, Chicago: Jan E. Zechman, president-creative dir.

CBS Radio

Corporate personnel: Nancy C. Widman, president.

Marketing personnel: Stephen J. Youlios, vp-sales, CBS Radio Networks; Suzanne M. Sack, dir-mktg & promo, CBS Radio Networks; Anthony Miraglia, vp-genl mgr, CBS Radio Representatives; Karen Reef, dir-sales promo, CBS Radio Representatives.

Brands/services by agency of record:

WCBS-fm

Ad agency: Backer Spielvogel Bates, New York: Mariene Sklar, media super.

■

WSUN-am
WYNF-fm

Ad agency: Lander & Partners, St. Petersburg, Fla.: Sam Landers, president.

■

KNX-am

Ad agency: Searli Advertising, Los Angeles: Jack Seery, president.

■

KMOX
KHTR

Ad agencies: English & English, St. Louis: Alice English, president.

I.Q. & Associates, St. Louis: Joan Quicksilver, president.

Multi Media, St. Louis: Gentry Trotter, president.

■

KCBS

Ad agency: Solem, Loeb, & Associates, San Francisco: Ann Solem, president.

CBS/Fox

Marketing personnel: Dick Davi, dir-adv & creative svcs; Gina Vitkansas, media mgr.

Brands/services by agency of record:

CBS/Fox

Ad agency: (In-house): Dick Davi, dir-adv & creative svcs.

RANK
152

Chevron Corp.

San Francisco

ADVERTISING: **$ 55.5** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	28,106	26,245	7.1
Earnings	1,007	715	40.8
■ U.S.	**1987**	**1986**	**% chg**
Sales	22,532	20,973	7.4
Operating income	1,307	785	66.5
■ Division sales	**1987**	**1986**	**% chg**
Petroleum	26,137	24,535	6.5
Chemicals	2,593	2,210	17.3
Minerals	416	395	5.3

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	1,710	3,162	(45.9)
Magazine	5,698	3,414	66.9
News. supp.	180	120	50.0
Business publ.	1,663	1,450	14.7
Farm publ.	1,021	914	11.7
Outdoor	31	28	9.2
Network TV	1,594	2,026	(21.3)
Spot TV	18,018	14,920	20.8
Network cable TV	168	79	112.6
Network radio	7	5	39.6
Spot radio	7,384	4,395	68.0
Measured	37,474	30,512	22.8
Unmeasured	18,000	15,000	20.0
Total	55,474	45,512	21.9

CHEVRON CORP.
225 Bush St.
San Francisco, Calif. 94104
(415) 994-7700

Chevron Chemical Co.
San Francisco

Marketing personnel: Robert Davis, president; Jim Lieto, vp-genl mgr, Ortho consumer prods div; John Brex, mktg dir; Tom Graham, adv mgr-Ortho consumer prods div (home, lawn & garden chemicals).

Brands/services by agency of record:

Ra-pid-gro plant food
Public relations

Ad agency: Livingston & Co., Seattle: Pat Doody, vp-acct super.

■

All divs

Ad agency: McCann-Erickson, San Francisco: Tom Dreese, sr vp-mgmt super (consumer & agricultural prods divs); Jeff Kaiser, vp-mgmt super (consumer prods).

Chevron U.S.A.
San Francisco

Marketing personnel: David C. Smith, vp-mktg; A.M. Caccamo, genl mgr-mktg; Dan Johnson, corp adv mgr; James R. Gordon, mgr-adv & promo; Ralph Wooten, adv specialist; Jim Pivarnik, media dir.

Brands/services by agency of record:

Public affairs

Ad agency: J. Walter Thompson USA, San Francisco: David Soblin, mgmt super.

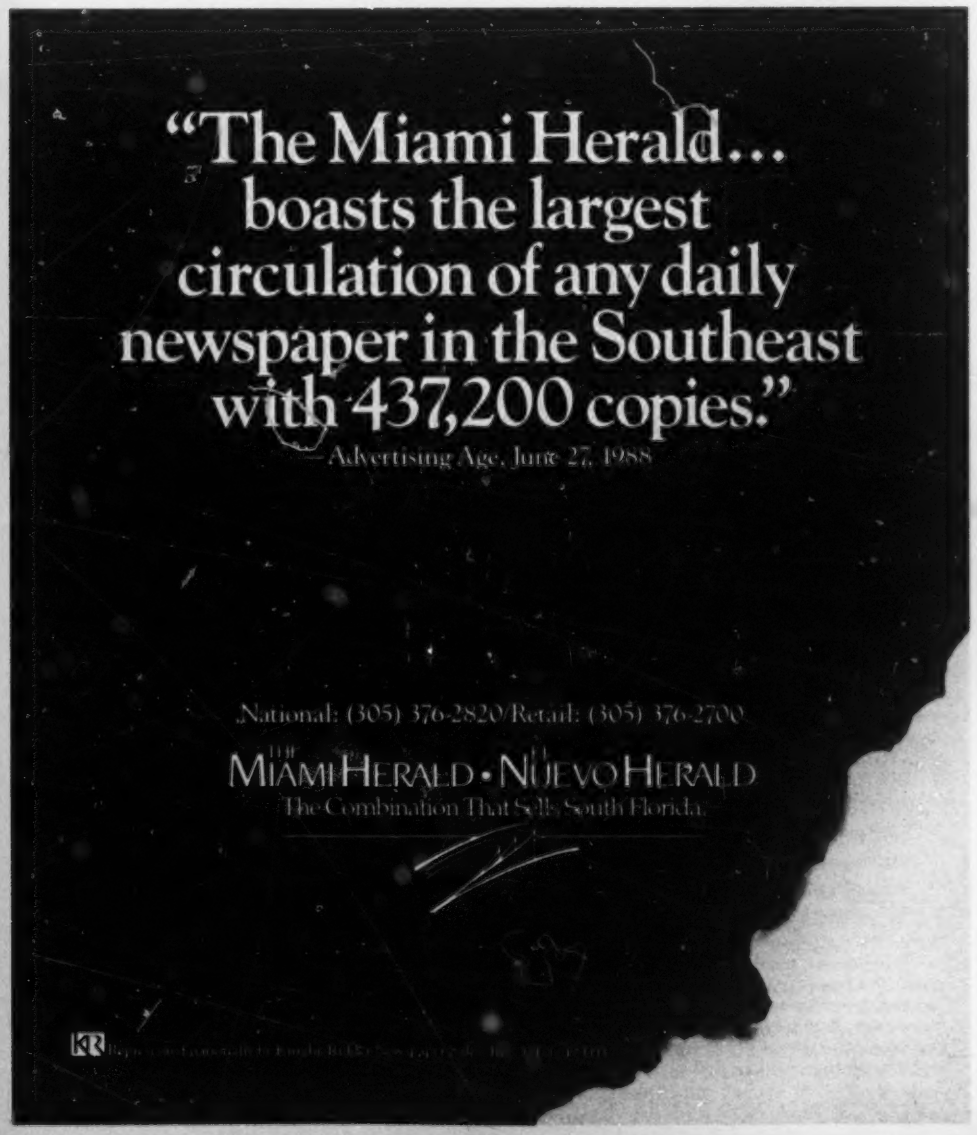
■

Chevron brands

Ad agency: Young & Rubicam, San Francisco: Gene Hart, acct mgr; Jack Hamilton, mgmt super; Jim Macdonald, Kate Zimmer, Fred Whitfield, acct supers.

"The Miami Herald... boasts the largest circulation of any daily newspaper in the Southeast with 437,200 copies."
Advertising Age, June 27, 1988

National: (305) 376-2820/Retail: (305) 376-2700
THE MIAMI HERALD • NUEVO HERALD
The Combination That Sells South Florida.



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RANK **141**

Ciba-Geigy AG

Basel, Switzerland
ADVERTISING: **$ 59.8** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	10,580	8,864	19.4
Earnings	738	645	14.5
U.S.	**1987**	**1986**	**% chg**
Sales	1,833	1,352	35.5
Operating income	NA	NA	NA
Division sales	**1987**	**1986**	**% chg**
Chemicals, dyestuffs	1,556	1,584	(1.8)
Pharmaceuticals	3,174	3,244	(2.2)
Agricultural	2,326	2,536	(8.3)
Plastics	2,432	2,391	1.7
Ilford	322	327	(1.4)
Electronic equip	550	428	28.4
Ciba Vision	228	198	14.9

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	77	35	116.1
Magazine	445	1,075	(58.6)
News. supp	0	440	NA
Business publ	2,414	2,882	(16.2)
Farm publ	7,159	6,622	8.1
Outdoor	7	171	(95.7)
Network TV	8,584	16,321	(47.4)
Spot TV	5,825	6,209	(6.2)
Network cable TV	434	236	84.3
Network radio	1,942	798	143.2
Spot radio	1,919	2,175	(11.7)
Measured	28,807	36,963	(22.1)
Unmeasured	31,000	40,000	(22.5)
Total	59,807	76,963	(22.3)

CIBA-GEIGY AG
Postfach
4002 Basel, Switzerland

Ciba-Geigy Corp.
Saw Mill River Road
Ardsley, N.Y. 10502
(914) 478-3131

Pharmaceutical Division
Summit, N.J.

Marketing personnel: William Sheldon, sr vp-mktg; Bill Hackett, exec dir-adv & sales promo.

Brands/services by agency of record:
Acutrim
Sunkist vitamins
Doan's pills
Q-Vel
Fiberall

Ad agency: Ketchum/Hicks & Greist, New York: Gerry Cutler, exec vp; Matt Seiden, sr vp-genl mgr; Julie Watson, Costa Koufopoulos, vps-mgmt supers; Jenny Glow, Sharon Fairley, acct supers.

■

Flow-K
10-K

Ad agency: William Douglas McAdams Advertising, New York: Irving Schwab, acct super.

Agricultural Division
Greensboro, N.C.

Marketing personnel: Leo Bontempo, president; Phil Koch, dir-mktg svcs; Larry Spickler, mgr-comm.

Brands/services by agency of record:
Insecticides
Fungicides
Herbicides

Ad agencies: Ketchum Advertising, San Francisco: Jeff Manning, sr vp-group dir; Russell Woods, acct super; Norma Rivera, acct exec; Gail Russell, asst acct exec.

Martin Williams Advertising, Minneapolis: Gerry Kleckner, vp-mgmt super; Tim Burke, acct super; Gregg Sampson, acct exec.

RANK **164**

Circuit City Stores

Richmond, Va.
ADVERTISING: **$ 50.4** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	1,350	1,011	33.6
Earnings	50	35	42.8
U.S.	**1987**	**1986**	**% chg**
Sales	1,350	1,011	33.6
Operating income	70	51	35.2

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Spot TV	26,354	16,286	61.8
Spot radio	17	0	NA
Measured	26,371	16,286	61.9
Unmeasured	24,000	15,000	60.0
Total	50,371	31,286	61.0

CIRCUIT CITY STORES
2040 Thalbro St.
Richmond, Va. 23230
(804) 287-4292

Corporate personnel: Alan L. Wurtzel, chmn; Richard L. Sharp, president-ceo.

Marketing personnel: Gregory B. Jones, dir-corp adv; Greg Schaale, mgr-creative; Joan Hall, mgr-corp adv svc; Carol Stant, mgr-media.

Brands/services by agency of record:
Circuit City stores

Ad agency: (In-house): Gregory B. Jones, dir-corp adv.

Ciba has the gall

Ciba-Geigy's cholesterol-dissolving drug Actigall could eliminate 330,000 gall bladder surgeries annually in the U.S.

RANK **136**

Citicorp

New York
ADVERTISING: **$ 64.6** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	NA	NA	NA
Earnings	NA	NA	NA
U.S.	**1987**	**1986**	**% chg**
Sales	NA	NA	NA
Operating income	NA	NA	NA

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Magazine	10,629	4,833	119.9
News. supp	251	363	(30.6)
Business publ	1,111	705	57.7
Outdoor	223	273	(18.3)
Network TV	13,744	6,027	128.0
Spot TV	14,280	8,346	71.1
Network cable TV	395	831	(52.4)
Network radio	1,931	140	1,284.2
Spot radio	3,023	2,305	31.2
Measured	45,588	23,822	91.4
Unmeasured	19,000	10,000	90.0
Total	64,588	33,822	91.0

CITICORP
399 Park Ave.
New York, N.Y. 10043
(212) 559-1000

Marketing personnel: Robert Previdi, dir-natl mktg comm, Citicorp, Citibank retail; Jenie Agins, dir-adv, Citibank retail; Maryann Eger, dir-adv, Citicorp National; Anne Slattery, dir-mktg, Citibank retail.

Brands/services by agency of record:
Diners Club Card U.S.
Carte Blanche Card
Citicorp travelers checks

Ad agency: Foote, Cone & Belding Communications, Chicago: James Cerasani, group acct dir; Karen Yoretich, mng dir; Peter Curran, acct exec.

■

Diners Club Intl
Citibank Investment Prods Unit
Citicorp Savings of Florida
Northeast Exchange
Citicorp/Citibank Group mktg
Citibank Worldwide Personal Banking
Citicorp Mortgage

Ad agency: FCB/Leber Katz Partners, New York: Jon Adams, president-worldwide acct dir; Chip Evans, sr vp-group mng dir; Katherine Chiles, mgmt dir; Connie O'Brien, Roberta Weinstein, vps-mng dir; Robert Morgan, Mary Conway, Sally Wonsik, Joan Levine, acct dirs; Jill Rundle, Camille Sigona, acct execs; Alicia Drummet, Lauren Serby, asst acct execs.

■

Citibank Better Bank Card

Ad agency: Lowe Marschalk, New York: Dan O'Donnell, mgmt super; Maureen McNulty, Stacey Wilk, acct execs.

■

Citicorp National Campaign
Citibank

Ad agency: N W Ayer, New York: Howard Stoner, Anita Stewart, mgmt supers; Geoffrey Sands, Lisa LeMont, acct supers; Nathan Archibald, sr acct exec; Amanda Hahn, acct exec.

■

Citicorp Savings of Illinois

Ad agency: N W Ayer, Chicago: Sally Spooner, mgmt super; Pamela Crain, acct super; Marcia Gibson, acct exec.

■

Citicorp Investment Bank

Ad agency: Smith-Greenland, New York: Bert Rosenberg, exec vp.

RANK **195**

Collins Foods International

Los Angeles
ADVERTISING: **$ 37.1** MILLION

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	567	522	8.5
Earnings	25	21	20.6
U.S.	**1988**	**1987**	**% chg**
Sales	509	477	6.7
Operating income	55	52	5.7
Division sales	**1988**	**1987**	**% chg**
Stores, restaurants	547	505	8.4
Franchises	19	17	14.4
Other	(.26)	(.17)	NA

Note: Fiscal year ended April 30.

U.S. advertising by media

($ in thousands)

Media	1988	1987	% chg
Outdoor	380	72	430.0
Spot TV	25,736	17,974	43.2
Network cable TV	190	0	NA
Spot radio	1,750	0	NA
Measured	28,056	18,045	55.5
Unmeasured	9,000	6,000	50.0
Total	37,056	24,045	54.1

COLLINS FOODS INTERNATIONAL
12855 W. Jefferson Blvd.
Los Angeles, Calif. 90066
(213) 827-2300

Marketing personnel: Michael M. Minchin Jr., exec vp; Donald W. Lum, dir-adv; James Scharf, dir-field mktg; Werner Poiser, vp-KFC div.

Brands/services by agency of record:
Collins Foods Intl

Ad agency: BBDO/West, Los Angeles: Tom Pickles, sr vp-mgmt super; Jim Ward, vp-acct super; Phil Singer, acct super; Steve Czerniel, acct exec.

■

KFC co-op adv

Ad agency: HDM, Los Angeles: Jeff Davis, acct exec.

RANK **126**

Cotter & Co.

Chicago
ADVERTISING: **$ 69.0** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	1,854	1,734	6.9
Earnings	89	71	25.5

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Magazine	4,558	6,055	(24.7)
News. supp	78	56	38.5
Business publ	184	220	(16.7)
Outdoor	52	64	(19.4)
Network TV	4,761	12,331	(61.4)
Spot TV	19,713	11,562	70.5
Network cable TV	1,652	1,588	4.0
Network radio	12,488	10,663	17.1
Spot radio	1,505	1,265	19.0
Measured	44,990	43,805	2.7
Unmeasured	24,000	23,000	4.3
Total	68,990	66,805	3.3

Note: There has been a change in accounting for inventory costs, such as warehousing and purchasing, in order to more precisely match those costs to the period in which the inventory of goods are sold. This change has resulted in an additional cumulative $7.205 million to 1987 pro forma earnings of $82.137 million for the reported 1987 total of $89.342 million.

COTTER & CO
2740 N. Clybourn Ave.
Chicago, Ill. 60614
(312) 975-2700

Corporate personnel: John M. Cotter, chmn; Daniel A. Cotter, president-ceo.

Marketing personnel: Edward E. Lanctot, secretary, treasurer, adv & merch mgr; Jerry Thompson, asst merch mgr.

Brands/services by agency of record:
Prini
Yellow Pages adv

Ad agency: Christenson, Barclay & Shaw, Chicago: Jerry Christenson, president; Mary Kane, acct svcs; Sharon Rainwater, acct mgr; Heidi Hadschke, Brenda Hawkins, sr acct coords.

RANK **153**

Helene Curtis Industries

Chicago
ADVERTISING: **$ 54.6** MILLION

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	489	400	22.2

SPACE SALES

We've been a leader in space sales recruitment for over 20 years. That's long enough for most newspapers and magazines to make us their obvious choice.

If you can demonstrate an outstanding track record with a minimum of 1-5 years experience, we can introduce you to your future. Right now.

Call or write Jeff Sherman

SAXON PERSONNEL
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505 Fifth Ave., Suite 300, NY, N.Y. 10017
(212) 557-9140 agency

The hottest newspaper in the hottest newspaper market just got hotter.
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58%
69%
MDE 40%
48%
44%
53%
(1.1 million adults)**
(1.3 million adults)**
If you want to take advantage of America's hottest newspaper market, take advantage of the hottest newspapers: The Miami Herald and El Nuevo Herald. It's one hot combination. Contact Jim Currow, vice president, advertising, at (305) 376-2858.
THE MIAMI HERALD • EL NUEVO HERALD
The Combination That Sells South Florida.

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FROM THE CREATOR OF THE AMERICAN COMEDY CONVENTION AND EXECUTIVE CONSULTANT TO ABC AMERICAN COMEDY AWARDS WE WILL TAILOR AND PRODUCE A COMEDY SHOW TO GET YOUR CORPORATE POINT OF VIEW across. FEATURING COMEDIANS FROM TELEVISIONS HOTTEST SHOWS, INCLUDING, EVENING AT THE IMPROV, LETTERMAN SHOW, CARSON SHOW, COMEDY CLUB AND SATURDAY NIGHT LIVE. CALL:

EDDIE KRITZER PRODUCTIONS
9229 SUNSET BOULEVARD
SUITE 509
LOS ANGELES, CA 90069
213-859-8706

Worldwide	1988	1987	% chg
Earnings	11	10	5.5
U.S.	**1988**	**1987**	**% chg**
Sales	388	323	20.0
Operating income	28	34	(17.7)

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Magazine	5,297	385	1,274.4
Network TV	29,195	21,081	38.5
Spot TV	502	57	779.9
Network cable TV	701	170	312.6
Network radio	778	0	NA
Spot radio	99	0	NA
Measured	36,572	21,703	68.5
Unmeasured	18,000	11,000	63.6
Total	54,572	32,703	66.9

Note: Fiscal year ended Feb. 29, 1988 and Feb. 28, 1987.

HELENE CURTIS INDUSTRIES
325 N. Wells St.
Chicago, Ill. 60610
(312) 661-0222

Consumer Products Division

Marketing personnel: Gilbert P. Smith, president; Richard W. Frank, vp-mktg; Robert G. Kelly, vp-sales; Stewart M. Witkov, controller; Jonathan P. Achenbaum, Andrea L. Saia, Bradford C. Kirk, group brand mgrs; Terri J. Shapiro, dir-mktg resources.

Brands/services by agency of record:
Suave haircare,
skincare & anti-perspirant

Ad agency: Bayer, Bess, Vanderwarker, Chicago: Gary Bayer, chmn-ceo.

■

Finesse
Salon Selectives

Ad agency: Saatchi & Saatchi DFS Compton, New York: Tom Burke, exec vp-mgmt dir.

Professional Division

Marketing personnel: V. James Marino, president; R. Steven Smith, vp-sales; Lan S. Hao, vp-finance & admin; Philip T. Kash, vp-mktg; Daniel T. Schmitt, dir-mktg resources; Robert F. Seidl, dir-business devel; David B. Elsner, dir-sales devel.

Brands/services by agency of record:
Professional div.

Ad agency: Cramer-Krasselt Co., Chicago: Peter Kriskovich, president.

RANK **113**

Dayton Hudson Corp.

Minneapolis

ADVERTISING: **$ 77.4** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	10,677	9,259	15.3
Earnings (cont. op.)	228	255	(10.4)
Division sales	**1987**	**1986**	**% chg**
Target	5,306	4,355	21.8
Mervyn's	3,183	2,862	11.2
Department stores	1,552	1,566	(0.9)
Lechmere	636	476	33.8

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Magazine	215	163	32.3
Business publ.	6	NA	NA
Outdoor	252	197	27.8
Spot TV	36,310	31,526	15.2
Spot radio	4,647	4,128	12.6
Measured	41,430	36,014	15.0
Unmeasured	36,000	31,000	16.1
Total	77,430	67,014	15.5

Note: Fiscal 1987 ended Jan. 31, 1988; fiscal 1986 ended Jan. 30, 1987.

DAYTON HUDSON CORP.
777 Nicollet Mall
Minneapolis, Minn. 55402
(612) 370-6948

Dayton Hudson Department Store Co.
Minneapolis

Marketing personnel: Stuart Widdess, sr vp-mktg; Daniel Stroman, dir-adv accts; Jack Mugan, dir-adv svcs.

Corporate media buying: Haworth Group, Minneapolis: Dale Haworth, president; Claude Steven, exec vp.

Brands/services by agency of record:
Dayton Hudson department stores

Ad agencies: Campbell-Mithun-Esty, Minneapolis: John Purdy, mgmt super; Jordan McElwain, Lisa Parrish-Greenberg, acct execs.

Brogan Kabot, Detroit: Marci Brogan, president; Anna Kabot, exec vp-creative dir; Vera Yardley, mgmt super.

Lechmere
Woburn, Mass.

Marketing personnel: J. Kent Flummerfelt, exec vp-mktg; Howard Benidt, sr vp-sales promo & adv; Phyllis Wasserman, dir-sales promo.

Brands/services by agency of record:
Lechmere

Ad agency: Houston Advertising, Boston: Jim Blinn, acct super.

Mervyn's
Hayward, Calif.

Marketing personnel: Susan Sprunk, vp-sales promo; Pat Holt, dir-print adv; Ruth Lindley, dir-adv operations & planning.

Brands/services by agency of record:
Mervyn's

Ad agency: Cohen-Johnson, Los Angeles: Howie Cohen, chmn & creative dir; Mark Johnson, president.

Target Stores
Minneapolis

Marketing personnel: John Pellegrene, sr vp-mktg; Paul Higham, vp-adv.

Brands/services by agency of record:
Target stores

Ad agency: Ruhr/Paragon, Minneapolis: Chuck Ruhr, president.

Branden's
Minneapolis

Marketing personnel: Frank Vincent, dir-adv promo.

Brands/services by agency of record:
Branden's

Ad agency: (In-house): Frank Vincent, dir-adv promo.

RANK **193**

De Beers Consolidated Mines

Kimberly, South Africa

ADVERTISING: **$ 37.5** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	3,070	2,557	20.1
Earnings	701	527	33.0

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Magazine	20,696	19,968	3.5
News. supp.	0	75	NA
Network TV	10,629	9,687	9.7
Spot TV	163	487	(66.6)
Network cable TV	36	16	126.8
Measured	31,522	30,253	4.2
Unmeasured	6,000	6,000	0.0
Total	37,522	36,253	3.5

Note: During 1987, diamond sales increased by 20% worldwide to $31 billion retail, as net income rose by 33%. However, actual diamond income declined by 4.3% when translating dollar gains into the stronger rand—home currency to the South African-based De Beers.

DE BEERS CONSOLIDATED MINES
Stockvale St. Box 616
Kimberly, South Africa
011-27-531-22171

De Beers Consolidated Mines
c/o N W Ayer
1345 Ave. of the Americas
New York, N.Y. 10105
(212) 708-5000

Brands/services by agency of record:
De Beers diamonds

Ad agency: N W Ayer, New York: Jeff Odiorne, Charles Meding, mng dirs; Judy Laughren, sr vp-mgmt super; Nancy Robey, acct super-brand group; Rachel Treitelman, sr acct exec; Marc Capra, vp-mgmt super; Joan Parker, sr vp, dir-pr, diamond info center; Lynn Ramsey, mgr-diamond info center; Earl Lynch, vp, dir-diamond promo svcs.

RANK **144**

Domino's Pizza

Ann Arbor, Mich.

ADVERTISING: **$ 59.0** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	1,980	1,570	26.1
Earnings	8	7	8.5

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Magazine	269	143	87.6
Outdoor	209	643	(67.5)
Network TV	25,835	19,496	32.5
Spot TV	15,268	14,308	6.8
Network cable TV	731	364	100.8
Spot radio	2,624	2,235	17.4
Measured	44,955	37,189	20.9
Unmeasured	14,000	11,000	27.3
Total	58,955	48,189	22.3

DOMINO'S PIZZA
Prairie House, Domino's Farms
30 Frank Lloyd Wright Drive
Ann Arbor, Mich. 48105
(313) 668-4000

Marketing Personnel: Sam Fine, div vp-mktg; Mike Raymond, group mktg dir; Ron Hingst, natl dir-pr.

Brands/services by agency of record:
Domino's pizza

Ad agency: Group 243, Ann Arbor, Mich.: Janet Muhleman, president; Bruce Smith, vp-genl mgr; Henry Blank, vp-mgmt dir.

■

Hispanic mktg

Ad agency: Sosa & Associates, San Antonio, Texas: Lionel Sosa, president; Al Aguilar, acct super.

RANK **179**

Dow Jones & Co.

New York

ADVERTISING: **$ 43.7** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	1,314	1,135	15.8
Earnings	203	183	10.7
Division sales	**1987**	**1986**	**% chg**
Natl publications	847	814	4.0
Community newsp.	216	195	10.6
Info svcs.	252	126	100.5

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	1,316	1,259	4.5
Magazine	1,561	1,801	(13.4)
News. supp.	10	29	(64.8)
Business publ.	2,956	2,630	12.4
Outdoor	0	104	NA
Network TV	1,424	6,109	(76.7)
Spot TV	7,713	3,370	128.9
Network cable TV	4,330	3,978	8.9
Network radio	8,951	6,708	33.5
Spot radio	1,442	2,810	(48.7)
Measured	29,703	28,799	3.1
Unmeasured	14,000	14,000	0.0
Total	43,703	42,799	2.1

DOW JONES & CO.
World Financial Center
200 Liberty St.
New York, N.Y. 10281
(212) 416-2000

Marketing Headquarters
420 Lexington Ave.
New York, N.Y. 10170
(212) 808-6500

Marketing personnel: Bernard Flanagan, vp-mktg; Paul Atkinson, adv dir, *Wall Street Journal*; John Coston, mktg svcs dir, Dow Jones.

Brands/services by agency of record:
"Creative director" trade adv

Ad agency: Jim Johnston Advertising, New York: James J. Johnston, chmn; Patricia C. Johnston, exec vp.

■

Circulation
All other trade adv

Ad agency: GSD&M, Austin, Texas: Roy Spence, president; Time McClure, exec vp-creative; Chuck Grady, sr vp-acct dir.

RANK **168**

Exxon Corp.

New York

ADVERTISING: **$ 49.1** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	83,335	76,555	8.9
Earnings	4,840	5,360	(9.7)
U.S.	**1987**	**1986**	**% chg**
Sales	19,829	18,210	8.9
Operating income	1,725	1,309	31.8
Division sales	**1987**	**1986**	**% chg**
Petroleum	75,638	67,395	12.2
Chemicals	8,335	7,021	18.7

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	5,506	3,491	57.7
Magazine	531	760	(30.1)
Business publ.	754	844	(10.7)
Outdoor	71	139	(49.0)
Network TV	0	49	NA
Spot TV	19,776	13,189	49.9
Network cable TV	1,004	310	223.8
Spot radio	3,418	655	422.2
Measured	31,061	19,436	59.8
Unmeasured	18,000	11,000	63.6
Total	49,061	30,436	61.2

EXXON CORP.
1251 Ave. of the Americas
New York, N.Y. 10020-1198
(212) 333-6900

Marketing personnel: Elliott Cattarulla, vp-public affairs.

Brands/services by agency of record:
Corp adv

Ad agency: McCann-Erickson, Houston: Jim Hetherly, genl mgr; Jack Collins, acct dir.

Exxon Co. U.S.A.
Houston

Marketing personnel: Robert P. Larkins, vp-mktg.

Brands/services by agency of record:
Exxon Co. U.S.A.

Ad agency: McCann-Erickson, Houston: Jim Hetherly, genl mgr; Jack Collins, acct dir.

■

Business-to-business adv
for specialty prods div

Ad agency: Quest Business Agency, Houston: Ron Poole, sr acct exec; Mardee McCown, acct exec.

RANK **130**

First Brands Corp.

Danbury, Conn.

ADVERTISING: **$ 66.8** MILLION

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	936	837	11.8
Earnings	(18)	(10)	(80)
U.S.	**1988**	**1987**	**% chg**
Sales	790	714	10.6
Operating income	(12)	(9)	(33.3)
Division sales	**1988**	**1987**	**% chg**
Home products	545	470	16
Auto products	247	237	4.2

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	56	119	(53.0)
Magazine	1,771	251	605.6
Business publ.	447	242	84.4
Network TV	29,482	28,510	3.4
Spot TV	2,789	4,683	(40.4)
Network cable TV	818	439	86.5
Network radio	0	587	NA
Spot radio	461	0	NA
Measured	35,824	34,831	2.9
Unmeasured	31,000	30,000	3.3
Total	66,824	64,831	3.1

Note: Fiscal year ended June 30. First Brands was taken private in a leveraged buyout of the home and auto businesses of Union Carbide Corp., July 1, 1986. U.S. operating income represents a loss before provision for taxes.

FIRST BRANDS CORP.
83 Wooster Heights Road, Bldg 301
Danbury, Conn. 06813-1911
(203) 731-2300

Marketing personnel: Robert Cassidy, exec vp; Rick Bowen, vp, dir-mktg; Stuart E. Benedict, Dave Lundstedt, Paul Nigro, mktg mgrs.

Glad Products Division

Marketing personnel: George Vestal, exec vp; Dave Smith, vp, dir-mktg; Marlin Stover, dir-mktg svcs; Jim Moore, mktg mgr-food prods; Pat O'Brien, mktg mgr-outdoor disposer; Dennis Mullin, mktg mgr-indoor disposer/handle tie bags.

Brands/services by agency of record:
Plastic Wrap
Plastic Bags

Ad agency: Leo Burnett USA, Chicago: Thomas Ross, exec vp; Larry Singer, vp-acct dir; Jennifer Garr, acct exec.

■

Prestone
STP
Simoniz

Ad agency: Young & Rubicam, New York: Bob Gleckler, sr vp-mgmt super; Kathy Schneider, Mark Chmiel, vps-acct supers; Yamma Morale, Ken Dowling, acct execs.

RANK **200**

Florists' Transworld Delivery Assn.

Southfield, Mich.

ADVERTISING: **$ 33.1** MILLION

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	119	110	8.5
Operating margin	6.25	5.69	9.8

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	2,860	3,377	(15.3)
Magazine	853	1,279	(33.3)
News. supp.	0	305	NA
Outdoor	0	6	NA
Network TV	16,034	8,464	89.4
Spot TV	4	74	(94.7)
Network cable TV	223	64	250.0
Network radio	6,141	6,385	(3.8)
Spot radio	0	73	NA
Measured	26,114	20,025	30.4
Unmeasured	7,000	5,000	40.0
Total	33,114	25,025	32.3

Notes: FTD's fiscal year ends June 30. The member-owned, non-profit cooperative, builds its revenues through membership fees, product revenues and product sales (it manufactures florist supplies). Operating margin is the difference between fiscal 1988 revenues of $119.4 million and costs of $113.1 million associated with payments for products, shipping, advertising and sales promotion, order processing and transmission, member programs and administration.

FLORISTS' TRANSWORLD DELIVERY ASSN.
29200 Northwestern Hwy.
P.O. Box 2227
Southfield, Mich. 48037
(313) 355-9300

Association personnel: Robert B. McNamara, chmn; James Durio, president; William A. Maas, exec vp.

Marketing personnel: Robert Etter, dir-consumer mktg.

Brands/services by agency of record:
FTD adv

Ad agency: D'Arcy, Masius, Benton & Bowles, Bloomfield Hills, Mich: Rob Carr, group acct super; Terri Anderson, acct super; Mary Embrey, acct exec; Pat Ragains, acct assoc.

RANK **180**

Foodmaker Inc.

San Diego

ADVERTISING: **$ 43.3** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	596	557	7.5
Earnings	14	9	50.2
Division sales	**1987**	**1986**	**% chg**
Restaurant sales	512	494	3.7
Food, supplies	53	37	41.8
Franchise, royalties	14	10	39.6
Other	19	15	25.3

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Outdoor	335	158	111.5
Spot TV	25,501	24,411	4.5
Spot radio	6,496	3,625	79.2
Measured	32,331	28,194	14.7
Unmeasured	11,000	9,000	22.2
Total	43,331	37,194	16.5

Note: Fiscal years ended Sept. 27, 1987 and Sept. 28, 1986. The company spent $43 million in advertising and promotion in fiscal 1987, compared to $42 million in 1986, according to the company, which notes the figures include franchisee contributions and contributions from certain of its suppliers under cooperative advertising programs. In August 1988, only 18 months after Foodmaker Inc. first offered its stock to the public, it announced plans to go private again in a $247 million buyout, by FM Acquisition Corp., an entity formed by buyout artists Gibbons, Green, van Amerongen.

FOODMAKER INC.
9330 Balboa Ave.
San Diego, Calif. 92123
(619) 571-2121

Marketing personnel: Mo Iqbal, exec vp-mktg, Jack in the Box div; Paul Haack, div vp-prod mktg, Jack in the Box div; John Farrar, dir-adv & pr, Jack in the Box div; Karen Wagner, sr brand mgr-Jack in the Box div; Nicole Bonenfant, mgr-Jack in the Box div; Durwin Long, mgr-pr, Jack in the Box div; Glen Drasher, vp-mktg, Chi-Chi's div; Ann Olmsted, dir-mktg, Chi-Chi's div.

Brands/services by agency of record:
Jack in the Box-media

Ad agency: Advanswers, St. Louis: Ray Ruzicka, vp-project group dir; Larry Goldstein, project mgr.

■

Jack in the Box-creative

Ad agency: Cohen/Johnson, Los Angeles: Howard Cohen, chmn-creative dir; Tom Ruffino, vp; Meade Wildrick, Steven Morrison, acct supers.

■

Chi-Chi's

Ad agency: D'Arcy, Masius, Benton & Bowles, St. Louis: Talmage Newton, mgmt super; Steve Kemps, acct super; Mark Hess, acct exec; Carole Cristie, creative dir.

RANK **163**

Greyhound Corp.

Phoenix

ADVERTISING: **$ 50.4** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	2,501	2,281	9.6
Earnings	25	189	(86.7)
Division sales	**1987**	**1986**	**% chg**
Consumer products	867	849	2.1
Transportation mfg.	272	194	40.2
Services	1,135	975	16.4
Financial	228	263	(13.4)

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	4,324	5,196	(16.8)
Magazine	3,075	4,202	(26.8)
Business publ.	149	168	(11.0)
Outdoor	3	0	NA
Network TV	14,656	24,363	(39.8)
Spot TV	3,177	1,572	102.1
Network cable TV	2,048	1,296	58.0
Network radio	7	13,326	(99.9)
Spot radio	NA	3,661	NA
Measured	27,439	53,784	(49.0)
Unmeasured	23,000	45,000	(48.9)
Total	50,439	98,784	(48.9)

GREYHOUND CORP.
111 W. Clarendon
Phoenix, Ariz. 85013
(602) 248-4000

Corporate personnel: John W. Teets, chmn & ceo.

Dial Corp.
Phoenix, Ariz.

Allan DeBolt, vp-mktg, institutional; Sha Varahramyan, sr group prod mgr-Dial, toiletries; Jamie Buckstaff, sr group prod mgr-new

prods, complexion soaps; Frank Yorio, mktg dir-foods div; L. Curt Hicks, vp-mktg, household & laundry div.

Brands/services by agency of record:

Armour Star canned meats

Tone soap

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, Dallas: Henry Lewcyk, mgmt super; Mary Love Stupinski, acct exec; Kim Goynor, exec vp, dir-client svcs; Steve Eaker, acct super; Mary Love Stupinski, acct exec; Diane Fannon, creative dir.

■

Dial soap

Liquid Dial

Pure & Natural soap

New prods-personal care div

Ad agency: DDB Needham Worldwide, Chicago: Ray Gillette, group acct dir; Bruce Delahorne, acct super; Lisa Henson, acct exec; Fran Johns, creative dir; Christie McMahon, group creative dir-new prods.

■

Lunch Buckets

Ad agency: Foote, Cone & Belding Communications, Chicago: Paul Vernon, mgmt super; Laura Krause, acct exec; Sue Schroeder, acct dir.

■

New prods-personal care div

Ad agency: Laurence, Charles, Free & Lawson, New York: Al Evans, exec vp-mgmt rep; Dick Goldschmidt, sr vp-mgmt super.

■

New prods-foods div

Ad agency: Phillips-Ramsey, Phoenix: Kevin Holden, mgmt super; Carolyn Podolsky, acct exec.

■

Ellio's frozen pizza

Ad agency: Rothenburg, Tully & Winter, New York: Paul Tully, mgmt super.

■

Household prods div

Ad agency: Tracy-Locke, Dallas: Mike Bracken, vp-media dir; Ken Runkel, sr vp-mgmt super; David Freund, vp-rsch dir; Joann Taylor, acct exec; Bob Jensen, sr creative dir.

RANK
101

GTE Corp.

Stamford, Conn.
ADVERTISING: **$ 83.1** MILLION

Sales & earnings

($ in millions)

	1987	1986	% chg
Worldwide			
Sales	15,421	15,122	2.0
Earnings	1,119	1,184	(5.5)
Division sales	**1987**	**1986**	**% chg**
Telephone	11,794	11,278	4.6
Other operations	3,627	3,833	(5.4)

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	5,531	18,140	(69.5)
Magazine	6,005	6,211	(3.3)
News supp	0	78	NA
Business publ	3,065	3,907	(21.6)
Outdoor	100	351	(71.7)
Network TV	10,353	14,152	(26.8)
Spot TV	15,147	16,145	(6.2)
Network cable TV	492	80	517.6
Network radio	97	24	305.0
Spot radio	7,357	8,006	(8.8)
Measured	48,147	67,153	(28.3)
Unmeasured	35,000	48,000	(27.1)
Total	83,147	115,153	(27.8)

Note: Excluding sales from units transferred to joint ventures with Siemens AG of West Germany and Fujitsu America Inc., consolidated revenues and sales from ongoing operations increased 6%.

GTE CORP.
One Stamford Forum
Stamford, Conn. 06904
(203) 965-2000

Corporate personnel: James L. Johnson, chmn & ceo.

Marketing personnel: Edward C. MacEwen, vp-corp comm; Rupert Smith, dir-corp adv.

GTE Telephone Operating Group

Marketing personnel: James L. Broadhead, president; Henry W. Donaldson, vp-mktg & business planning; Richard L. Sharman, vp-mktg, GTE Mobil-network.

GTE Diversified Product Group

Marketing personnel: Allan L. Rayfield, president-ceo; James M. Locker, dir-mktg, consumer comm prods div; Thomas Byker, mgr-adv & merch, consumer comm prods div; Geoffrey Pickard, vp-public affairs, diversified prods; Stewart L. Burge, vp-comm, comm systems; Vincent D'Alessandro, vp-public affairs, GTE electrical prods.

GTE shoots for the hips

GTE was among major advertisers to forego National Football League broadcasts during last fall's players' strike. This resulted in reduced expenditures for general promotion monitored for network TV. Earlier in 1987, however, the Super Bowl crowd at the Rose Bowl got some 100,000 seat cushions courtesy of GTE.

Brands/services by agency of record:

Diversified prods & svcs

Ad agency: DDB Needham Worldwide, New York: Lawrence J. Iannuzzelli, exec vp; Dennis P. Crosley, group sr vp-mgmt super; Juliana Van Norden, super-acct rep; Nancy Bretl, vp-mgmt super, diversified prods & svcs; James G. Cole, vp-acct super, telephone operating group.

RANK
191

Guinness PLC

London
ADVERTISING: **$ 38.3** MILLION

Sales & earnings

($ in millions)

	1987	1986	% chg
Worldwide			
Sales	4,442	4,032	10.2
Earnings	443	323	37.2
U.S.	**1987**	**1986**	**% chg**
Sales	668	583	14.7
Operating income	50	44	14.6
Division sales	**1987**	**1986**	**% chg**
Spirits	2,117	1,563	35.4
Brewing	1,403	1,368	2.6
Commercial	235	200	17.7
Businesses sold	687	901	(23.7)

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	52	5	975.0
Magazine	24,365	19,242	26.6
News supp	982	1,006	(2.5)
Outdoor	3,725	4,755	(21.7)
Spot TV	79	203	(61.0)
Network cable TV	0	37	NA
Network radio	941	0	NA
Spot radio	140	121	15.6
Measured	30,283	25,370	19.4
Unmeasured	8,000	7,000	14.3
Total	38,283	32,370	18.3

GUINNESS PLC
Group Head Office
39 Portman Square
London W1H 9HB England

Corporate personnel: Anthony J. Tennant, group chief exec; James Espey, deputy mng dir-United Distillers Group.

Guinness Import Co.
6 Landmark Square
Stamford, Conn. 06901
(203) 323-3311

Marketing personnel: Michael J. Hughes, president; Donald Blaustein, vp-mktg.

Brands/services by agency of record:

Guinness

Harp

Bass

Kaliber

Ad agency: The Marketing Centre, Wilton, Conn.: Larry Richardson, chmn; Dickey Richardson, president; Bill Glass, acct super.

■

Guinness Gold

Ad agency: Kirshenbaum & Bond, New York: Jonathon Bond, president; Richard Kirshenbaum, vp-creative dir.

Schenley Industries
Dallas

Marketing personnel: Alexander Berk, president-ceo; Alan Bailey, cfo; Chuck Burkhart, vp-sales; John Holley, vp-mktg.

Brands/services by agency of record:

Dewar's White Label

Dewar's 12-year-old Scotch

Cocktails for Two

George Dickel Tennessee Whisky

Old Charter Kentucky Bourbon

Dubonnet

Coronet Brandy

Cruzan Rum

J.W. Harper

Stock Cordials

Nouvelle Schnapps

WL Weller

Old Fitzgerald

Rebel Yell

Ad agency: Leo Burnett USA, Chicago: David Selby, vp-acct dir.

■

Gordon's Gin

Gordon's vodka

Pinch Scotch

Ad agency: Grey Advertising, New York: Art Ostrove, mgmt super; John Paquin, acct super; John Hutter, acct exec.

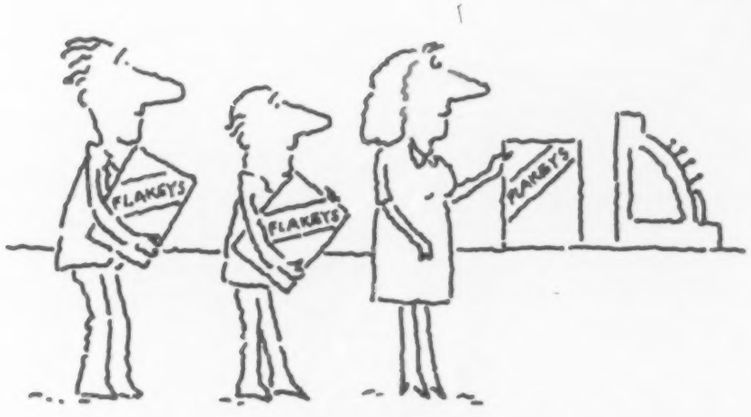
■

Royal Sangria

Ad agency: The Richards Group, Dallas: Mark McGarrah, acct super; Bill Rassul, asst acct exec.

Schieffelin & Somerset
New York

Marketing personnel: J. Penn Kavanagh,



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Downers Grove, Illinois 60515-5713

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SFA **SMITH'S 5TH AVENUE**
17 East 45 St., N.Y. 10017
212-682-5300

ceo; Clint Rodenberg, sr vp-mktg; Ben Stone, vp-prod group dir; Barry Small, sr mktg mgr.
Brands/services by agency of record:
Johnnie Walker Black Label & JW Red Label
Cardu Highland Malt Scotch
Tanqueray gin
Pimms Cup
Ad agency: Smith/Greenland, New York: Leo Greenland, president-ceo; Murray Platte, exec vp.

RANK **116**

Gulf & Western

New York
ADVERTISING: **$ 78.5** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	4,681	3,781	23.8
Earnings	356	267	33.3
U.S.	**1987**	**1986**	**% chg**
Sales	4,315	3,575	20.7
Operating income	NA	NA	NA

Division sales	1987	1986	% chg
Publishing, info	1,074	949	13.2
Entertainment	1,830	1,145	59.8
Finance	1,778	1,687	5.3

U.S. advertising by media

(AA estimated $ in thousands)

Media	1987	1986	% chg
Newspaper	3,974	2,938	35.2
Magazine	1,592	2,355	(32.4)
News. supp.	28	25	11.3
Business publ.	539	7	7,597.1
Outdoor	33	45	(25.8)
Network TV	11,383	9,405	21.0
Spot TV	25,149	19,807	27.0
Network cable TV	1,943	1,697	14.5
Network radio	313	214	46.1
Spot radio	593	395	50.0
Measured	45,546	36,888	23.5
Unmeasured	30,000	24,000	25.0
Total	75,546	60,888	24.1

Ad spending from G&W

($ in thousands)

Media	1987	1986	% chg
Newspaper	59,693	49,961	19.8
Magazine	4,193	4,238	(1.1)
Network TV	51,545	44,325	16.3
Spot TV	915	1,146	(20.2)
Network radio	8,365	6,994	19.6
Spot radio	189	303	(37.6)
Outdoor	204	390	(47.7)
Network cable	140	NA	NA
Measured	125,390	107,357	16.8
Unmeasured	161,901	133,030	21.7
Total	287,291	240,387	19.5

Note: Fiscal year ended Oct. 31. The company supplied domestic media spending figures. The company did not break out national versus local in its spending totals. Also, $33 million of G&W newspaper spending comes from Paramount film advertising. About $33 million of unmeasured spending figures from G&W includes theater lobby displays, counter cards and posters for video stores. AA estimates are for national advertising only.

GULF & WESTERN
One Gulf & Western Plaza
New York, N.Y. 10023-7780
(212) 373-8000

Corporate personnel: Jerry Sherman, vp-corp comm.

Paramount Pictures Corp.
Corporate personnel: Deborah Rosen, sr vp-corp comm.

Motion Picture Group
Marketing personnel: Barry London, president-mktg & domestic distribution; Sidney Ganis, president-worldwide mktg; Mardi Marans, exec vp; Nancy Goliger, exec vp-creative mktg affairs; Thomas Campanella, sr vp-adv; Robert Dorfman, sr vp-publicity & adv; Diana Widom, sr vp-publicity & promo; Michael Battaglia, vp-promo & field publicity; Cheryl Boone Isaacs, vp-publicity.
Brands/services by agency of record:
Motion Picture Group
Ad agency: D'Arcy, Masius, Benton & Bowles, New York: Mary Hunt, vp-acct mgmt; Chet Conklin, promo mgr.

Television Group
Marketing personnel: Steven Goldman, exec vp-sales & mktg; Meryl Cohen, Hollace Brown, vps-adv & promo; Jack Kanne, vp-sales; Alan Perper, vp-mktg.
Brands/services by agency of record:
Videocassettes
Ad agencies: J. Walter Thompson, Los Angeles: Michael Arkin, vp-entertainment group, vp-acct super.
Ninety Degrees, Los Angeles: Henry Vizcarra, president.

Madison Square Garden Corp.
Marketing personnel: Michael Walker, sr vp-mktg & comm; Linda Burns, corp vp-mktg; Martha Keyser, vp-corp comm.

MSG Network
Marketing personnel: Lee Berke, vp-mktg.
Brands/services by agency of record:
MSG Network
Ad agency: Grey Entertainment & Media, New York: Al Lieberman, president; Ed Ritchkoff, mgmt super.

Simon & Schuster
Corporate personnel: Providence Cicero, dir-corp comm.
Marketing personnel: Charles Rue Woods, vp, dir-adv & promo; Martha Otis, Maureen Mutschler, adv mgrs; Pat Ceol, adv dir; Debra Miller, Lee Northshield, mktg dirs; Jackie Ryff, mktg svcs admin.
Brands/services by agency of record:
Simon & Schuster Trade Div
Pocket Books
Ad agency: Franklin Spier, New York: Erin McHugh, vp-assoc creative dir; Rhonda Hall, vp-acct exec.

■

Simon & Schuster Software
Ad agency: Ogilvy & Mather, New York: Liza Bennett, acct dir.

■

Simon & Schuster Reference Div
Ad agency: Sussman & Sugar, New York: Ed Chilcott, acct exec.

■

Simon & Schuster High School Div
Ad agency: Group IV Design, Avon, Conn.: Lynn Moores, acct rep.

■

Simon & Schuster Prof Info Group
Ad agency: Penchina & Selkowitz, New York: Arthur Selkowitz, president.

Consumer/Commercial Finance Association Corp of North America
Corporate personnel: Frederick H. Stern, sr vp-corp comm.

Consumer Financial Services
Marketing personnel: Michael J. Carney, sr vp-consumer mktg/training; Fred Goldsmith, vp-adv; Dave Mikels, sr vp-devel svcs mktg/training.

Commercial Finance and Leasing
Marketing personnel: John K. Brown, sr vp-commercial strategic mktg & planning; John M. Ganster, sr vp-trans mktg; Ronald R. Ort, sr vp-equipment mktg; Jon A. Romas, vp-comm mktg; Stephen J. Larkin, vp-fleet leasing mktg, Lee J. Crittenden, vp-corp comm.
Brands/services by agency of record:
Commercial Finance
Ad agency: Grant/Jacoby, Chicago: Philip A. Petrik, acct super.

RANK **176**

Hanson PLC

London
ADVERTISING: **$ 46.0** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	10,975	7,082	55.0
Earnings	940	591	58.9
U.S.	**1987**	**1986**	**% chg**
Sales	3,377	2,979	13.3
Operating income	361	307	17.6
Division sales	**1987**	**1986**	**% chg**
Consumer	6,402	3,521	81.8
Building prods.	1,225	1,088	12.6
Industrial	1,655	1,366	21.2
Food	1,693	999	69.5

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	608	77	694.2
Magazine	12,636	6,827	85.1
News. supp.	281	87	223.0
Business publ.	1,347	NA	NA
Outdoor	9	32	(71.9)
Network TV	1,404	1,409	(0.4)
Spot TV	10,595	8,804	20.3
Network cable TV	164	29	474.4
Measured	27,043	17,264	56.6
Unmeasured	18,000	12,000	50.0
Total	45,043	29,264	53.9

Note: Fiscal year ended Sept. 30. Worldwide, Hanson spent $236.5 million in advertising, up from $156 million in 1986 when only six months of activity was folded in for its big U.K. acquisition, Imperial Group PLC, bought in April 1986 for about $3.7 billion. The exchange rate of £1 = $1.6425 was applied to returns for both years in this profile.

HANSON PLC
1 Grosvenor Place
London SW1X 7JH, England

Corporate personnel: Lord Hanson, chmn.

Hanson Industries
100 Wood Ave. South
Iselin, N.J. 08830
(201) 549-7050
Corporate personnel: Sir Gordon White, chmn.
Brands/services by agency of record:
Corp adv
Financial & investor relations adv
Ad agency: Lowe, Tucker & Metcalf, New York: Bill Tucker, president-partner; Jay Durante, dir-acct svcs.

Smith Corona Corp.
New Canaan, Conn.
Marketing personnel: Fred Feuerhake, vp-mktg.
Brands/services by agency of record:
Smith Corona typewriters
Smith Corona personal word processors
Ad agency: Rosenfeld, Sirowitz, Humphrey & Strauss, New York: Bob Mayer, sr vp-mgmt super; Mike Brewi, vp-acct super; Andrew Kritzer, Sherri Rinfret, acct execs.

Hygrade Food Products Corp.
Southfield, Mich.
Marketing personnel: Carl Gylfre, vp-mktg.
Brands/services by agency of record:
Hygrade food prods
Ad agency: W. B. Doner & Co., Detroit: Debbie Cragin, vp-mgmt super; Patty Kerr, sr acct exec; Brian Kopec, asst acct exec.

Ground Round
S. Weymouth, Mass.
Marketing personnel: Bob Baker, vp-mktg.
Brands/services by agency of record:
Ground Round restaurants
Ad agency: Harold Cabot & Co., Boston: Mike Simbolist, acct super; Susan Stavis, acct exec.

Endicott Johnson Corp.
Endicott, N.Y.
Marketing personnel: Carl Derrick, dir-adv, wholesale div.
Brands/services by agency of record:
Lehigh, Athletic & Barclay brands
Ad agency: Eric Mower & Associates, Syracuse, N.Y.: Tim Green, acct exec.

Endicott Johnson Shoe Stores
Endicott, N.Y.
Marketing personnel: Mark Leydecter, dir-retail adv & promo.
Brands/services by agency of record:
Endicott Johnson shoe stores
Ad agency: Weitzman/Dym & Livingston, Washington, D.C.: Alan Weitzman, chmn; Mike August, acct super; Judi Malawer, acct exec.

Hanson, king of brand spinning

Hanson PLC, the U.K. holding company, is akin to a lazy Susan that rotates condiments from one corporate diner to another. Its advertising as a result constantly shifts in weight from one product to the next as they pass through the company. The three product lines receiving the most advertising in 1986, for example —Glidden paints, Durkee foods and Lea & Perrins sauces—no longer are part of Hanson in 1988. Still advertised are Ball Park Franks, West Virginia Baked Ham, Daisy airguns, Ertl toys, Endicott Johnson shoes, Farberware cookery, Jacuzzi whirlpool baths, PGA gold clubs, and Smith Corona typewriters.

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RANK
142

Hattori Seiko Co.

Tokyo
ADVERTISING: **$ 69.3** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	2,160	2,600	(16.9)
Earnings	33	12	175.0

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	3,129	4,282	(26.9)
Magazine	8,917	9,184	(2.9)
News. supp.	427	178	139.3
Business publ.	100	118	(15.4)
Outdoor	154	138	11.2
Network TV	13,081	14,355	(8.9)
Spot TV	10,107	9,417	7.3
Network cable TV	264	741	(64.3)
Network radio	571	0	NA
Spot radio	544	0	NA
Measured	37,293	38,413	(2.9)
Unmeasured	22,000	23,000	(4.3)
Total	59,293	61,413	(3.5)

HATTORI SEIKO CO.
6-21 Kyobashi, 2-chome
Chuo-ku, Tokyo 104, Japan

Hattori Corp. of America
640 Fifth Ave.
New York, N.Y. 10019
(212) 977-2800

Corporate personnel: Tsutomu Mitome, president.

Lorus

Marketing personnel: Takashi Wakuyama, watches; Akira Suzuki, clocks.
Brands/services by agency of record:
All Lorus prods
Ad agency: AC&R Advertising, New York: Steve Rose, chmn; Steve Bennett, sr vp-acct super.

Seiko Time Corp.

Corporate personnel: Robert Pliskin, president.
Marketing personnel: Hal Wilensky, exec vp; David Strousse, vp-adv & pr; Robert Stevens, genl mgr-adv & pr.
Brands/services by agency of record:
All Seiko prods
Ad agency: AC&R Advertising, New York: Steve Rose, chmn; Constantine Pappas, sr vp-acct super.

Pulsar Time

Corporate personnel: Robert Pliskin, president; H. Dean Sauder, exec vp.
Marketing personnel: Larry Sussberg, vp-sales; Jonathan Nettelfield, sr genl mgr-adv.
Brands/services by agency of record:
All Pulsar & Jaz Paris prods
Ad agency: AC&R Advertising, New York: Steve Rose, chmn; Steve Bennett, sr vp; Cherie McKenzie, vp.

RANK
183

Hearst Corp.

New York
ADVERTISING: **$ 42.3** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	NA	NA	NA
Earnings	NA	NA	NA
U.S.	1987	1986	% chg
Sales	NA	NA	NA
Operating income	NA	NA	NA
Div sales est.	1987	1986	% chg
Newspaper	650	390	66.7
Magazine	873	780	11.9
TV & radio	262	280	(6.4)
Cable TV	50	9	455.6
Other	90	70	28.6

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	5,518	4,492	22.8
Magazine	15,422	16,884	(8.7)
News. supp.	213	0	NA
Business publ.	4,584	3,848	19.1
Outdoor	567	620	(8.6)
Network TV	76	0	NA
Spot TV	5,550	4,532	22.5
Network cable TV	106	81	30.4
Network radio	154	22	587.1
Spot radio	125	0	NA
Measured	32,315	30,480	6.0
Unmeasured	10,000	10,000	0.0
Total	42,315	40,480	4.5

HEARST CORP.
959 Eighth Ave.
New York, N.Y. 10019
(212) 649-2000

Corporate personnel: Frank A. Bennack Jr., president; Gilbert C. Maurer, exec vp; James F. O'Donnell, corp comm dir.
Brands/services by agency of record:
Corp adv
Ad agency: Laurence, Charles, Free & Lawson, New York: Alfred Evans, exec vp; Richard Goldschmidt, sr vp.

Hearst Magazines

Corporate personnel: Gilbert C. Maurer, president; K. Robert Brink, exec vp; D. Claeys Bahrenburg, George J. Green, exec vps-group publishing dirs; Mark F. Miller, exec vp-genl mgr; Mark E. Goldschmidt, mktg & planning dir; Charlotte Kelley Veal, pi dir; Bonnie Maglio Shope, adv & promo dir, Hearst Gold Buy Magazines; Daniel Ambrose, adv mgr, Hearst Gold Buy & Hearst Home Buy.

Hearst Newspapers

Marketing personnel: Robert J. Danzig, vp-genl mgr; J. Roger Grier, Lee J. Guittar, vps-group execs; Henry K. Wurzer, mktg devel mgr.

Hearst Broadcasting
Pittsburgh, Pa.

Marketing personnel: John C. Conomikes, vp-genl mgr, broadcasting; Mickey L. Hooten, vp-genl mgr, television; Jack A.W. Shenkan, sales & mktg dir, broadcasting.

Hearst Books/Business Publishing

Marketing personnel: Gordon L. Jones Jr., vp-group head, Books/Business Publishing; Lawrence Hughes, president, Hearst Trade Book Group; Susan Halligan, dir-adv & sales promo, William Morrow & Co.; Michael Greenstein, exec vp-sales dir, Avon Books.

King Features Syndicate

Marketing personnel: Joseph F. D'Angelo, president; Bruce L. Paisner, exec vp; Lawrence T. Olsen, vp-mktg & sales dir.
Brands/services by agency of record:
All Hearst divisions use several agencies. Contact the division's marketing personnel for specific agency information.

RANK
175

Hewlett-Packard Co.

Palo Alto, Calif.
ADVERTISING: **$ 45.3** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	8,090	7,102	13.9
Earnings	644	516	24.8
U.S.	1987	1986	% chg
Sales	4,122	3,812	8.1
Operating income	690	537	28.5
Division sales	1987	1986	% chg
Equipment	6,315	5,622	12.3
Service	1,775	1,480	19.9

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	400	158	152.7
Magazine	7,271	3,440	111.4
Business publ.	11,594	8,036	44.3
Outdoor	0	1	NA
Network TV	7,992	20,547	(61.1)
Spot TV	13	42	(69.4)
Network cable TV	18	91	(80.2)
Spot radio	0	56	NA
Measured	27,288	32,370	(15.7)
Unmeasured	18,000	22,000	(18.2)
Total	45,288	54,370	(16.7)

Note: Fiscal year ended Oct. 31.

HEWLETT-PACKARD CO.
3000 Hanover St.
Palo Alto, Calif. 94304
(415)857-1501

Corporate personnel: David Packard, chmn; William R. Hewlett, vice chmn; John A. Young, president-ceo.
Marketing personnel: Richard C. Alberding, exec vp-mktg; Diane Armer, dir-corp adv.
Brands/services by agency of record:
Computer systems
Peripherals
Ad agency: Saatchi & Saatchi DFS, San Francisco: Ron Colnett, chmn; Cliff Wilton, vice chmn-exec creative dir; Carol Cotton, exec vp-mgmt dir (peripherials, calculators); Sam Hershfield, exec vp-mgmt dir (computer systems).

■

Test & measurement
Engineering & manufacturing systems
Ad agency: Tallant/Yates, Englewood, Colo.: Dan Arensmeier, president; Buck Krawczyk, vp-acct svcs.

■

Medical prods AOR
Ad agency: Giardini/Russell, Watertown, Mass.: Rick Haigis, exec vp; Bill Green, acct super.

■

Medical prods
Ad agency: Bronson, Leigh & Weeks, Portland, Ore.: Dave Bronson, president; Christine Yoast, acct coord.

■

Analytical prods
Ad agency: Brooks Communications, Belmont, Calif.: Shirley Brooks, president.

■

Components
Ad agency: Pinne, Garvin, Herbers & Hock, San Francisco: Don Herbers, mgmt super; Laurie Dahl, acct super.

■

Intercontinental operations
Ad agency: HDM, Los Angeles: Charles W. Reynolds Jr., president; William C. Lyddan Jr., exec vp-genl mgr.

RANK
173

Holiday Corp.

Memphis, Tenn.
ADVERTISING: **$ 46.3** MILLION

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	1,663	1,648	0.9
Earnings	108	103	4.6
Division sales	1988	1987	% chg
Hotels	935	952	(1.8)
Gaming	717	690	3.9
Franchise fees	11	6	87.9

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Magazine	5,358	5,704	(6.1)
News. supp.	10	42	(76.3)
Business publ.	889	566	57.1
Outdoor	5,000	4,555	9.8
Network TV	15,077	6,553	130.1
Spot TV	5,731	5,478	4.6
Network cable TV	1,762	115	1,430.4
Network radio	11	0	NA
Spot radio	1,479	1,519	(2.6)
Measured	35,314	24,532	43.9
Unmeasured	11,000	15,000	(26.7)
Total	46,314	39,532	17.2

Note: Fiscal year ended Jan. 31.

HOLIDAY CORP.
1023 Cherry Road
Memphis, Tenn. 38117
(901) 762-8600

Corporate personnel: Michael D. Rose, chmn-ceo & president.

Holiday Inn Hotels
Memphis, Tenn.

Marketing personnel: Ray Lewis, sr vp-worldwide mktg; Kevin Jeter, dir-natl mktg.
Brands/services by agency of record:
Holiday Inn Hotels
Ad agency: Young & Rubicam, New York: George Guimaraes, exec vp-group genl mgr; Jordan Stanley, sr vp-mgmt super; Judy Reis, Don Rimsky, vps-acct supers; Don Davis, sr vp-group super; Linda Bonaventura, media super.

Harrah's Hotel/Casino
Reno, Nev.

Marketing personnel: Robert A. Miller, vp-mktg.
Brands/services by agency of record:
Harrah's Hotel/Casino
Ad agency: (In-house): Seth Dingley, dir-adv.

Embassy Suite Hotels
Irving, Texas

Marketing personnel: Pat Cox, vp-mktg.
Brands/services by agency of record:
Embassy Suite Hotels
Ad agency: Stern/Monroe Advertising, Dallas: Lisa Bell, acct rep-natl; Lisa Briggs, acct rep-eastern region; Bee Dowling, acct rep-western region.

Hampton Inn Hotels
Memphis, Tenn.

Marketing personnel: Mark Wells, vp-mktg; Lorna Brown-Ray, dir-natl sales; Dave Walker, mgr-field svcs; Jane Innes, mktg dir; Coleen Thomason, mktg mgr; Cathy Young, mgr-mktg svcs.
Brands/services by agency of record:
Hampton Inn Hotels
Ad agency: D'Arcy, Masius, Benton & Bowles, St. Louis: Todd Felker, media mgr; Tim Rodger, acct exec.

RANK
167

Geo. A. Hormel & Co.

Austin, Minn.
ADVERTISING: **$ 49.3** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	2,314	1,960	18.1
Earnings	46	39	17.6

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	711	960	(25.9)
Magazine	7,966	8,554	(6.9)
News. supp.	627	942	(33.5)
Business publ.	1,699	779	118.1
Outdoor	309	319	(3.0)
Network TV	2,203	5,442	(59.5)
Spot TV	6,269	7,441	(15.7)

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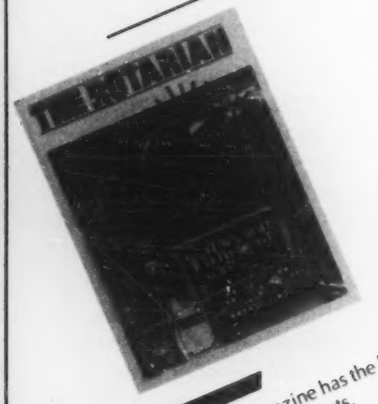

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Media	1987	1986	% chg
Network cable TV	253	173	46.2
Network radio	3,151	7,515	(58.1)
Spot radio	8,119	11,684	(30.5)
Measured	31,306	43,808	(28.5)
Unmeasured	18,000	25,000	(28.0)
Total	49,306	68,808	(28.3)

Note: Fiscal year ended Oct. 31.

GEO. A. HORMEL & CO.
P.O. Box 800
Austin, Minn. 55912
(507) 437-5611

Corporate personnel: R.L. Knowlton, chmn & president-ceo; James E. Hall, exec vp-meat prods & prepared foods.
Marketing personnel: T.J. Purcell, dir-mktg & adv svcs.

Meat Products Group
Corporate personnel: Stanley E. Kerber, group vp.
Marketing personnel: Bob Slavik, dir-sales; Gary Esbeck, dir-mktg; Joe Swedberg, group prod mgr-hams & bulk smoked meats; James E. Matthews, assoc prod mgr-breakfast meats; Tom Lipe, assoc prod mgr-consumer luncheon meats; Brian Walker, assoc prod mgr-club accounts; Mike Grogan, prod mgr-deli group; Gerald Zampanti, prod mgr-prepared sausage; Rick Helm, assoc prod mgr-food service.

Prepared Foods Group
Corporate personnel: Robert Patterson, group vp-prepared foods group; Eric Brown, vp-grocery prod div.
Marketing personnel: Rick Bross, dir-grocery prod mktg; John Vrabel, group prod mgr-Top Shelf; Larry Raskin, group prod mktg mgr-chili, tamales, Chi-Chi's; Marc Johnson, group prod mktg mgr-Spam, Not-so-Sloppy Joe sauce; Bill Bernardo, assoc prod mktg mgr-Kid's Kitchen, SRI; Larry Vorpahl, assoc prod mktg mgr-chunk ham, turkey, chicken, Great Beginnings, InfoScan; Bill Marten, prod mktg mgr-Dinty Moore, corned beef, multi pak, Hormel Countryline USA; Greg Baskin, prod mktg mgr-vending, convenience stores single serving entrees; Mary Kroner, assoc prod mktg mgr-Mary Kitchen hash, meat snacks; Bill Husk, prod mktg mgr-hams, bulk meats, patties, Vienna sausage, spreads; Jeff Grev, assoc prod mktg mgr-Old Smokehouse, bits, dried beef, pickled, private label.

FDL Marketing
Dubuque, Iowa
Corporate personnel: Jim Cole, president; Neil W. House, sr vp-genl mgr.
Marketing personnel: Steven Dopita, vp-sales; Clyde Maddux, vp-mktg.

Jennie-O-Foods
Willmar, Minn.
Coporate personnel: Earl B. Olson, chmn; Charles B. Olson, president-ceo.
Marketing personnel: Jerry Figenskau, sr vp-sales & mktg; Robert Tegt, vp-mktg.
Brands/services by agency of record:
Spam
Chili
Mary Kitchen hash
Old Smokehouse BBQ sauce, bacon & flavored bits
Not So Sloppy Joe
Canned hams
Chicken By George
Top Shelf
Chi-Chi's salsa
Microwave cups
Black Label bacon
Cure/81 Ham
Light & Lean prods
Little Sizzlers pork sausage
Fast 'N Easy prods
Wranglers prods
Frank 'N Stuff franks
Dry sausage/deli
Lunch meats
Food service
Convenience store prods
Ad agency: BBDO, Minneapolis: Jon Firestone, president-ceo; Allen Cohn, exec vp-exec creative dir; Guild Copeland, Bob Jackson, vps-mgmt supers; Dave Schutten, vp-creative dir; Bruce Armstrong, dir-creative design center; Tony DeSena, vp-media director; Cher Simer, research director. Grocey prods: Tom Keating, srvp-mgmt super; Peter Murphy, Dennis Nustad, Mike Uecker, acct supers; Vivian Martinson, Ann Wiessner, acct execs. Meat prods: Bob Jackson, vp-mgmt super Wes Crawford, acct super; Dwayne Sigler, Gale Walker, Tim Whalen, acct execs.

■

Italian language adv
Ad agency: Gioia Productions, Glen Head, N.Y.: Luisa Bianchi, president.

■

Chunk canned prods
Dinty Moore prods
Farm Fresh catfish
Gold 'n Lite prods
Great Beginnings
New Traditions prods
Microwave bacon
Kid's Kitchen microwave prods
New microwave prods
Ad agency: Ruhr/Paragon, Minneapolis: Chuck Ruhr, chmn; Bob Jones, president; Doug Lew, exec vp/creative; Louise Scroggins, John Murtfeldt, group acct dirs.

RANK
107

Imasco Ltd.

Montreal
ADVERTISING: **$ 60.3** MILLION

Sales & earnings
($ in millions)

Worldwide	1987	1986	% chg
Sales	9,786	8,003	22.0
Earnings	213	162	31.5
Division sales	**1987**	**1986**	**% chg**
Tobacco	1,452	1,262	15.1
Restaurant	3,061	2,676	14.4
People's Drug	1,395	1,382	0.9
Shopper's Drug	1,563	1,276	22.5
Other	177	148	19.6
Imasco Enterprises	2,162	1,300	66.3
U.S.	**1987**	**1986**	**% chg**
Systemwide sales	3,363	2,918	15.3
Operating earnings	65	67	(3.0)

U.S. advertising by media
($ in thousands)

Media	1987	1986	% chg
Magazine	7	23	(69.8)
Outdoor	1,984	1,667	17.7
Spot TV	43,346	32,761	32.3
Network cable TV	103	0	NA
Network radio	0	59	NA
Spot radio	2,852	10	NA
Measured	48,293	34,539	39.8
Unmeasured	32,000	23,000	39.1
Total	80,293	57,539	39.5

Note: The exchange rates used were U.S. $0.7541 = $1C for 1987, and U.S.$0.7189 = $1C in 1986. Imasco switched from a fiscal to a calendar year in 1987, and the figures here represent 1986 and 1987 calendar years. Company revenues were $4.467 billion in 1987 and $4.024 billion in 1986.

IMASCO LTD.
4 Westmount Square
Montreal, Quebec, Canada H3Z 2S8
(514) 937-9111

Corporate personnel: Purdy Crawford, chmn & president-ceo.

Imasco USA
Rocky Mount, N.C.
Corporate personnel: Jack A. Laughery, chmn & president-ceo; John Wilson, sr vp-cfo.

Hardee's Food Systems
Rocky Mount, N.C.
Marketing personnel: William E. Prather Jr., president-ceo; Ralph Peterson, exec vp-cfo; Paul R. Lovin Jr., exec vp-operations; Gary L. Langstaff, exec vp-mktg.

Grisanti Inc.
Louisville, Ky.
Corporate personnel: Michael J. Grisanti, president-coo.
Brands/services by agency of record:
Grisanti's restaurants
Ad agency: Bayer, Bess, Vanderwarker, Chicago: Bill Daley, acct super.

■

Hardee's restaurants
Ad agency: Ogilvy & Mather, New York: Bill Gray, Adam Sunderland, Bob Norsworthy, acct mgrs; Bob Neuman, creative dir.

Peoples Drug Stores
Alexandria, Va.
Marketing personnel: Howard Diener, exec vp; Joseph A. Pollard, sr vp-adv & corp relations.
Brands/services by agency of record:
Corp adv
Ad agency: Ehrlich Manes Associates, Washington, D.C.: Nella Manes, president.

■

Regional adv
Ad agencies: Fahlgren & Swink, Toledo, Ohio: James Renda, acct super; Liz Winkle, acct coord.
Handley & Miller, Indianapolis: Richard Kreusser, president.
Mel Finkel Associates, Atlanta: Mel Finkel, president.

RANK
170

Imperial Chemical Industries PLC

London
ADVERTISING: **$ 48.4** MILLION

Sales & earnings
($ in millions)

Worldwide	1987	1986	% chg
Sales	17,534	14,878	17.9
Earnings	1,198	881	36.0
U.S.	**1987**	**1986**	**% chg**
Sales	4,625	3,603	28.4
Operating income	427	NA	NA
Division sales	**1987**	**1986**	**% chg**
Consumer	6,829	5,384	26.8
Industrial	8,150	7,254	12.4
Agricultural	2,749	2,432	13.0
Miscellaneous	314	244	28.7

U.S. advertising by media
($ in thousands)

Media	1987	1986	% chg
Magazine	877	425	106.4
Business publ	2,383	2,161	9.3
Farm publ	8,299	7,726	7.4
Outdoor	15	29	(49.7)
Network TV	10,885	9,254	17.6
Spot TV	8,335	7,784	7.1
Network cable TV	177	133	32.8
Spot radio	1,406	417	237.0
Measured	32,376	27,949	15.8
Unmeasured	16,000	14,000	14.3
Total	48,376	41,949	15.3

ICI GROUP
Imperial Chemical House
Millbank, London SW1 England

ICI Americas
New Murphy Road, Concord Pike
Wilmington, Del. 19897
(302) 575-3000

Corporate personnel: Harry Corless, chmn; E.D.M. Eades, president-films group; R.E. Gadsby, president-polyurethanes group; W.F. Lalor, president-pharmaceutical group; B.H. Lochtenberg, president-specialty chemicals group; T.F. McGrail, president-general prods group; H.E. Miller, president-advanced metals group & electronics group; J.R.M. Russell, president-agricultural prods group.
Marketing personnel: William C. Adams, genl mgr-public affairs; William M. Metten Jr., dir-public affairs, corp comm; Herbert K. Schmitz, dir-public affairs, govt relations; Jerome H. Kurtz, adv dir-materials, external affairs; Al Perantoni, comm mgr-agricultural prods group; J. Robert Giffen, mkt comm mgr-electronics, genl prods; Marcia F. Calloway, merchandising asst-fibres; Stephanie M. Warakomski, comm mgr-films group; Gerald M. Goodkind, mgr-prof relations, pharmaceutical group; C.A. Carpenter, dir-mktg svc; J.A. Amato, mgr-mktg svc.
Brands/services by agency of record:
Glidden Paints
Spred Satin
Spred Lustre
Spred House Paint
Spred Gel-Flo
Spred Patch
Endurance House Paint
Endurance Stains & Varnishes
Florenamel
Spred Gloss
Insul-Aid
Spred Laytex
Spray-Day-Lite
Polylure
Pulvalure
Electrolure
Industrial Coatings
Lifemaster
Ultra-Hide Maintenance Coatings
Resins
Marien Finishes
Adhesives
Mortars
Sealants
Liquid Nail Caulks
Grouts
Rust Master
Woolmaster
Spred House Glide-On
Rustmaster Pro
Supra 2000
Ad agency: Meldrum & Fewsmith, Cleveland: Karl V. Brockman, vp-acct super, trade; Leslie P. Radigan, acct exec-trade; W. Shackford Brown, vp-acct super, consumer; Fred Weisburg, Mark Williams, acct execs-consumer; W. Gene Thompson, vp-media dir; Barbara Wertz, assoc media dir; Maxine Muller, media planner.

■

Polymer additives
Ad agency: Schaefer Advertising, Valley Forge, Pa.: Karen Kelty, mgmt super; Jim Wilson, acct exec; Neil Greenberg, creative dir; Ross Winters, art dir; Chuck Laham, copywriter; Kathy Wilbert, media dir.

■

Films
Specialty chemicals
Agricultural chemicals
Personal care prods
Ad agency: Kelly Michener Inc., Valley Forge, Pa.: Don Kohri, acct super; Geoge Sekula, acct exec; Joe Possemato, exec creative dir; Harry Rolfe, media dir; Barb Ripple, media specialist.

■

Stuart Pharmaceuticals
Zestril
Nolvadex
Cefotan
Diprivan
Hibiclens
Mylanta II
Ad agency: Sudler & Hennessey, New York: John Corcoran, exec vp; Ken Bagasse, vp; Doug Burcin, vp-acct super; Waler Bernd, sr vp; Neil Leiner, exec vp; Barbara Morano, sr vp. Mylanta II: Art Rosen, exec vp dir-consumer group; Ann Petelka, vp acct super; Ken Kopas, sr vp media dir; Kate Freehill, media super.

■

Tenoramin
Tenoretic
Ad agency: Lavey/Wolff/Swift, New York: Robert Smith, group acct super; Vincent Stahl, acct super; Art Kalaka, acct exec; Maureen Brennan, assoc media dir.

■

Force
Karate
Ambush
Cymbush and Actellic insecticides
Gramoxone
Cyclone
Fusilade
Reflex and Tornado herbicides
Ad agency: Richardson, Myers & Donofrio, Baltimore, Md.: Jamie Rice, mgmt super; Jed Lafferty, Jim Palmer, acct supers; Betsy Moyer, Don Hughes, Anne Mueller, acct execs; Bill Porter, media dir; Betsy Clark, assoc media dir.

RANK
158

Isuzu Motors

Tokyo
ADVERTISING: **$ 51.8** MILLION

Sales & earnings
($ in millions)

Worldwide	1987	1986	% chg
Sales	6,534	7,278	(10.2)
Earnings	67	NA	NA

U.S. advertising by media
($ in thousands)

Media	1987	1986	% chg
Newspaper	7,454	7,339	1.6
Magazine	11,650	9,920	17.4
Business publ	484	573	(15.6)
Outdoor	4	5	(12.0)
Network TV	5,853	5,931	(1.3)
Spot TV	14,166	15,356	(7.8)
Network cable TV	204	252	(19.1)
Network radio	0	315	(100.0)
Spot radio	0	475	(100.0)
Measured	39,815	40,166	(0.9)
Unmeasured	12,000	12,000	0.0
Total	51,815	52,166	(0.7)

Note: Fiscal year ended Oct. 31. Figures for both 1987 and 1986 were converted at the rate of Y139.25 = $.$1. The company does not break out sales and income figures for its U.S. subsidiaries.

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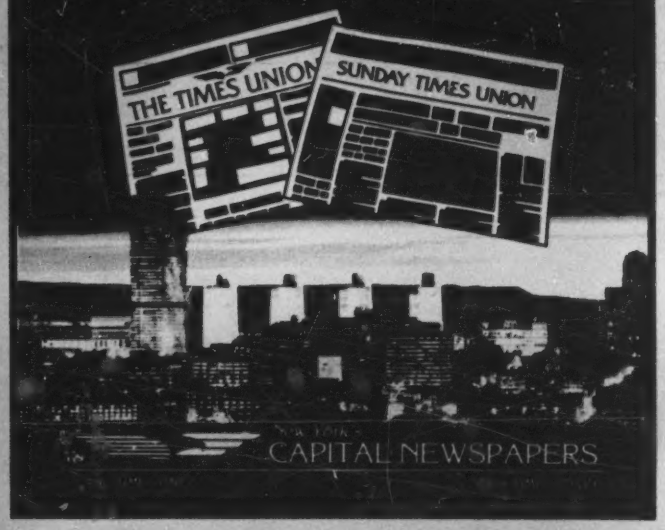

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ISUZU MOTORS
22-10, Minami-oi
6-chome Shinagawa-ku,
Tokyo 140, Japan

American Isuzu Motors
2300 Pellissier Place
Whittier, Calif. 90601
(213) 695-9011

Corporate personnel: Gene Suzuki, president; John E. Reilly, sr vp-genl mgr; Allen Seki, sr vp-cfo; Kozo Sakaino, sr vp-manufacturer relations.

Marketing personnel: Fritz Kern, vp-mktg; William Miller, vp-corp affairs; Jerry O'Connor, vp-sales; Koichi Yoshida, vp-finance; Leon Rosen, natl mktg svcs mgr.

Brands/services by agency of record:
American Isuzu Motors

Ad agency: Della Femina, McNamee WCRS, Los Angeles: Peter Stranger, president; Dennis Remsing, sr vp-mgmt dir; Peter Mooney, Jeff Saunders, vps-acct supers; Richard Anderman, Richard Reed, acct supers; Kelley Wilson, Charles Koch, acct execs.

RANK **186**

Jaguar

Coventry, England
ADVERTISING: **$ 40.0** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	1,580	1,219	29.6
Earnings	39	57	(31.6)

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	11,424	9,089	25.7
Magazine	9,150	6,458	41.7
News. supp	447	327	36.6
Business publ	88	NA	NA
Outdoor	63	69	(8.8)
Spot TV	5,395	3,571	51.1
Spot radio	456	262	74.2
Measured	27,022	19,776	36.6
Unmeasured	13,000	10,000	30.0
Total	40,022	29,776	34.4

Note: Exchange rates used were £1 = $1.5764 in 1987 and £1 = $1.4678 in 1986.

JAGUAR
Browns Lane
Allesley
Coventry, England CV5 9DR

Jaguar Cars
600 Willow Tree Road
Leonia, N.J. 07605
(201) 592-5200

Marketing personnel: Graham Whitehead, president; Michael Dale, sr vp-sales & mktg; Tom McDonnell, vp-public affairs; Bob Burden, vp-mktg svcs; Allen Taylor, mgr-natl adv; Peter Seed, adv mgr-natl dealer coop; Roy Gordon, mgr-natl sales promo; Michael Cook, mgr-pr.

Brands/services by agency of record:
Jaguars

Ad agency: Geer DuBois, New York: Tim O'Leary, Brian McAuliffe, acct supers; Mike Mecklenberg, Robert Nay, acct execs; Marce Mayhew, creative super.

RANK **162**

Jerrico Inc.

Lexington, Ky.
ADVERTISING: **$ 50.5** MILLION

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	636	599	6.2
Earnings	NA	24	NA
Division sales	**1988**	**1987**	**% chg**
Owned restaurants	529	478	10.7
Supplies; equip	94	107	(12.1)
Franchise royalties	11	12	(8.3)
Other	2	2	(16.6)

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Magazine	4	2	95.5
Outdoor	87	272	(68.2)
Network TV	4,664	2,492	87.2
Spot TV	25,172	26,803	(6.1)
Network cable TV	464	139	232.6
Spot radio	105	183	(42.5)
Measured	30,495	29,891	2.0
Unmeasured	20,000	20,000	0.0
Total	50,495	49,891	1.2

Note: Fiscal years ended June 29, 1988, and July 1, 1987. Systemwide revenues were $753.1 million in fiscal '88, up 2.2% from $736.7 million in fiscal '87.

JERRICO INC.
101 Jerrico Drive
Lexington, Ky. 40511
(606) 263-6000

Marketing personnel: Robert M. McDevitt, sr vp-mktg; Brian Dixon, vp-mktg svcs; Chip Hardy, vp-dir, field mktg; Dennis A. Kruse, vp-adv & media svcs.

Brands/services by agency of record:
collateral

Ad agency: (In-house): Abbott Advertising, Lexington, Ky.: Dennis A. Kruse, genl mgr.

■

Broadcast media buying

Ad agency: DeWitt Media, New York: Gene DeWitt, president.

■

Print production
Field mktg

Ad agency: MARC Advertising, Pittsburgh: James Werbel, vp-mgmt super.

■

Broadcast creative

Ad agency: Richards Group, Dallas: Brad Todd, principal-mgmt super.

RANK **143**

Kimberly-Clark Corp.

Irving, Texas
ADVERTISING: **$ 59.3** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	4,885	4,303	13.5
Earnings	325	269	20.7
U.S.	**1987**	**1986**	**% chg**
Sales	3,476	3,113	11.7
Operating income	417	394	6.0
Division sales	**1987**	**1986**	**% chg**
Household	3,809	3,370	13.0
Bus. industr paper	1,000	876	14.1
Aircraft svcs	125	99	26.8

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	601	447	34.3
Magazine	10,033	10,315	(2.7)
Business publ	397	182	117.7
Outdoor	13	95	(86.3)
Network TV	33,630	30,206	11.3
Spot TV	1,863	2,183	(14.7)
Network cable TV	696	594	17.3
Spot radio	48	37	29.4
Measured	47,280	44,061	7.3
Unmeasured	12,000	11,000	9.1
Total	59,280	55,061	7.7

KIMBERLY-CLARK CORP.
World Headquarters
Box 619100
DFW Airport Station
Dallas, Texas 75261-9100
(214) 830-1200

Marketing personnel: G.J. Ker Jr., dir-adv svcs; D.E. Lahey, dir-adv & promo; J.E. Carter, president-Karolton Envelope, president-Brown-Bridge.

Infant Care Sector

Marketing personnel: W.R. Sanders, president; R.F. Auchter, vp-infant care.

Health Care Sector

Marketing personnel: P.N. Larson, president; T.A. Newby Jr, vp-feminine care; P.S. Geisler, vp-home health care; J.S. Metz, vp-professional health care; J.S. Sumner Jr, president-Spenco Medical Corp.

Household Products Sector

Marketing personnel: J.D. Bernd, president; R.C. Van Driest, vp-consumer tissue business.

Nonwovens & Technical Products Sector

Marketing personnel: J.T. McCauley, president; R.D. Carter, vp-nonwoven fabrics; M.E. Green, dir-technical papers mktg.

Service and Industrial Sector

Marketing personnel: G.A. Zins, president; A.R. Merrill, dir-mktg.

North American Pulp & Paper Sector

Marketing Personnel: J.G. Groskiaus, president; F.A. Campling, president-Spruce Falls Power & Paper Co.; A.R. Herrmann, president-K-C of Canada, Pulp & Forest Products Operations; M.R. Holcomb, president-Neenah Paper; J.L. Lavallet, vp-U.S. Pulp & Newsprint.

Transportation Sector

Marketing Personnel: T.E. Hoeksema, president; J.E. Oller, vp-mktg, Midwest Express Airlines.

Brands/services by agency of record:
Huggies disposable diapers
New Freedom Feminine Care prods

Ad agency: Ogilvy & Mather, New York: Cliff Angers, group dir; David Mechlin, mgmt super (Huggies); Ben Kline, acct super (Huggies); Karen Green, mgmt super (Feminine care).

■

Kleenex facial tissue,
bathroom tissue & towels

Ad agency: Foote, Cone & Belding Communications, Chicago: Terry Peigh, vp-mgmt dir; Pam Smith, acct dir; Mike Stout, acct exec.

■

Depend incontinence prods

Ad agency: Campbell-Mithun-Esty; Minneapolis: Madeline Betsch, exec vp; Beth Miller, vp-mgmt super; Steve Ostrander, acct super; Michelle Kopyar, acct exec.

RANK **102**

Estee Lauder Inc.

New York
ADVERTISING: **$ 82.5** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	NA	NA	NA
Earnings	NA	NA	NA

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	4,392	3,658	20.1
Magazine	22,772	19,121	19.1
News. supp	3,999	3,028	32.1
Outdoor	0	3	NA
Spot TV	30,303	23,369	29.7
Network cable TV	154	0	NA
Spot radio	921	607	51.8
Measured	62,542	49,785	25.6
Unmeasured	20,000	16,000	25.0
Total	82,542	65,785	25.5

ESTEE LAUDER INC.
767 Fifth Ave.
New York, N.Y. 10022
(212) 572-4200

Corporate personnel: Estee Lauder, chmn; Leonard Lauder, president-ceo; Evelyn Lauder, corp vp; Robert Barnes, president, Estee Lauder U.S.A.; Carol Phillips, chmn, Clinique Laboratories; Dan Brestle, genl mgr, Prescriptives; Byron Donics, president, Aramis.

Brands/services by agency of record:
Aramis
Clinique
Estee Lauder cosmetics & treatments
Prescriptives

Ad agency: AC&R Advertising, New York: Alvin Chereskin, vice-chmn; Lida Burpee, acct super, Estee Lauder Cosmetics (all brands); Janie Van Gelder, asst acct exec, Estee Lauder Cosmetics; Barbara Salerno, vp-acct super, Clinique; Sharon Ng, acct exec, Clinique; Rebecca Albergo, vp-acct super, Aramis & Prescriptives.

RANK **166**

MasterCard International

New York
ADVERTISING: **$ 49.8** MILLION

Statistics

($ in millions)

Worldwide	1987	1986	% chg
Gross dollar volume	$120,068	$93,860	27.9
North America	**1987**	**1986**	**% chg**
Gross dollar volume	$77,850	$63,428	22.7
Other areas (net $)	**1987**	**1986**	**% chg**
Merchant outlets	5,945	5,407	10.0
Cards in circ. (000)	114,609	128,564	(10.9)

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Magazine	7,291	5,858	24.5
News. supp	1,816	67	2,610.1
Business publ	537	983	(45.4)
Outdoor	50	0	NA
Network TV	20,435	21,509	(5.0)
Spot TV	943	3,647	(74.1)
Network cable TV	412	607	(32.1)
Network radio	0	2,080	NA
Spot radio	4,322	2,685	61.0
Measured	35,805	37,436	(4.4)
Unmeasured	14,000	15,000	(6.7)
Total	49,805	52,436	(5.0)

MASTERCARD INTERNATIONAL
888 Seventh St.
New York, N.Y. 10106
(212) 974-5700

Marketing personnel: F. Alan Schultheis, sr vp-mktg & sales; Joanne Black, sr vp-mktg svcs; Richard Holpp, vp-BusinessCard; Bonnie MacDonald, vp-universal traveler voucher; Keith Kendrick, vp-Gold MasterCard.

Brands/services by agency of record:
Credit cards
Business cards
Travelers cheques
Merchant development

Ad agency: Lintas:New York: F. Stone Roberts, group exec vp; Russ Shaffer, sr vp-mgmt super; Diane Buckley, vp-acct super (credit cards); Robert Nadelman, vp-acct super (business cards, travelers cheques); Lois Serota, sr acct exec (credit cards); Susan Mann, acct super (merchant devel); Kelly Rorschach, acct exec (merchant devel); Barbara Burger, acct exec (business card, travelers cheques); Lynn Giordano, exec vp-exec creative dir.

RANK **149**

Mattel Inc.

Hawthorne, Calif.
ADVERTISING: **$ 56.4** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	1,020	1,059	(3.6)
Earnings	(113)	(8)	NA
U.S.	**1987**	**1986**	**% chg**
Sales	540	623	(13.4)
Operating income	NA	6	NA

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	192	480	(59.9)
Magazine	3,774	2,874	31.3
News. supp	0	262	NA
Business publ	145	392	(63.1)
Outdoor	10	178	(94.6)
Network TV	18,360	24,498	(25.1)
Spot TV	18,696	14,999	24.6
Network cable TV	2,235	1,453	53.8
Spot radio	0	542	NA
Measured	43,411	45,797	(5.2)
Unmeasured	13,000	14,000	(7.1)
Total	56,411	59,797	(5.7)

Note: Fiscal year ended Dec. 26. In 1987, Mattel took a one-time charge of $96 million for restructuring that included layoffs, streamlining and a reduction in capacity worldwide of 40%.

MATTEL INC.
5150 Rosecrans Ave.
Hawthorne, Calif. 90250
(213) 978-5150

Marketing personnel: John Amerman, chmn-ceo; Robert Sansone, president-Mattel USA; Marty Miller, sr vp-mktg rsch & planning; Rita Fire, George Volanakis, sr vps-mktg.

Brands/services by agency of record:
Hot Wheels
Pre-School prods
Baby Tender Love
Boglins
Games
Li'l Miss Makeup

Ad agency: Foote, Cone & Belding Communications, Los Angeles: Steve Hayman, exec vp-genl mgr; David Vipond, mgmt dir; Rob Hudnit, acct dir; Sandy Yusi, creative dir; Bill Evans, exec vp-media dir.

■

Barbie
Disney prods
Lovely Lady Locks
Sparkles
The Heart Family
The Men of Metal
Masters of the Universe

Ad agency: Ogilvy & Mather, Los Angeles: Gerry McGee, exec vp-worldwide mgmt super; Noah Manduke, acct super; Tom Coughlin, sr vp-assoc media dir; Joan McArthur, sr vp-creative dir.

RANK **120**

May Department Stores Co.

St. Louis
ADVERTISING: **$ 73.3** MILLION

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	10,314	9,500	8.6
Earnings	444	381	16.5
Division sales	**1988**	**1987**	**% chg**
Department stores	6,205	5,773	7.5
Caldor	1,502	1,348	11.4
Venture	1,208	1,122	7.7
Volume shoes	1,065	934	14.0
Loehmann's	334	321	3.4

Market quirks jolt Jaguar

A six-month delivery wait for its new XJ-6 ($40,500) caused by production snafus, Black Monday and the dollar's decline wrecked Jaguar's sales projections.

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2 NW Second Ave. Portland, OR 97209

MARKETING—EXECUTIVES
Packaged Goods and Financial Services
MARTHA WARD ASSOCIATES
EXECUTIVE SEARCH SPECIALISTS

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	5,722	9,858	(42.0)
Magazine	1,448	1,737	(16.6)
News supp	890	805	10.5
Outdoor	159	641	(75.1)
Network TV	4,064	3,738	8.7
Spot TV	29,621	32,061	(7.6)
Spot radio	1,434	848	69.1
Measured	43,338	49,687	(12.8)
Unmeasured	30,000	34,000	(11.8)
Total	73,338	83,687	(12.4)

Note: Fiscal year ended Jan. 31

MAY DEPARTMENT STORES CO.
611 Olive St.
St. Louis, Mo. 63101
(314) 342-6300

Lord & Taylor
New York

Marketing personnel: Gerald H. Blum, exec vp-mktg & rsch; Rita Lennick, sr vp-adv.

Brands/services by agency of record:
Lord & Taylor

Ad agency: (In-house): Rita Lennick, sr vp-adv.

May Co.
North Hollywood, Calif.

Marketing personnel: Harry Wendland, sr vp-sales promo; Leonard Berliner, vp-mktg.

Brands/services by agency of record:
May Co.

Ad agency: (In-house): Leonard Berliner, vp-mktg.

Hecht's
Arlington, Va.

Marketing personnel: Don DeFabio, sr vp-mktg; Steven Wichnow, sr vp-sales promo.

Brands/services by agency of record:
Hecht's

Ad agency: (In-house): Don DeFabio, sr vp-mktg.

J.W. Robinson
Los Angeles

Marketing personnel: Judy Farris, sr vp-sales promo & adv; Tricia Kremer, vp-adv & media; Craig Cadwallader, div vp-sales promo.

Brands/services by agency of record:
J.W. Robinson

Ad agency: (In-house): Judy Farris, sr vp-sales promo & adv.

Famous-Barr
St. Louis

Marketing personnel: Jo Lawley, sr vp-adv & sales promotion; Michael D. Wolf, vp-adv; Joe DellaVaile, vp-creative dir.

Brands/services by agency of record:
Famous-Barr

Ad agency: (In-house): Jo Lawley, sr vp-adv & sales promo.

Kaufmann's
Pittsburgh

Marketing personnel: Jerry Eccher, sr vp-sales promo & adv.

Brands/services by agency of record:
Kaufmann's

Ad agency: (In-house): Jerry Eccher, sr vp-sales promo & adv.

L.S. Ayres
Indianapolis

Marketing personnel: Paul Cavelli, sr vp, dir-mktg; Kathryn Kish, vp-sales promo.

Brands/services by agency of record:
L.S. Ayers

Ad agency: (In-house): Kathryn Kish, vp-sales promo.

G. Fox & Co.
Hartford, Conn.

Marketing personnel: Susan Weiner, sr vp-sales promo.

Brands/services by agency of record:
G. Fox & Co.

Ad agency: (In-house): Susan Weiner, sr vp-sales promo.

May D&F
Denver

Marketing personnel: Randall Barberis, sr vp, dir-mktg; Joseph Panessidi, div vp, dir-adv; Gunda Kugy, div vp, creative dir.

Brands/services by agency of record:
May D&F

Ad agency: (In-house): Joseph Panessidi, div vp, dir-adv.

Meier & Frank
Portland, Ore.

Marketing personnel: David Miller, sr vp-sales promo; Nancy Altman, adv dir.

Brands/services by agency of record:
Meier & Frank

Ad agency: (In-house): Nancy Altman, adv dir.

May Co.
Cleveland

Marketing personnel: Stephen D. Thorpe, sr vp-sales promo; Jan Carroll, vp-adv dir.

Brands/services by agency of record:
May Co.

Ad agency: (In-house): Jan Carroll, vp-adv dir.

O'Neil's
Akron, Ohio

Marketing personnel: Debra Edwards, adv dir.

Brands/services by agency of record:
O'Neil's

Ad agency: (In-house): Debra Edwards, adv dir.

Sibley's
Rochester, N.Y.

Marketing personnel: Susan Lapple, sr vp, dir-adv & sales promo; Joan Smith, direct mail mgr; Jonathan Cowles, broadcast mgr.

Brands/services by agency of record:
Sibley's

Ad agency: (In-house): Susan Lapple, sr vp dir-adv & sales promo.

Goldwaters
Scottsdale, Ariz.

Marketing personnel: Jan Ladnier, sr vp-sales promo & mktg; Dianne Cuckney, adv dir.

Brands/services by agency of record:
Goldwaters

Ad agency: (In-house): Dianne Cuckney, adv dir.

Hahne & Co.
Newark, N.J.

Marketing personnel: Donald Ziccardi, sr vp-sales promo; Frank Tartaglia, creative dir; Tony Chiapparo, adv dir.

Brands/services by agency of record:
Hahne & Co.

Ad agency: (In-house): Tony Chiapparo, adv dir.

RANK **159**

MCI Communications Corp.

Washington
ADVERTISING: **$ 51.8** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	3,939	3,592	9.7
Earnings	86	NA	NA

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	14,066	2,276	518.0
Magazine	6,185	6,716	(7.9)
News supp	106	101	5.7
Business publ	813	1,233	(34.1)
Outdoor	0	16	NA
Network TV	11,357	12,539	(9.4)
Spot TV	75	21,308	(99.6)
Network cable TV	0	170	NA
Network radio	0	2	NA
Spot radio	2,205	564	290.6
Measured	34,806	44,924	(22.5)
Unmeasured	17,000	22,000	(22.7)
Total	51,806	66,924	(22.6)

MCI COMMUNICATIONS CORP.
1133 19th St. N.W.
Washington, D.C. 20036
(202) 872-1600

Marketing Personnel: Stuart Mencher, sr vp-sales & mktg; Howard Crane, sr vp-corp affairs; Judy Ranzer, vp-adv & sales promo; David Patton, dir-adv; Karyn Selko, mgr-adv.

Brands/services by agency of record:
MCI svcs

Ad agency: Wells, Rich, Greene, New York: Pat Casa, group dir; Lisa Frankel, assoc dir.

MCI gains line on revenues

Servicing the growth that should carry MCI Communications revenues into the $6 billion-plus range in 1989 will be services launched in 1988, including worldwide direct dialing to 146 countries (99% of all destination calls abroad) that is matched only by AT&T, and operator services that enable MCI Card customers to place domestic and international long-distance phone calls from rotary and touch-tone telephones.

RANK **169**

Melville Corp.

Harrison, N.Y.
ADVERTISING: **$ 48.5** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	5,930	5,262	12.7
Earnings	285	238	19.7
Division sales	**1987**	**1986**	**% chg**
Marshalls	1,603	1,410	13.7
Chess King	255	252	1.3
Wilsons	129	95	36.1
Accessory Lady	16	NA	NA
Meldisco	1,013	1,006	0.7
Thom McAn	499	484	3.1
Fan Club/Open Cntry	36	36	0.0
Pimento	5	6	(25.4)
Footwear mfctrg	100	90	11.1
CVS	1,395	1,181	18.1
Freddy's	95	68	39.3
Kay-Bee	610	487	25.2
Linens 'n Things	176	163	7.6
This End Up	73	55	33.2
Prints Plus	24	19	28.7

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Magazine	3,078	2,231	37.9
News supp	159	1,127	(85.9)
Outdoor	3	17	(84.2)
Spot TV	11,391	16,121	(29.3)
Network cable TV	70	0	NA
Spot radio	13,777	6,407	115.0
Measured	28,477	25,904	9.9
Unmeasured	20,000	18,000	11.1
Total	48,477	43,904	10.4

MELVILLE CORP.
3000 Westchester Ave.
Harrison, NY 10528
(914) 253-8000

Corporate personnel: Stanley P. Goldstein, chmn & president-ceo; Michael A. Friedheim, Robert C. Kuhn, exec vps; Robert D. Huth, exec vp & cfo.

Accessory Lady
Dallas

Marketing personnel: Alan J. Gold, president; Kay Issacson, exec vp.

Brands/services by agency of record:
Accessory Lady

Ad agency: (In-House): Kay Issacson, exec vp.

Chess King
New York

Marketing personnel: Richard C. Ricalde, president; Lucy Monroe, sr vp, gen merch mgr; Carol Mayo, vp, dir-mktg & design; Jan Harvey, mktg mgr.

Brands/services by agency of record:
Chess King

Ad agency: (In-House): Jan Harvey, mktg mgr.

Consumer Value Stores (CVS)
Woonsocket, R.I.

Marketing personnel: Harvey Rosenthal, president; Gary Charboneau, sr vp-mktg; Victor Sandham, vp-adv & sales promo.

Brands/services by agency of record:
Broadcast adv

Ad agency: Della Femina, McNamee, WCRS Boston; John McNamara, sr vp-mgmt super; Martha Hanscom, acct super; Susan McDonald, acct mgr; Jeanne Crane, asst acct mgr.

■

All other adv

Ad agency: (In-house): Victor Sandham, vp-adv.

Fan Club/Open Country
West Boyerstown, Mass.

Marketing personnel: Arthur L. Hogge III, president; Louis Rossomando, vp-operations; Colleen Malinsky, prod info & adv coord.

Brands/services by agency of record:
Fan Club/Open Country

Ad agency: (In-house): Colleen Malinski, prod info & adv coord.

Freddy's
Rochester, N.Y.

Marketing personnel: Fred R. Silverstein, president; Anthony Dambra, Murray Freeman, vps; Karen Young, adv dir.

Brands/services by agency of record:
Freddy's drug stores

Ad agency: Verno Associates, Fairport, N.Y.; Michael F. Verno, president-creative dir; Grace Muszocki, acct super; Paul Lewis, acct exec; Colleen Bogart, media dir.

Kay-Bee Toys
Pittsfield, Mass.

Marketing personnel: Saul Rubenstein, president; Anthony Palino, vp-store operations; Gerald Reed, vp-merch; Ken Kunniff, vp-adv.

Brands/services by agency of record:
Kay-Bee Toys

Ad agency: Sachs, Finley & Co., Los Angeles; Su-Z Schneider, acct exec.

Linens 'N Things
Clifton, N.J.

Marketing personnel: Norman Axelrod, president; Thomas L. Fraser, vp-gen merch mgr; John Locker, adv dir.

Brands/services by agency of record:
Linens 'N Things

Ad agency: Par Communications, New York: Maggie Means, acct exec.

Marshalls
Wakefield, Mass.

Marketing personnel: Jim Harris, adv dir; Steve Kalb, media mgr; Jane Maxwell, comm dir.

Brands/services by agency of record:
Marshalls

Ad agency: Campbell & Wagman, Los Angeles: Catherine Bension, sr vp-group mgmt dir; Diane Salmon, mgmt dir; Amy Gusman, acct dir.

This End Up Furniture Co.
Richmond, Va.

Marketing personnel: Stewart H. Brown Jr., president; Sara Flemer, vp-sales; David Keough, mktg dir.

Brands/services by agency of record:
This End Up Furniture stores

Ad agency: Sacks & Rosen, New York: Michael Rosen, exec vp; David Griffing, creative dir; Joel Posner, copywriter.

Thom McAn
Worcester, Mass.

Marketing personnel: Larry A. McVey, president; Richard Cramer, vp-mktg; Richard Ferraioli, vp-sales; Mary Ann Dube, adv mgr; Marge Nowak, natl mktg mgr.

Brands/services by agency of record:
Thom McAn shoe stores

Ad agency: Emerson, Lane & Fortuna, Boston: Jim Casey, sr acct super; Francine Cardinale, acct exec.

Wilsons House of Suede
Los Angeles

Marketing personnel: Joel N. Waller, president; Carol Lund, sr vp-merch; Howard Bergman, vp-store operations; Valerie Fisher, exec secty.

Brands/services by agency of record:
Wilson House of Suede

Ad agency: Deulofeu Wilson Advertising, Culver City, Calif.; Julio Deulofeu, acct super; Susie Burt, acct exec.

Prints Plus
Concord, Calif.

Marketing personnel: Arthur J. Pedovese, president; Gail Larson, visual merch mgr; Jari Bloomgarden, sales promo coord.

Brands/services by agency of record:
Prints Plus

Ad agency: (In-house): Gail Larson, visual merch mgr.

RANK **118**

Mennen Co.

Morristown, N.J.
ADVERTISING: **$ 74.1** MILLION

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Magazine	3,323	2,824	17.7
Business publ	NA	180	NA
Network TV	43,115	33,365	29.2
Spot TV	1,262	2,085	(39.5)
Network cable TV	1,355	2,548	(46.8)
Spot radio	0	141	NA
Measured	49,054	41,141	19.2
Unmeasured	25,000	21,000	19.0
Total	74,054	62,141	19.2

Note: Mennen is privately held and does not report sales and earnings.

MENNEN CO.
Hanover Ave.
Morristown, N.J. 07960
(201) 631-9000

Corporate personnel: L. Donald Horne, chmn; Hal Danenberg, president; John R. Hughes, president-USA div.

Marketing personnel: Dominic J. La Rosa, vp-mktg; William J. Mathewson, vp-new prods; Richard Zenko, vp-mktg svcs.

Brands/services by agency of record:
Afta after shave skin conditioner
Baby Magic line
Real antiperspirant
Skin Bracer after shave

Ad agency: Lowe Marschalk, New York: Barry Linsky, exec vp; Jeff Tarakajian, sr vp.

■

Lady Speed dry roll-on
Lady Speed Stick antiperspirant
Speed Stick antiperspirant
Speed Stick deodorant

Ad agency: McCann-Erickson, New York: Gunnar Wilmot, sr vp; Kim Corrigan, vp-acct super.

RANK **182**

Merrill Lynch & Co.

New York
ADVERTISING: **$42.7** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	10,868	9,606	13.1
Earnings	391	454	(14.0)
Division sales	**1987**	**1986**	**% chg**
Commissions	2,400	2,200	9.1
Interest	3,475	3,047	14.0
Insurance	1,390	648	114.6
Investment banking	724	1,092	(33.7)
Real estate	674	704	(4.2)
Asset mgmnt	481	403	19.3
Other	728	532	36.9

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Magazine	9,570	6,535	46.4
News supp	344	321	7.2
Business publ	1,063	404	162.9
Outdoor	220	212	3.8
Network TV	19,360	10,695	81.0
Spot TV	365	228	60.2
Network cable TV	294	201	45.7
Network radio	0	19	NA
Spot radio	1,500	1,471	2.0
Measured	32,715	20,086	62.9
Unmeasured	10,000	6,000	66.7
Total	42,715	26,086	63.7

Note: Fiscal year ended Dec. 25.

MERRILL LYNCH & CO.
World Headquarters
North Tower, World Financial Center
New York, N.Y. 10281
(212) 449-1000

Corporate personnel: Charles Mangano, dir-corp adv.

Brands/services by agency of record:
Merrill Lynch & Co.

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, New York: William H. Appelman, exec vp-exec creative dir.

RANK **114**

Metropolitan Life Insurance Co.

New York
ADVERTISING: **$ 76.2** MILLION

Sales & earnings

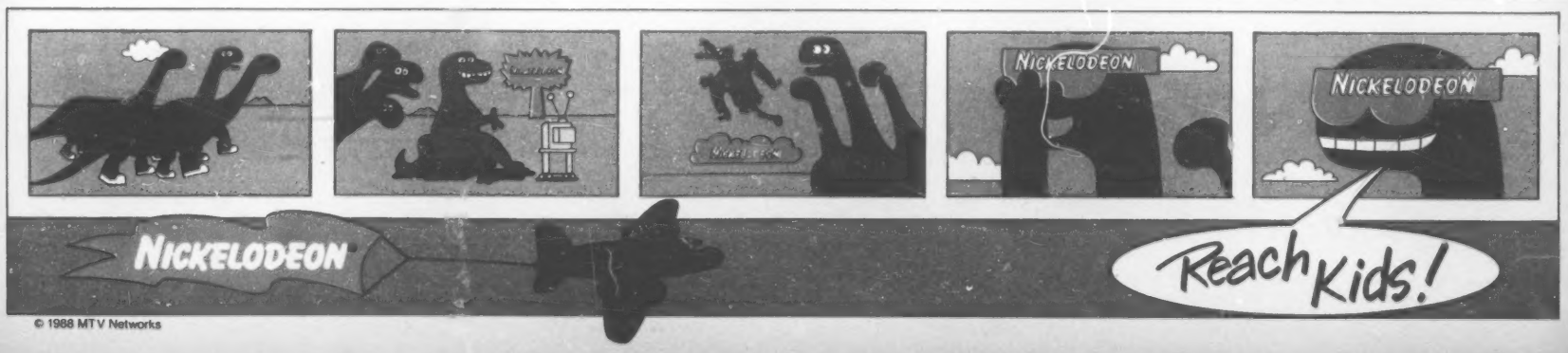
($ in millions)

Worldwide	1987	1986	% chg
Sales	NA	NA	NA
Earnings	NA	NA	NA
U.S.	**1987**	**1986**	**% chg**
Sales	NA	NA	NA
Operating income	NA	NA	NA

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	1,955	2,214	(11.7)
Magazine	7,133	8,374	(14.8)



Media	1987	1986	% chg
News supp	293	52	466.0
Business publ	656	47	1,283.8
Outdoor	1,746	153	1,043.2
Network TV	33,230	31,403	5.8
Spot TV	6,840	9,833	(30.4)
Network cable TV	1,673	1,820	(8.1)
Network radio	194	0	NA
Spot radio	2,502	263	850.2
Measured	56,220	54,159	3.8
Unmeasured	20,000	19,000	5.3
Total	76,220	73,159	4.2

METROPOLITAN LIFE INSURANCE CO.
One Madison Ave.
New York, N.Y. 10010
(212) 578-2211

Marketing personnel: Charles Cuneen, sr vp-public affairs & corp comm; Richard Keough vp-public affairs; Robert Weinstein, asst vp-adv.

Brands/services by agency of record:
Metropolitan Life Insurance

Ad agency: Young & Rubicam, New York: Richard Jones, vp-mgmt super; Jeff Frankum, acct super; Lorraine Alessi, acct exec.

Century 21 Real Estate Corp.
Irvine, Calif.

Marketing personnel: Bruce Oseland, sr vp-mktg & adv; Phil Langford, dir-natl adv.

Brands/services by agency of record:
Natl adv

Ad agency: McCann-Erickson, Los Angeles: Bob Sutter, Joe Van Sickle, vps-acct dirs; Colin Schleining, vp-acct super; Kathy Lovelace, regional acct super; Lisa Fettner, acct exec.

RANK **171**

Mitsubishi Motors Corp.

Tokyo

ADVERTISING: **$48.1** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	8,659	8,771	(1.3)
Earnings	81	140	(42.1)

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	7,145	5,090	40.4
Magazine	6,747	6,260	7.8
Business publ	312	1,954	(84.0)
Outdoor	109	124	(12.3)
Network TV	8,373	3,383	147.5
Spot TV	14,816	9,681	53.1
Network cable TV	314	270	16.1
Spot radio	333	146	127.3
Measured	38,149	26,908	41.8
Unmeasured	10,000	7,000	42.9
Total	48,149	33,908	42.0

Note: Mitsubishi Motors Corp., which does not break out sales figures for its U.S. subsidiary, supplied worldwide sales and earnings figures in U.S. dollars for both fiscal years.

MITSUBISHI MOTORS CORP.
33-8, Shiba 5-chome, Minato-Ku
Tokyo 108, Japan

Mitsubishi Motor Sales of America
10540 Talbert Ave.
Fountain Valley, Calif. 92706
(714) 963-7677

■

Marketing personnel: Kazue Naganuma, president-ceo; Richard Ricchia, exec vp-genl operations, coo; Garrett J. (Mike) Nash, vp-mktg svcs; Frances Oda, adv mgr; Jeanne Hoover, sales promo & merch mgr; Tim Gallagher, pr mgr.

Brands/services by agency of record:
Mitsubishi motors

Ad agency: Grey Advertising, Los Angeles: Bruce McRitchie, sr vp-genl mgr; John Miley, vp-group mgmt super.

RANK **197**

National Live Stock & Meat Board

Chicago

ADVERTISING: **$35.4** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Revenues	60	29	107.0

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	105	NA	NA
Magazine	8,936	2,405	271.5
Business publ	174	NA	NA
Network TV	13,942	0	NA
Spot TV	2,743	1,974	39.0
Network cable TV	381	0	NA
Network radio	3,072	784	291.8
Measured	29,353	5,163	468.5
Unmeasured	6,000	1,000	500.0
Total	35,353	6,163	473.6

Note: 1987 was the first full year of the Beef Promotion & Research Act, part of the 1985 farm Bill that established several boards for cattle industry segments. Funding for the Meat Board comes from cattle head counts and from per-head contributions from pork and lamb producers. Pork and lamb groups conduct research, nutrition and educational activities through the Meat Board, but handle their own advertising budgets.

NATIONAL LIFE STOCK AND MEAT BOARD
444 N. Michigan Ave.
Chicago, Ill. 60611
(312) 467-5520

Administration: John L. Huston, president; Jacque C. Filiatreau, corp secretary; Jay H. Wardell, exec vp-beef & veal.

Marketing personnel: John J. Francis, exec vp-mktg, National Live Stock and Meat Board; Jeanne M. Sowa, dir-adv & promo, Beef Industry Council; Mary McGinley Adolf, dir-merchandising, Beef Industry Council; Thomas J. McDermott, vp-info, healthcare adv.

Brands/services by agency of record:
Beef Industry Council
Consumer Beef/Veal Healthcare

Ad agency: Ketchum Advertising, San Francisco: Terry DiCarlo, vp-mgmt super; Karen Christensen, vp-acct super; Edith Flynn, acct super; Susan Briganti, acct exec.

■

Beef Industry Council

Ad agency: Arian & Lowe Advertising, Chicago: David Lowe, president; Jewell Lowe, acct super.

RANK **154**

NEC Corp.

Tokyo

ADVERTISING: **$54.5** MILLION

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	16,779	15,991	4.9
Earnings	103	186	(44.7)
Division sales	**1988**	**1987**	**% chg**
Communications	4,794	5,117	(6.3)
Computers	6,932	5,852	18.5
Electronic devices	2,856	3,022	(5.5)
Home electronics	1,290	1,226	5.2
Other	908	768	18.2

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	1,412	2,883	(51.0)
Magazine	12,441	12,117	2.7
News supp	56	40	39.3
Business publ	9,446	8,912	6.0
Outdoor	335	186	80.6
Network TV	1,847	423	336.2
Spot TV	847	36	2,259.6
Network cable TV	1,151	441	161.2
Spot radio	13	53	(75.5)
Measured	27,548	25,090	9.8
Unmeasured	27,000	25,000	8.0
Total	54,548	50,090	8.9

Note: Fiscal year ended March 31.

NEC CORP.
33-1, Shiba 5-chome, Minato-ku
Tokyo 108, Japan

NEC America
8 Old Sod Farm Road
Melville, N.Y. 11747
(516) 753-7000

Corporate personnel: Dr. Gordon Ray, sr vp; Glenn Crane, dir-corp adv.

Marketing personnel: Joseph Engle, mgr-mktg & planning, broadcast equipment div; Ivan Launer, mgr-adv & conventions, business systems sales div; Judy Diaz, mgr-prod support, data comm prods dept; Herbert C. Johnson, dir-mktg, facsimile div; Jack Pelzman, mgr-adv & pr, mobile radio div; Masaru Sakamoto, sr sales admin-new prods dept; Sherrie Sullivan, mgr-adv & promo, radio & transmission systems group; Bob McDarmont, dir-mktg, switching systems div.

Brands/services by agency of record:
All prods

Ad agency: Hakuhodo Advertising America, New York: Lou Lehner, sr vp; Robert Schulman, Brian Ribbey, vps.

NEC Electronics

Marketing personnel: Hank Josefczyk, sr vp-mktg & sales; Bruce Hildebrand, dir-corp comm; Denise Iwata, mgr-adv & promo.

Brands/services by agency of record:
NEC Electronics

Ad agency: (In-house): Denise Iwata, mgr-adv & promo.

NEC Home Electronics

Marketing personnel: Grant Schneider, asst vp-corp comm; Stan Gray, sr vp-mktg, audio/video div; Keith Schaefer, sr vp-personal computer div; Tom Martin, Jerry Benson, asst vps-mktg, personal computers; Brian Williams, dir-prod planning, audio/visual div.

Brands/services by agency of record:
NEC Home Electronics

Ad agency: DDB Needham, New York: Darryl Lindberg, sr vp; Alexa Cullman, vp; John Paterson, acct exec.

NEC Information Systems

Marketing personnel: Richard M. Underwood, president; Frank Girard, vp-systems sales & mktg; C. Richard Harrison, vp-peripherals sales & mktg; Richard Bochenek, vp-mktg operations; Peter V. Ferguson, dir-mktg comm.

Brands/services by agency of record:
Personal computers
Peripherals

Ad agency: Ingalls, Quinn & Johnson, Boston: Jeff Johnson, Liz Farley, acct execs.

RANK **127**

News Corp.

Sydney

ADVERTISING: **$68.3** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	3,503	2,668	31.3
Earnings	241	170	42.1
U.S.	**1987**	**1986**	**% chg**
Sales	1,877	1,308	43.6
Operating income	261	206	26.9
Division sales	**1987**	**1986**	**% chg**
Newspapers	1,329	1,374	(3.3)
Magazines	376	358	4.9
Television	452	246	84.0
Filmed entertmnt	913	385	137.5
Commercial printing	116	104	12.2
Other	313	207	51.0

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	2,776	711	290.6
Magazine	12,131	4,110	195.1
News supp	1,040	169	516.2
Business publ	NA	275	(100.0)
Outdoor	592	110	440.5
Network TV	13,843	5,688	143.4
Spot TV	23,227	25,125	(7.6)
Network cable TV	2,509	996	151.8
Network radio	224	103	117.9
Spot radio	3,960	849	366.4
Measured	60,301	38,134	58.1
Unmeasured	8,000	5,000	60.0
Total	68,301	43,134	58.3

Note: Fiscal year ended June 30.

NEWS CORP.
2 Holt St.
Sydney, Australia N.S.W. 2010

Corporate personnel: Rupert Murdoch, chmn & ceo.

News America Publishing
New York

Marketing personnel: Martin Singerman, president.

Murdoch Magazines
New York

Marketing personnel: John Evans, president; Les Hinton, exec vp.

Fox Television Stations
New York

Marketing personnel: Robert Kreek, president-coo.

Fox Broadcasting Co.
New York

Marketing personnel: Jamie Kellner, president-coo.

Harper & Row Publishers
New York

Marketing personnel: George Craig, ceo.

Brand/services by agency of record:
News America publishing
Murdoch magazines
Fox tv stations
Fox broadcasting
Harpers & Row publishing

Ad agency: (In-house): Leon Hertz, exec vp, News America Publishing, vp-global mktg, News Corp. Ltd.

Twentieth Century-Fox Film Corp.
Los Angeles

Marketing personnel: Barry Diller, chmn & ceo; Alan Horn, president-coo; Jonathan Dolgen, sr exec vp.

Brands/services by agency of record:
Twentieth Century-Fox

Ad agency: J. Walter Thompson USA, Los Angeles: James Agnew, exec vp-genl mgr.

RANK **161**

NWA Inc.

St. Paul, Minn.

ADVERTISING: **$50.5** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	5,142	3,589	43.3
Earnings	103	77	33.9
Division sales	**1987**	**1986**	**% chg**
Passenger	4,372	2,921	49.7
Freight	453	407	11.4
Mail	101	88	15.9
Charter	70	78	(10.9)
Other	147	96	52.0

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	7,182	22,219	(67.7)
Magazine	7,411	8,536	(13.2)
News supp	139	144	(3.6)
Business publ	1,378	535	157.6
Outdoor	1,045	1,555	(32.8)
Network TV	17,108	938	1,723.3
Spot TV	2,648	4,712	(43.8)
Network cable TV	895	631	41.9
Network radio	427	587	(27.2)
Spot radio	2,310	2,672	(13.6)
Measured	40,543	42,529	(4.7)
Unmeasured	10,000	10,000	0.0
Total	50,543	52,529	(3.8)

NWA INC.
Minneapolis/St. Paul Airport
St. Paul, Minn. 55111
(612) 726-2111

Marketing personnel: A.B. "Sky" Magary, exec vp-mktg; Raymond Foss, vp-mktg systems; Eric Wilson, sr dir-reservation sales; David Behrends, vp-cargo; Ross Kohlman, sr dir-sales; John Temple, vp-mktg programs; Jean Caselli, sr dir-mktg comm; Judith Mitchell, sr dir-mktg comm; Susan Godde, dir-mktg rsch; Fredrick Dow, dir-area mktg; Martha Kling-Circele, mgr-leisure travel programs; Randi Yoder, mgr-consumer mktg comm.

Brands/services by agency of record:
Cargo
Industry mktg
Meetings & incentives
Trade adv

Ad agency: Kolesar & Hartwell, Minneapolis: David Kolesar, president-mgmt super; Doug Sietsema, exec vp; Bob Sievers, acct super; Jill Cole, Sheri Hermanson, acct execs.

■

N. American passenger adv
Northwest Airlines regional carrier

Ad agency: Saatchi & Saatchi DFS Compton, New York: Mark Wilmot, David Fishman, vps-acct supers, New York.

MLT Vacations
Minnetonka, Minn.

Marketing personnel: Edward Neer, president & ceo; Stan Phillips, vp-mktg & sales; Robert Erler, mgr-adv.

Brands/services by agency of record:
MLT vacations

Ad agency: Colle & McVoy, Minneapolis: Deborah Cundy, acct mgr; Ann Herzog, acct exec; Jane Maetzold, asst acct exec.

RANK **172**

Orion Pictures Corp.

New York

ADVERTISING: **$46.6** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	427	328	30.3
Earnings	12	10	23.7

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Magazine	422	242	74.1
Business publ	NA	4	NA
Outdoor	102	14	630.0
Network TV	11,354	11,172	1.6
Spot TV	12,324	4,683	163.1
Network cable TV	1,303	737	76.9
Network radio	264	140	88.2
Spot radio	2,822	1,720	64.1
Measured	28,591	18,712	52.8
Unmeasured	18,000	12,000	50.0
Total	46,591	30,712	51.7

Note: Fiscal year ended Feb. 29, 1988 and Feb. 28, 1987.

ORION PICTURES CORP.
711 Fifth Ave.
New York, N.Y. 10022
(212) 756-5100

Corporate personnel: Arthur B. Krim, chmn; Eric Pleskow, president-ceo; William Bernstein, Morris (Mike) Medavoy, exec vps.

Orion Pictures Distribution Corp.

Marketing personnel: Charles O. Glenn, exec vp-mktg; Tom Bernard, vp-mktg & distribution; Michael Barker, vp-sales & mktg.

Orion Classics

Marketing personnel: Donna Gigliotti, vp-acquisitions.

Brands/services by agency of record:
Orion Pictures Distribution Corp.

Ad agency: Foote Cone & Belding, New York & Los Angeles: Richard Uzzi, vp, mgr-Orion Group.

■

Orion Classics

AC&R Entertainment, New York: Eunice Bellucci, acct exec.

RANK **138**

Pacific Telesis Group

San Francisco

ADVERTISING: **$62.3** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	9,131	8,977	1.7
Earnings	950	1,079	(12.0)
Division sales	**1987**	**1986**	**% chg**
Local svcs	3,068	2,957	3.8
Interstate access	1,641	1,733	(5.3)
Intrastate access	898	962	(6.7)
Toll svc	2,143	1,999	7.2
Other revenues	1,381	1,326	4.1

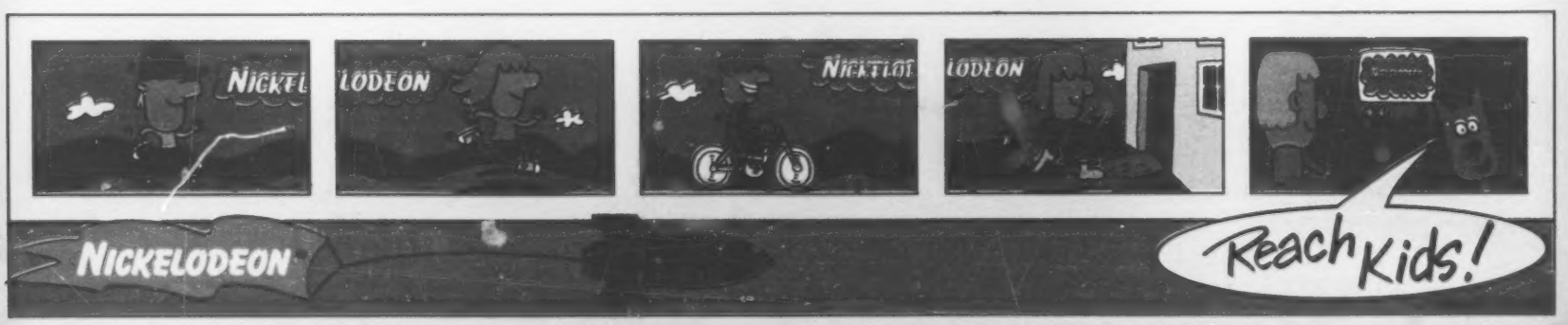
U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	5,905	8,896	(33.6)
Magazine	1,445	3,628	(60.2)

Excel, a global co-op effort

Chrysler owns a piece of Mitsubishi and Mitsubishi a 15% interest in South Korean-built Hyundai, for which it designs the engine and supplies the automatic transmission for the Excel.



Media	1987	1986	% chg
News. supp	270	62	[illegible]
Business publ	60	48	25.5
Outdoor	406	225	80.3
Spot TV	22,976	31,066	(26.0)
Spot radio	1,265	1,472	(14.1)
Measured	32,327	45,397	(28.8)
Unmeasured	30,000	42,000	(28.6)
Total	62,327	87,397	(28.7)

PACIFIC TELESIS GROUP
140 New Montgomery St.
San Francisco, Calif. 94105
(415) 882-8000

Corporate personnel: Sam Ginn, chmn & ceo; Theodore J. Saenger, vice chmn.
Brands/services by agency of record:
Corp adv
Ad agency: Foote, Cone & Belding Communications, San Francisco: Dan Odishoo, sr vp-group mgmt super; Robin Harper, vp-acct super; Jane Gardner, vp-mgmt super; Lisa Keeler, asst acct exec; Stella Wojtczak, acct coord.

Pacific Bell
San Francisco
Marketing personnel: Robert Lee, exec vp-mktg; Lee Camp III, vp-mktg; Eugene H. Sherman, vp-business mktg; Susan G. Swenson, vp-consumer mktg; Don Rathbone, exec dir-mktg comm; Allen Olivo, dir-adv.
Brands/services by agency of record:
Pacific Bell
Ad agencies: Foote, Cone & Belding Communications, San Francisco: Dan Odishoo, sr vp-group mgmt super; Jane Gardner, vp-mgmt super; Liz Levy, acct super (Yellow Pages); Kitty Brunswick, Joanne Saunders, acct execs; JoAnn De Re Wenda, acct coord; Laurie Rechholtz, acct exec (Pacific Bell Yellow Pages Advertiser); Katie Horan, acct super; Diane Simpson, Ann Argabright, acct execs; Julia Mee, asst acct exec; Stella Wojtczak, acct coord.
Fabianac, Stropes & Armstrong, San Francisco: Larry Stropes, exec vp-dir client svcs; Carol Hukari, acct super; Cheryl Mather, acct exec.
Solem/Loco & Associates, San Francisco: Olive Lewis, exec vp.

■

Hispanic adv
Ad agency: Casanova, Pendrill Publicidad, Irvine, Calif: Randy Stackdale, acct super.

Nevada Bell
Reno, Nev.
Marketing personnel: D.R. Mulkey, president-ceo; Thom Matson, dir-mktg; Norm Nielson, dir-adv.
Brands/services by agency of record:
Nevada Bell
Ad agency: Dunn Draper Glenn Marz, Reno, Nev.: Rick Atchison, sr vp-acct svcs; Pam Arlitz, acct coord; Tim Grant, acct exec.

RANK
155

Pan Am Corp.

New York
ADVERTISING: **$ 53.7** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	3,593	3,039	18.2
Earnings	(265)	(463)	NA
Division sales	**1987**	**1986**	**% chg**
Passenger	2,663	2,223	19.8
Freight, mail	217	218	(0.6)
Charter, other	176	139	26.1
World svcs	537	459	17.2

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	21,489	18,784	14.4
Magazine	2,996	3,242	(7.6)
News. supp	442	453	(2.4)
Business publ	801	NA	NA
Outdoor	881	919	(4.1)
Network TV	0	16	NA
Spot TV	8,835	3,510	151.7
Network cable TV	23	302	(92.5)
Spot radio	2,273	1,942	17.1
Measured	37,739	29,168	29.4
Unmeasured	16,000	13,000	23.1
Total	53,739	42,168	27.4

PAN AM CORP.
Pan Am Building
200 Park Ave.
New York, N.Y.
(212) 880-1234

Corporate personnel: Thomas G. Plaskett, chmn & president-ceo.
Marketing personnel: Peter T. McHugh, sr vp-mktg; Robert W. Mann Jr., vp-mktg, info systems; John G. Murphy, vp-sales & adv.
Brands/services by agency of record:
Pan American World Airways
Pan Am World Svcs
Pan Am Express
Pan Am Shuttle
Ad agency: Wells, Rich, Greene, New York: Andre Van Stom, exec vp-group head; Eileen McKenna, exec vp-mgmt super; Robert Lazetera, vp-acct super (Domestic); Leslie Farrand, acct super (Domestic); Alex Power, acct exec (Domestic); Cheryl Fraser, acct super (Pan Am Express); Barbara Goldstein, asst acct exec (Pan Am Express); Jane Carlson, sr vp-mgmt super (Pan Am Shuttle); Mark McDermott, asst acct exec (Pan Am Shuttle).

RANK
157

Park Ridge Corp.

Park Ridge, N.J.
ADVERTISING: **$ 52.4** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	1,862	1,599	16.4
Earnings	NA	NA	NA

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	13,355	7,845	70.2
Magazine	4,486	4,202	6.8
News. supp	22	53	(59.2)
Business publ	2,274	1,675	35.8
Outdoor	175	137	28.0
Network TV	3,019	3,820	(21.0)
Spot TV	6,325	7,592	(16.7)
Network cable TV	0	1	NA
Spot radio	1,776	2,316	(23.3)
Measured	31,431	27,639	13.7
Unmeasured	21,000	18,000	16.7
Total	52,431	45,639	14.9

■ **Note:** Park Ridge was formed in September 1987 by Ford Motor Co. and Hertz management as an instrument for acquiring Hertz from Allegis Corp., now UAL Inc. Ford now holds 60% equity; Volvo North American Corp. 20% which it obtained from Ford, and Hertz management 20%.

PARK RIDGE CORP.
225 Brae Blvd.
Park Ridge, N.J. 07656
(201) 307-2000

Marketing personnel: Thomas Jans, div vp-mktg, Rent-A-Car; Robert Lande, dir-mktg, direct response; Cathy Hoag, Lynn Juliano, adv & sales promo mgrs; Sal Cusomato, mktg & prod devel mgr.
Brands/services by agency of record:
Hertz Rent A Car
Ad agency: Scali, McCabe, Sloves, New York: Gary Verrill, sr vp-mgmt super; Bob Cilia, acct super; Greg Lao, Robert Micone, acct execs; Kathryn Harvey, acct coord.

Primerica calls on the 'Duke'

Primerica Corp. became the new name for American Can Co. midway through 1987 and signaled more than just a name change—it reflected the company's new focus on financial services and specialty retailing. Primerica during the year acquired Smith Barney to add to its other operations, including Massachusetts Indemnity and Life Insurance Co., Musicland, Fingerhut Cos. direct mail house, and Michigan Bulb Co. A $3.5 million ad campaign alerted the business community to its new composition, riding on Marion Michael Morrison as an example of a successful moniker switch. Mr. Morrison rode into Hollywood as John Wayne.

RANK
177

Playtex Inc.

Stamford, Conn.
ADVERTISING: **$ 44.3** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	614	595	3.2
Earnings	23	NA	NA
Division sales	**1987**	**1986**	**% chg**
Intimate apparel	310	307	1.0
Family products	304	288	5.6

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	322	325	(0.9)
Magazine	4,529	7,877	(42.5)
Business publ	6	87	(92.7)
Network TV	22,674	21,924	3.4
Spot TV	607	459	32.2
Network cable TV	1,189	849	40.0
Measured	29,327	31,521	(7.0)
Unmeasured	15,000	16,000	(6.3)
Total	44,327	47,521	(6.7)

PLAYTEX INC.
700 Fairfield Ave.
Stamford, Conn. 06904
(203) 356-8000

Corporate personnel: Joel E. Smilow, chmn; Hercules P. Sotos, vice chmn; Donald J. Franceschini, exec vp; Louis S. Goldberg, vp-human resources & corp svcs; George Montaigne, vp-media svcs.
Marketing personnel: Ronald B. Gordon, sr vp, genl mgr-family prods; Hayward R. Gibson, vp-family prods mktg; Jack Salisbury, vp, genl mgr-U.S. intimate apparel; Robert Hall, vp-intimate apparel mktg.
Brands/services by agency of record:
Apparel
Baby prods
Tampons
Ad agency: Grey Advertising, New York: Jeff Stein, exec vp; D.A. Hutnick, mgmt super.

■

Jhirmack
Ad agency: Rosenfeld, Sirowitz, Humphrey & Strauss, New York: Linda Srere, exec vp; Barbara Altneu, acct super.

RANK
111

Polaroid Corp.

Cambridge, Mass.
ADVERTISING: **$ 78.2** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	1,764	1,629	8.3
Earnings	116	104	12.2
U.S.	**1987**	**1986**	**% chg**
Sales	1,009	964	4.7
Operating income	61	62	(0.6)

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	1,564	1,765	(11.4)
Magazine	5,645	5,730	(1.5)
News. supp	623	350	78.0
Business publ	1,084	1,566	(30.8)
Outdoor	0	191	NA
Network TV	21,285	18,439	15.4
Spot TV	1,047	306	242.7
Network cable TV	348	5	6,348.1
Network radio	1,437	1,735	(17.2)
Spot radio	201	187	7.3
Measured	33,234	30,274	9.8
Unmeasured	45,000	41,000	9.8
Total	78,234	71,274	9.8

POLAROID CORP.
549 Technology Square
Cambridge, Mass. 02139
(617) 577-2000

Marketing personnel: Brian O'Connor, vp-sales & mktg; Carl Yankowski, vp-mktg, N. America; William J. O'Neill, group vp-consumer photography; Lee C. Brewer, vp-intl mktg operations; Robert M. Delahunt, vp-worldwide industrial mktg; Sheldon Buckler, exec vp, dir-tech & industrial photography; Adrian Van Dorpe, dir-industrial adv; James Clegg, dir-mktg; Gary Moss, dir-adv, N. America; Fil Fernandez, mktg program mgr-Hispanic mktg; Linda Dialo, mktg program mgr-black mktg.
Brands/services by agency of record:
Cameras
Consumer prods
Ad agency: BBDO, New York: Gary dePaolo, sr mgmt super; Glenn Gilbert, mgmt rep; Liz Kelly, acct exec; John Mousaw, asst acct exec; Erika Waldman, acct coord.

■

Black adv
Ad agency: Burrell Advertising, Chicago: Linda Pharr, sr vp-mgmt super; Jasper Tanner, vp-acct dir.

■

Hispanic adv
Ad agency: Conill Advertising, New York: Liz Castells, vp-acct dir; Ivan Bichardo, acct super; Eduard D'Abate, acct exec; Ilia Leon, vp-media dir.

■

Cool Cam
Ad agency: Goodby, Berlin & Silverstein, San Francisco: Tom White, mgmt super; Tod Rathbone, acct exec.

■

Industrial prods
Ad agency: Hill, Holliday, Connors, Cosmopulos, Boston: Diane Scott, acct super; Carol Mervis, acct exec; Caryn Lerner, asst acct exec.

RANK
196

Primerica Corp.

Greenwich, Conn.
ADVERTISING: **$ 36.9** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	3,762	2,887	30.3
Earnings	199	230	(13.5)
Division sales	**1987**	**1986**	**% chg**
Ins., mut'l funds	1,589	1,465	8.4
Investment banking	399	NA	NA
Specialty retail	1,696	1,380	22.9
Other	78	42	87.6

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	3,584	2,610	52.6
Magazine	1,865	1,626	14.7
News. supp	7,967	4,726	68.6
Business publ	73	NA	NA
Outdoor	9	0	NA
Network TV	8,168	7,864	3.9
Spot TV	3,894	2,413	61.4
Network cable TV	876	687	27.6
Network radio	20	786	(97.5)
Spot radio	25	0	NA
Measured	26,882	20,712	29.8
Unmeasured	10,000	8,000	25.0
Total	36,882	28,712	28.5

PRIMERICA CORP.
1 America Lane
Greenwich, Conn. 06836
(203) 552-2000

Marketing personnel: JoAnn Heffernan Heisen, vp-corp affairs; Kenneth Koprowski, mng dir-corp comm.
Brands/services by agency of record:
Corp adv
Ad agency: Marquardt & Roche, Stamford, Conn.: James Marquardt, president; Edwin Roche, exec vp-creative dir.

Smith Barney
New York
Corporate personnel: John A. Orb, chmn-ceo; George A. Vonder Linden, president-coo.
Brands/services by agency of record:
Smith Barney
Ad agency: Ogilvy & Mather, New York: Mike Newbrand, sr vp-group dir; Peter Craighead, sr vp-mgmt super.

Fingerhut Cos.
Minnetonka, Minn.
Marketing personnel: Patrick Baldwin, sr vp-operations & info; John Harris, vp-new customer mktg; Ben Baxter, custom list mktg.
Brands/services by agency of record:
Fingerhut
Ad agency: United Advertising, Minnetonka, Minn.: Joyce Larson-Stoefen, acct exec.

The Musicland Group
Minneapolis
Marketing personnel: Bruce Jesse, vp-adv & promo.

Sam Goody
Minneapolis
Marketing personnel: Bruce Jesse, vp-adv & promo.
Brands/services by agency of record:
Musicland & Sam Goody
Ad agency: (In-house): Stylus Productions, Minneapolis: Bruce Jesse, vp-adv & promo.

Michigan Bulb Co.
Grand Rapids, Mich.
Marketing personnel: Ronald F. Laug, president; John Littleton, exec vp; Dan Holbert, vp-operations; Jim Paauwe, mgr-adv production.
Brands/services by agency of record:
Michigan Bulb Co.
Ad agency: (In-house): Littleton Advertising, Grand Rapids, Mich: Jim Paauwe, mgr-adv production.

Figi's Inc.
Marshfield, Wis.
Marketing personnel: Eugene J. Goetz, sr vp-mktg; Harry Neinaber, vp-info svcs.
Brands/services by agency of record:
Figi's
Ad agency: (In-house): Wildwood Advertising Agency, Marshfield, Wis.: Eugene J. Goetz, sr vp-mktg.

National Benefit Life Insurance Co.
New York
Marketing personnel: Philip Muskatt, sr vp-mktg; Ralph Allora, vp-mktg.
Brands/services by agency of record:
Trade adv
Ad agency: Appleman Agency, New York: Irving Appleman, principal.

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All other creative adv
Ad agency: New York Marcom Group, Long Island City, N.Y.: Josh Feldstein, president.

RANK
156

Reckitt & Colman PLC

London
ADVERTISING: **$ 53.7** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	2,353	1,951	20.6
Earnings	159	126	26.7
Division sales	**1987**	**1986**	**% chg**
Household	1,087	952	14.2
Food & wine	853	625	36.5
Pharmaceutical	212	182	16.4
Colours	68	56	22.1
Industr cleaning	87	96	27.2

U.S. advertising by media

($ in thousands)

Magazine	4,246	4,332	(2.0)
Business publ	NA	686	NA
Outdoor	9	5	95.7
Network TV	19,103	16,741	14.1
Spot TV	4,256	5,462	(22.1)
Network cable TV	19	609	(97.0)
Spot radio	0	2,518	NA
Measured	27,654	30,369	(8.9)
Unmeasured	26,000	28,000	(7.1)
Total	53,654	58,369	(8.1)

■ **Note:** Fiscal year ended Jan. 2, 1988 and Jan. 3, 1987.

RECKITT & COLMAN PLC
One Burlington Lane
London W4 2RW England
Marketing personnel: Sir Michael J. Colman, chmn; Peter Knee, chmn-R&C, North America; Laim Strong, president-foods group, USA; Michael Sheets, president-household group, USA.

Airwick Industries
Teterboro, N.J.
Marketing personnel: Doug Negrin, vp-mktg; Bob Kuhm, group category mgr-air fresheners & scouring pads; Ricki Farely-Brown Sr., category mgr-Bubble Bath; John Gerrie,

group category mgr-laundry care prods; Tina LoPonte Sr., category mgr-toilet cleaners & Binaca.

Brands/services by agency of record:

Stick-ups
Breeze
Lavender Sachet
Fabric Softener
Bulley toilet bowl cleaners

Ad agency: Bloom Agency, New York: Jeffrey Fine, chmn; Penney Hawkey, president-creative dir; Stephen McCloskey, sr vp, dir-acct mgmt; Susan Aminoff, acct super; Peter Auerback, acct exec.

■

Magic Mushroom
Snowy Bleach
Mister Bubble Bath
Carpet Fresh
Chore Boy

Ad agency: Drossman, Lehman, Marino, New York: Neil Drossman, chmn, co-creative dir; Charles Lehman, president; Dominick Marino, co-creative dir; Jo Crisalli, Susan Wallendahl, mgmt supers.

Durkee-French Foods
Paramus, N.J.

Marketing personnel: Bruce Bye, Hugh Schwartz, dirs-brand mktg; Gerry Schuth, dir-mktg planning & svcs; Geoff Heyday, dir-commercial foods group.

Brands/services by agency of record:

All food prods

Ad agency: Ketchum/Hicks & Greist, New York: Jerry Cutler, exec vp.

■

Commercial foods group

Ad agency: Noble & Associates, Springfield, Mo.: Jim Magers, acct super; Denise Gibson, acct exec.

RANK **123**

A.H. Robins Co.

Richmond, Va.
ADVERTISING: **$ 69.7** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	856	790	8.3
Earnings	(1,632)	82	NA
■ U.S.	**1987**	**1986**	**% chg**
Sales	651	616	5.6
Operating income	160	161	(0.5)
■ Division sales	**1987**	**1986**	**% chg**
Pharmaceuticals	426	409	4.1
Consumer prods	307	267	15.2
Other	143	126	13.2

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	201	19	979.8
Magazine	2,429	3,054	(20.5)
News. supp	294	54	444.6
Business publ	1,272	916	38.8
Farm publ	244	349	(30.1)
Network TV	16,371	16,187	1.1
Spot TV	33,065	26,045	27.0
Network cable TV	791	408	93.7
Spot radio	0	1,809	NA
Measured	54,668	48,841	11.9
Unmeasured	15,000	14,000	7.1
Total	69,668	62,841	10.9

■ **Note:** Earnings in 1987 were affected by a charge of $1.75 billion that boosted the reserve fund for Dalkon Shield claims to $2.3 billion from $548 million. A.H. Robins, being reorganized under Chapter 11 proceedings of the Bankruptcy Act, had operating earning of $168.5 million in 1987, compared with $170.2 million in 1986. A.H. Robins is being sold to American Home Products Corp.

A.H. ROBINS CO.
1407 Cummings Drive
P.O. Box 26609
Richmond, Va. 23261-6609
(804) 257-2000

Marketing personnel: John E. Blutenthal, vp-mktg, healthcare prods; Gary L. James, dir-mktg, healthcare prods; Ronnie L. South, vp-sales & mktg, Pet Care; Russell E. Brundige, group prod mgr-Pet Care.

Pharmaceuticals Division

Marketing personnel: Gerald K. Wilburn, vp-mktg; W.H. Selberis, group prod mgr; Frank A. Murawski, group prod mgr.

Brands/services by agency of record:

Ethical Pharmaceutical div

Ad agency: Earle Palmer Brown Cos., Richmond, Va.: George Woltz, office president; Dave Livesay, vp-acct super.

■

Chap Stick
Chap Stick Lip Balm
Donnegal
Petroleum Jelly Plus
Sergeant's pet care prods

Ad agency: Jordan, McGrath, Case & Taylor, New York: Jack Taylor, exec vp-acct exec.

■

Media planning & purchase, all brands

Ad agency: Mil-Mor Media, Richmond, Va.: Carl D. O'Hallanan, president; Mary M. Arnold, vp-media dir.

■

Cough & cold remedies

Ad agency: Scali, McCabe, Sloves, New York: Stuart Epstein, vp-group mgmt rep.

■

Dimetapp
Professional journal work for Dimetane
Robitussin
Vitamin prods

Ad agency: Sweeney & Partners, Montvale, N.J.: Tom Sweeney, president; Rita Buedden, vp.

RANK **146**

Sandoz Ltd.

Basel, Switzerland
ADVERTISING: **$ 57.6** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	5,824	5,423	7.4
Earnings	406	351	15.6
■ U.S.	**1987**	**1986**	**% chg**
Sales	1,425	1,327	7.4
Operating income	NA	NA	NA
■ Division sales	**1987**	**1986**	**% chg**
Chemicals	1,590	1,428	11.4
Pharmaceuticals	2,635	2,515	4.8
Agricultural	532	444	19.7
Seeds	368	361	2.0
Nutrition	699	675	3.5

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	1,292	121	965.4
Magazine	1,749	2,654	(34.1)
News. supp	47	22	114.7
Business publ	1,281	708	80.9
Farm publ	2,094	1,519	37.9
Outdoor	0	37	(99.7)
Network TV	19,177	18,679	2.7
Spot TV	4,901	5,533	(11.4)
Network cable TV	44	0	NA
Network radio	0	13	NA
Spot radio	1,025	195	425.6
Measured	31,610	29,481	7.2
Unmeasured	26,000	24,000	8.3
Total	57,610	53,481	7.7

■ **Note:** Exchange rate used for both years was 1Sfr. = $0.6486.

SANDOZ LTD.
CH-4002
33 Licht-Strasse
Basel, Switzerland

Sandoz Corp.
608 Fifth Ave.
New York, NY 10020
(212) 307-1122

Corporate personnel: Daniel Wagniere, chmn & ceo.

Sandoz Pharmaceuticals Corp.
East Hanover, N.J.

Corporate personnel: Fred Hassan, ceo; Robert Essner, corp vp & ceo-business mgmt; Timothy Rothwell, corp vp & ceo, pharmaceutical operations.

Marketing personnel: Ed Heimers, vp-prod mktg; Robert G. Donovan, vp-prod mgmt; Lou Santora, R. Louis Schmidt, vps-sales; Mark Julius, exec dir-mkt planning; Carole Dempsey, dir-mktg svcs; Janice Diorio, Joe Krivulka, Hans Mader, Don Mozes, Neil Wolf, group dirs; Nancy E. Barnett, dir-prod mgmt; Rudy Hoeltzel, dir-new prods; Gregory McMahon, dir-mkt rsch; George L. Vajan, dir-mktg svcs; Michael Carroll, prod dir-gastrointestinal; Peter DeCrescenzo, prod dir-children cough/cold; Nancy Miller, prod dir-Tavist.

Brands/services by agency of record:

Restoril
Pamelor

Ad agency: Robert A. Becker Inc., New York: Edward Maitland, sr vp-acct mgmt super; Len Pepe, vp-acct super; Joan Snell, acct admin.

■

Ex-Lax
Triaminic
Thera-Flu/Neocitran
Nite Light Liquid

Ad agency: Bloom Agency, New York: Pat Fuery, Steve McCloskey, sr vps-group mgmt supers; Mike Johnson, acct super; Bryan Newberger, Doug Heimbigner, Adam Gargani, acct execs.

■

Nite Light liquid
Pediatric prod line

Ad agency: Botto, Roessner, Horne & Messinger, New York: James Carlson, acct super; Lori Siegel, acct exec.

■

Gas-X

Ad agency: Consumer Healthcare Communications, Woodbridge, N.J.: Gail Cerminaro, mgmt super; Lisa Benn, acct exec.

■

Arthrex
Miacalcin
Calcium Factor
Embolex
Visken
Triaminic

Ad agency: Hamilton, Carver & Lee, Chicago: Jim Lee, president.

■

Sandoglobulin
Sandimune

Ad agency: Integrated Communications, Morris Plains, N.J.: Todd Mahoney, president; Jeff Rich, vp-creative dir; Kate Mayes, vp-medical dir; Donna Del Nero, acct coord; Jonna Moss, media coord.

■

Visken
Dynacirc

Ad agency: Kallir, Philips, Ross, New York: Mike Boyer, exec vp; Gerard Starybrat, sr vp-acct group super; Gabor Osvath, vp-acct group super; Debra Littman, acct super; Karen Barbano, acct coord.

■

Parlodel
Sandostatin
Clozaril
Mellaril

Ad agency: M.E.D. Communications, New York: Rich Patterson, vp acct super (Parlodel, Sandostatin); Tom Lusty, vp-mgmt super (Clozaril, Mellaril).

New prods

Ad agency: Posey, Quest, Genova, Greenwich, Conn.: Jim Queri, president; Steve Wakeen, acct super.

■

Tavist Line
Hydergine
Calcium

Ad agency: Romann & Tannenholz, New York: Barry Tennenholz, president; Liz Smith, acct super.

■

Ex-Lax
Gas-X

Ad agency: Siboney, New York: David Cole, acct super; Melissa Quinoy, acct exec.

■

Pain Line

Ad agency: Thomas G. Ferguson Associates, Parsippany, N.J.: John Puleo, vp-acct group super; Kris Pesante, asst acct exec.

Sandoz Nutrition Center
Minneapolis, Minn.

Corporate personnel: Helmut Breuer, president-ceo.

Marketing personnel: Neville Pelletier, sr vp-consumer prods div; William Rush, John Fontana, vps; David Cooper, mktg dir; Mark Goldberg, Jim Tierney, prod mgrs.

Brands/services by agency of record:

Poppycock
Fiddle Faddle
Screaming Yellow Zonkers

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, Minneapolis: Mary Pat Ladner, acct super; Steve Centrillo, acct mgr; Ann Parks, asst acct exec.

■

Ovaltine
Featherweight

Ad agency: Campbell-Mithun-Esty, Minneapolis: Les Mouser, vp-mgmt super; Steve Wehrenberg, acct super; Paul Landgraf, acct exec.

Northrup King Co.
Minneapolis, Minn.

Corporate personnel: George Jones, president-ceo; Mark S. Hodgson, coo.

Marketing personnel: David L. Thomas, exec dir-mktg; Tony G. Laos, Cees Boonan, LeRoy J. Johnson, Donald Jacoby, vps; Gary Giltner, dir.

Brands/services by agency of record:

Agricultural prods

Ad agency: Saatchi & Saatchi Wegener, New York: John Martin, vp-mktg super; Randy Nagel, mktg mgr.

■

Consumer prods
Vegetable Seed International

Ad agency: Miller Meester Advertising, Minneapolis: Dann Oberpriller, sr vp; Mike Dowell, acct super.

Master Builders
Cleveland

Corporate personnel: Edd T. Parker, president.

Marketing personnel: Howard A. Golden, vp; John Jayme III, dir-comm; J. Pat Borders, dir-mktg devel; Claudio R. Calzado, Ed L. Ullma, vps.

Brands/services by agency of record:

Master Builders

Ad agency: (In-house): Bruce Wellek, mgr-admixture prods; John Gouskos, mgr-construction prods.

Sandoz Crop Protection Group
Des Plaines, Ill.

Marketing personnel: Deitmar Olesch, vp-mktg.

Brands/services by agency of record:

Corn & Wheat Crop Protection Materials

Ad agency: Kendrick Advertising, St. Louis: Drew Fitzgerald, Roger Yount, acct execs.

■

Specialty prods

Ad agency: Chapman/Warwick, San Diego: Julie Randolph, asst acct exec; Scott McGaugh, pr dir.

RANK **151**

SmithKline/ Beckman Corp.

Philadelphia
ADVERTISING: **$ 55.7** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	4,329	3,745	15.6
Earnings	570	521	9.4
■ U.S.	**1987**	**1986**	**% chg**
Sales	2,871	2,596	10.6
Operating income	647	578	11.9
■ Division sales	**1987**	**1986**	**% chg**
Pharmaceuticals	2,155	1,896	13.7
Consumer health care	185	174	6.5
Animal health care	300	251	19.9
Eye & skin care	554	433	27.9
Instruments	704	620	13.6
Clinical lab	431	373	15.4

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	85	14	496.5
Magazine	864	2,115	(59.1)
News. supp	186	479	(61.2)
Business publ	1,757	486	261.2
Farm publ	217	275	(20.9)
Network TV	18,346	20,621	(11.0)
Spot TV	3,866	1,359	184.4
Network cable TV	471	458	2.8
Network radio	938	1,289	(27.2)
Spot radio	2	2	(16.7)
Measured	26,732	27,099	(1.4)
Unmeasured	29,000	30,000	(3.3)
Total	55,732	57,099	(2.4)

SMITHKLINE/BECKMAN CORP.
One Franklin Plaza
Philadelphia, Pa. 19101
(215) 751-4000

SmithKline Consumer Products
Philadelphia, Pa.

Corporate personnel: William E. Leonard, president.

Marketing personnel: Lawrence D. White, vp-mktg & sales; Greg L. Kearl, vp-sales; Richard E. Arnold, vp-scientific affairs & business svcs.

Brands/services by agency of record:

Sine-Off
Ecotrin

Ad agency: Jordan, McGrath, Case & Taylor, New York: David Hauer, vp-mgmt super; Shelly Sharkey, acct super.

■

Contac
Aqua Care
Vital Eyes
Clear-by-Design

Ad agency: BBDO, New York: David Seal, mgr-acct rep.

■

Feosol

Ad agency: Lavey, Wolff & Swift, New York: Eric Malter, acct super.

Allergan, Inc.
Irvine, Calif.

Corporate personnel: Gavin S. Herbert, chmn Allergan, president-eye & skin care group, SmithKline Beckman Corp; William C. Shepherd, president; W. Richard Ulmer, president-Allergan Pharmaceuticals; Donald Earhart, president-Allergan Optical; Robert C. Bishop M.D., president-Allergan Medical Optics; Robert B. Samuels Ph.D., president-Allergan Humphrey; A. Thomas Bender, president, Herbert Laboratories.

Marketing personnel: B. Norris Battin, sr vp-group mktg & comm; William Faulds, sr vp-U.S. sales; Steven Mitchell, dir-mktg, Allergan Pharmaceuticals; Jack Giroux, sr vp-domestic mktg, Allergan Optical; Jim Fuller, vp-U.S. sales, Allergan Optical; Tim Lindsay, mgr-sales & mktg, Allergan Pharmaceuticals; Keith Ignotz, vp-sales & mktg, Allergan Humphrey; Steve Guida, vp-sales & mktg, Allergan Medical Optics; Gary Wetz, vp-sales Herbert Laboratories.

Brands/services by agency of record:

Pharmaceuticals
Optical prods
otc prods

Ad agency: (In-house): Pacificom, Irvine, Calif.: Willette Friday, dir; Gayeann Gwynn, mgr-acct svcs; Anne Parsch, Ronald Newcomb, Claudia Goldsberry, acct execs.

SmithKline Bio-Science Laboratories
King of Prussia, Pa.

Corporate personnel: Harry C. Groome, president.

Marketing personnel: Richard Novak, vp-sales & mktg.

Smith Kline & French Laboratories
Philadelphia, Pa.

Corporate personnel: Frederick W. Kyle, president, SK&F, U.S.

Marketing personnel: Roger A. Ross, vp-mktg, U.S.; David P. Wright, vp-gastrointestinal business group, U.S.; F. Richard Hammel Jr., vp-mkt devel, CV/GI prods; James H. Geddes, vp-natl accts, govt & customer relations; John Dillon II, vp-new business devel, U.S.

Brands/services by agency of record:

SmithKline Bio-Science labs
Smith Kline & French labs

Ad agency: Salthouse Torre Norton, Rutherford, N.J.: Barbara Falco, Howard Laskau, vps-acct supers; Beverly Breitenbauch, acct exec.

SmithKline Beckman Animal Health Products
West Chester, Pa.

Corporate personnel: Norman H. Blanchard, president; Martin F. Braun, vp-worldwide; Daniel B. Hinnah, vp-Norden Laboratories-worldwide.

Marketing personnel: Dr. Duane E. Thurman, genl mgr; Gerald Myers, dir-sales & mktg.

Brands/services by agency of record:

SmithKline animal health prods

Ad agency: Marketing Support Services, St. Joseph, Mo.: Kenneth Shearlin, creative mgr-mktg mgr.

Norden Laboratories
Lincoln, Neb.

Corporate personnel: Dr. J.I.H. Phillip, president.

Marketing personnel: Jerry Judt vp-sales & mktg.

Brands/services by agency of record:

Norden labs

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, Omaha, Neb.: Omar Dye, Wes Newhaus, Kurt Wullschleger, acct execs.

Beckman Instruments
Fullerton, Calif.

Corporate personnel: Louis T. Rosso, president; John P. Wareham, vp-diagnostic systems group; Thomas E. Waller, vp-bioanalytical system group.

Brands/services by agency of record:
Beckman Instruments

Ad agency: Cochrane Chase, Livingston & Co., Irvine, Calif.: Frank Addis, vp-mng dir, med bioscience group; Gary Cunningham, vp-creative dir; Eileen Goodman, acct rep.

RANK **108**

Sony Corp.

Tokyo
ADVERTISING: **$ 79.7** MILLION

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	11,450	10,360	10.5
Earnings	294	200	46.8
U.S.	**1988**	**1987**	**% chg**
Sales	3,409	3,243	5.1
Operating income	NA	NA	NA
Division sales	**1988**	**1987**	**% chg**
Video equipment	3,498	3,451	1.3
Audio equipment	3,153	2,844	10.9
Televisions	2,481	2,460	0.8
Other products	2,318	1,605	44.4

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	1,412	2,505	(43.6)
Magazine	31,862	32,612	(2.3)
News. supp	15,502	14,822	4.6
Business publ	1,958	1,665	17.6
Outdoor	16	131	(87.7)
Network TV	1,543	3,762	(59.0)
Spot TV	3,576	6,111	(41.5)
Network cable TV	1,170	1,710	(31.5)
Network radio	241	130	84.5
Spot radio	390	325	20.1
Measured	57,669	63,772	(9.6)
Unmeasured	22,000	24,000	(8.3)
Total	79,669	87,772	(9.2)

Note: Fiscal year ended March 31, 1988.

SONY CORP.
7-35, Kitashinagawa 6-chome,
Shinagawa-ku, Tokyo 141, Japan

Sony Corp. of America
9 W. 57th St.
New York, N.Y. 10019
(212) 371-5800

Marketing personnel: Jeff Brooks, vp-adv.

Brands/services by agency of record:
Sony TVs
Sony video
Sony Walkmans

Ad agency: McCann Erickson, New York: Douglas Wise, sr vp-mgmt rep.

■

Print for:
Sony TVs
ES audio
My First Sony
Business-to-business
Special assignments
Sony Walkmans

Ad agency: Slater Hanft Martin, New York: Allan Cohen, vp-acct super.

■

TV adv for My First Sony
Sports prods

Ad agency: Burkhardt Christy, New York: Joel Fineman, mgmt super; Heidi Jenkins, acct exec.

RANK **190**

State Farm Mutual Auto. Ins. Co.

Bloomington, Ill.
ADVERTISING: **$ 38.7** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	NA	NA	NA
Earnings	NA	NA	NA
U.S.	**1987**	**1986**	**% chg**
Sales	NA	NA	NA
Operating income	NA	NA	NA

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	282	200	40.8
Magazine	1,480	1,462	1.2
Business publ	NA	218	NA
Outdoor	146	146	(0.1)
Network TV	14,203	11,694	21.5
Spot TV	2,351	1,871	25.6
Network cable TV	316	274	15.5
Network radio	8,267	7,036	17.5
Spot radio	1,669	1,243	34.3
Measured	28,714	24,144	18.9
Unmeasured	10,000	8,000	25.0
Total	38,714	32,144	20.4

STATE FARM MUTUAL AUTOMOBILE INSURANCE CO.
One State Farm Plaza
Bloomington, Ill. 61710-0001

Marketing personnel: Daniel McNertney, vp-adv; Don Bittner, R.S. Bugajski, adv dirs; Robert L. Denny, dir-agency sales & devel promo svcs.

Brands/services by agency of record:
All forms insurance
Auto insurance
Health insurance
Homeowners insurance
Life insurance

Ad agency: DDB Needham Worldwide, Chicago: Jack Copher, group acct dir; Donald Putzier, mgmt rep; Rick Fobes, acct super; Patrice Sullivan, acct exec.

RANK **105**

Levi Strauss Associates

San Francisco
ADVERTISING: **$ 80.4** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	2,870	2,600	10.4
Earnings	135	49	175.5

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	133	132	0.5
Magazine	6,387	5,173	23.5
News. supp	0	253	NA
Business publ	5	4	31.6
Farm publ	150	161	(6.9)
Outdoor	29	72	(60.0)
Network TV	15,477	17,106	(9.5)
Spot TV	4,709	1,274	269.7
Network cable TV	3,816	4,381	(12.9)
Network radio	697	1,256	(44.5)
Spot radio	2,013	2,186	(7.9)
Measured	33,415	31,999	4.4
Unmeasured	47,000	45,000	4.4
Total	80,415	76,999	4.4

LEVI STRAUSS ASSOCIATES
Levi's Plaza
P.O. Box 7215
San Francisco, Calif. 94120
(415) 544-6000

The Jeans Co.

Marketing personnel: Louis Kirtman, vp-mktg; Linda Aletto, consumer mktg dir; Maureen Moriarity, consumer mktg dir-men's jeans; Julie Palley, consumer mktg dir-youthwear; Larry Ruff, sr adv mgr-men's jeans; Sandi Sullivan, Julie Klee, adv mgrs.

Levi Strauss Sportswear

Marketing personnel: Steve Goldstein, consumer mktg dir-menswear; Jim McCarty, sr adv mgr-menswear; John Chappell, consumer mktg dir-women's jeans.

Brittania Sportswear Ltd.

Marketing personnel: Jim Criss, vp-mktg & sales.

Brands/services by agency of record:
Levi's
Brittania

Ad agency: Foote, Cone & Belding Communications, San Francisco: Pat Sherwood, group mgmt super; Barbara Pauly, Alan Jewett, Mary Moudry, mgmt supers; David Byers, Lisa Shenson, Valerie Vento, acct execs.

■

Hispanic adv

Ad agency: Mendoza, Dillon & Asociados, Newport Beach, Calif.: Eduardo del Rivero, sr vp-client svcs; Randel Ransom, acct super.

RANK **178**

Suzuki Motor Co.

Hamana-gun, Japan
ADVERTISING: **$ 44.1** MILLION

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	6,059	5,942	2.0
Earnings	47	45	4.4
Division sales	**1988**	**1987**	**% chg**
Autos	4,495	4,192	7.2
Motorcycles	837	1,010	(17.1)
Parts	463	470	(1.5)
Other	263	269	(2.3)

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	3,138	98	3,086.3
Magazine	1,434	440	226.2
Business publ	5	11	(53.8)
Outdoor	678	1,099	(38.3)
Network TV	4,401	0	NA
Spot TV	16,236	14,060	15.5
Network cable TV	388	357	8.7
Network radio	2,257	841	168.4
Spot radio	1,584	4,015	(60.5)
Measured	30,121	20,920	44.0
Unmeasured	14,000	10,000	40.0
Total	44,121	30,920	42.7

Note: Fiscal year ended March 31. Exchange rate used to convert 1988 and 1987 was Y125.35 = U.S.$1. Financial totals are only for Suzuki Motor Co. (largely autos, motorcycles and outboard motors). Subsidiaries and affiliated companies pushed sales up to $7.18 billion in 1988 and $6.94 billion in 1987 and earnings to $85 million and $77 million, respectively.

SUZUKI MOTOR CO.
300, Takatsuka, Kami-mura
Hamana-gun, Shizuoka, Japan

American Suzuki Motor Corp.
3251 East Imperial Highway
Brea, Calif. 92621
(714) 996-7040

Automotive Division

Corporate personnel: Toshiyuki Arai, president; Doug Mazza, vp-genl mgr; John Dorsey, sales dir; Toshiyuki Ohwada, technical svc dir & asst to president; William A. Charles, field svc operations dir; James Weber, comm dir.

Brands/services by agency of record:
Automotive div

Ad agency: Keye/Donna/Pearlstein, Los Angeles: William Bragg, mgmt super; Tim O'Mara, acct super; Michelle de Maria, acct exec.

Motorcycle Division

Corporate personnel: Tadaomi Shigenoya, exec vp; Mark Blackwell, mktg dir; Shinichi Kawahara, sales planning mgr; Mel Harris, natl sales mgr; Martyn Haynes, natl accessory mgr; Bob Starr, adv mgr; Joe Colombero, press relations mgr; Jim Kirkland, natl svc mgr; Masayuki Itoh, tech dept mgr; Toshio Koyama, racing dept mgr.

Brands/services by agency of record:
Motorcycle div

Ad agency: HDM, Los Angeles: Fred Koplin, vp-mgmt super; Peter Siberell, acct super; Jim Juback, acct exec.

Marine Division

Corporate personnel: Tetsuo Hirano, president; Jun Itoh, asst to president-mktg; Larry Chisolm, natl mktg dir; Frank Wright, natl adv & admin mgr.

Brands/services by agency of record:
Marine div

Ad agency: Hakuhodo Advertising America, Los Angeles: Taka Arai, sr vp-assoc genl mgr; Louis Vega, vp-acct super.

Thompson eschews public life

A management buyout led by chairman S. Daniel Abraham will take Thompson Medical Co. private by the end of 1988. During 1988, the company expanded its Slim-Fast meal replacement line and introduced the first campaign in 20 years for its oldest product, Slim-Mint appetite suppressant gum. The campaign took Slim-Mint from subsistence support to a $6 million network TV largess.

RANK **194**

Tambrands Inc.

Lake Success, N.Y.
ADVERTISING: **$ 37.3** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	539	487	10.7
Earnings	77	69	10.8
U.S.	**1987**	**1986**	**% chg**
Sales	355	334	6.5
Operating income	100	98	2.0

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	6	0	NA
Magazine	7,772	11,784	(34.0)
Business publ	50	43	14.8
Network TV	15,251	16,108	(5.3)
Spot TV	1,571	410	283.0
Network cable TV	676	1,860	(63.7)
Network radio	0	1	NA
Spot radio	8	321	(97.5)
Measured	25,333	30,528	(17.0)
Unmeasured	12,000	14,000	(14.3)
Total	37,333	44,528	(16.2)

TAMBRANDS INC.
One Marcus Ave.
Lake Success, N.Y. 11042
(516) 358-8300

Corporate personnel: J.F. Bard, exec vp; Edward F. Covell, Steven T. Henick, Robert N. Lapre, vps.

Marketing personnel: Harry W. Rowe, vp-sales; Chris L. Shimojima, mgr-mktg svcs; Ronald L. Zwicke, mgr-adv svcs; Jan R. Rock, dir-mktg; Janet Wilson, vp-mktg.

Brand/services by agency of record:
Maxithins

Ad agency: Ally & Gargano, Westport, Conn.: William Bishop, president; Lloyd Fritzmeier, sr vp-mgmt dir.

■

First Response home diagnostics

Ad agency: Carrafiello Diehl & Associates, Irvington, N.Y.: Robert Morais, vp-mgmt super; Patricia Facey, sr acct exec.

■

Tampax

Ad agency: Campbell-Mithun-Esty, New York: Geoffrey L. Clarkson, sr vp-mgmt super; Marcy Glanz, vp-mgmt super; Elizabeth Pava, acct super; Donna Bernstock, asst acct exec.

■

Physicians Formula cosmetics

Ad agency: Saatchi & Saatchi DFS, Los Angeles: Dick Theis, sr vp-mgmt super; Kate Baker, vp-acct super; Lauren Hughes, acct exec.

RANK **187**

Thompson Medical Co.

New York
ADVERTISING: **$ 39.9** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	141	120	17.6
Earnings	9	7	19.7
Division sales	**1987**	**1986**	**% chg**
Meal replacements	31	20	54.5
Appet. suppressants	60	54	11.0
Other healthcare	50	47	6.8

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	22	6	297.0
Magazine	775	1,864	(58.4)
Business publ	NA	205	NA
Outdoor	2	0	NA
Network TV	16,313	17,481	(6.7)
Spot TV	5,385	5,890	(8.6)
Network cable TV	8,374	1,819	360.3
Network radio	1,308	764	71.2
Spot radio	727	14	5,268.9
Measured	32,904	28,041	17.3
Unmeasured	7,000	6,000	16.7
Total	39,904	34,041	17.2

Note: Fiscal year ended Nov. 30, 1987.

THOMPSON MEDICAL CO.
919 Third Ave.
New York, N.Y. 10022
(212) 688-4420

Marketing personnel: S. Daniel Abraham, chmn-ceo; Frank DiPrima, exec vp-coo; Paul Craniotes, vp-creative; Ron Stern, vp-weight control prods; Joel Appel, sr vp-sales; Dean Siegal, dir-pr; Harold Verschlieser, sales promo mgr.

Brand/services by agency of record:
Slim-Fast
Slim Mint Gum
Appedrine

Ad agency: Grey Advertising, New York: David Rosenberg, group mgmt super; Larry Wayne, acct super.

■

Dexatrim
Aqua-Ban
Encare
Tempo
Cortizone-5
Aspercreme
Sportscreme
NP-27

Ad agency: Laurence, Charles, Free & Lawson, New York: Al Magnane, exec vp-mgmt super; Cheryl Rego, Robin Koval, Larry Blomenkranz, acct supers.

RANK **148**

3M

St. Paul, Minn.
ADVERTISING: **$ 56.6** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	9,429	8,602	9.6
Earnings	918	779	17.8
U.S.	**1987**	**1986**	**% chg**
Sales	5,813	5,383	8.0
Operating income	929	897	3.6
Division sales	**1987**	**1986**	**% chg**
Industr. electronic	3,448	3,055	12.9
Info. imaging	2,648	2680	(1.2)
Life sciences	2,001	1667	20.0
Consumer	1,327	1199	10.7

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	127	35	266.2
Magazine	3,835	9,101	(57.9)
Business publ	8,886	8,722	1.9
Outdoor	1	9	(91.4)
Network TV	6,009	2,623	129.1
Measured	27,599	24,089	14.6
Unmeasured	29,000	25,000	16.0
Total	56,599	49,089	15.3

3M
3M Center
St. Paul, Minn. 55144-1000
(612) 733-1110

Corporate personnel: Allen F. Jacobson, chmn-ceo; L.D. DeSimone, exec vp-industrial & electronic sector; Allan J. Huber, exec vp-commercial & consumer sector; Jerry E. Robertson, exec vp-life sciences sector; Kenneth A. Schoen, exec vp-info & imaging technologies sector; Stanley W. Thiele, sr vp-admin svcs.

Marketing personnel: C.M. Eldridge, staff vp-corp mktg svcs, S.W. Schmaltz, dir-mktg comm; E.A. McMahon, mgr-corp mktg comm.

Brands/services by agency of record:
Medical/surgical prods

Ad agency: Associates & Larranaga, Minnetonka, Minn.: Robert Larranaga, president; Sheila Wood, Kim Clark, acct execs.

■

Electronic specialty prods

Ad agency: Baron Advertising, Cleveland: Joe Drenik, acct exec.

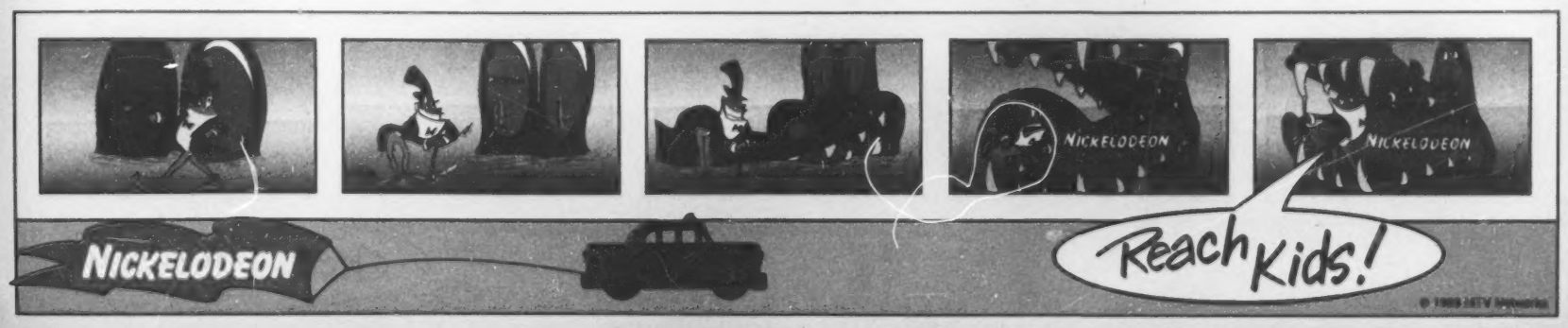
■

Orthopedic & vision care prods

Ad agency: Baxter, Gurian & Mazzei, Beverly Hills, Calif.: Gail Dearing, vp-acct super.

■

Automotive trades
Building service & cleaning prods
Carbonless prods



Ceramic materials
Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, Minneapolis: Denny Sullivan, sr vp-mgmt super; Gordon Simanton, vp-acct super; Joani Bloom, acct exec.

■

Corp adv
Filtration, home & protective chemical prods
Medical imaging systems
Photocolor systems
Ad agency: Campbell-Mithun-Esty, Minneapolis: Howard Liszt, exec vp; Joe Carpenter, sr vp-mgmt super; Dick Moberg, Elgin Manhard, vp-mgmt supers; Tim Hennes, acct super; Steve Gordon, sr vp-mgmt super; Steve Robb, vp-acct super; Dick Lynch, vp-mgmt super.

■

Leisure prods
Magnetic media
Ad agency: Carmichael Lynch, Minneapolis: Lisa Meyer, sr vp-mgmt super; Karen Casey, acct exec; Janet Van Fossan, vp-acct super.

■

Consumer specialties
Magnetic media
Ad agency: Chiat/Day, San Francisco: John Greer, mgmt super; Al Moffatt, acct super; Mike Massaro, vp-mgmt super.

■

Insulation & specialty fabrics
Printing & publishing systems
Ad agency: Colle & McVoy, Bloomington, Minn.: Tom Engquist, vp-industrial grp mgr; Don Gillies, president; Laurie Radmer, acct exec.

■

Automotive repair mgmt systems
Ad agency: Communications Management, Minneapolis: LeAnn Row, vp-acct exec.

■

3M Comtal Corp.
Ad agency: Corporate Creativity Group, Lake Forest, Calif.: Laer Pearce, president.

■

Dynatel systems
TelComm prods
Ad agency: Fellers & Gaddis, Austin, Texas: Greg Wortman, sr vp; Steve Wuertz, acct exec.

■

Aviation safety systems
Ad agency: J. Patrick Moore Advertising, Minneapolis: James Moore, president-acct super.

■

Consumer specialties,
electrical & energy control prods
Industrial abrasives
Microfinishing systems
Static & electromagnetic controls
Tartan Tooling
Traffic control materials
Ad agency: Kamstra Communications, St. Paul, Minn.: Don Finlayson, sr vp; John Warner, sr vp-acct super; Mark Hagunn, Catherine Hystead, vps-acct supers; Tracy Wells, acct exec.

■

Adhesives, coatings & sealers
Aerospace materials
Audio/visual
Automotive systems
Converter specialties
Industrial chemical prods
Specialties & tape packaging systems
Protective chemical prods
Safety & security systems
Ad agency: Kerker & Associates, Bloomington, Minn.: Chuck Kelly, vp-dir client svcs; Martha Sozansky, Bill Pederson, Todd Siebell, acct execs.

■

AVI Inc
Health care specialties
Medical/surgical prods
Occupational health & safety prods
Ad agency: Kolesar & Hartwell, Minneapolis: John Clay, vp-acct super; Pam Rusten, acct super; Lynn Bergman, Diara Edelman, acct execs.

■

Magnetic media,
Photo color systems
Data storage systems
Ad agency: Mars Advertising, Southfield, Mich.: Ken Barnett, exec vp-genl mgr; Karen Thomas, dir-brand mktg.

■

Commercial graphics & office supply div
Dental prods
Document systems
Health care specialties
Health info systems
Home stationery business
Ad agency: Martin Williams Advertising, Minneapolis: Steve Collins, vp-mgmt super; Susan King, acct super; Eric Simon, acct exec; Ronald Counton, vp-mgmt super; Earl Wilcox, acct super; Julie Mast, Janet Jones, acct execs; Brian Hooks, acct super; Cheryl Johnson, Audrey Harman, acct execs.

■

Automotive systems
Broadcasting & related prods
Optical recording dept
Ad agency: Miller Meester Advertising, Bloomington, Minn.: Dan Starkey, vp-acct super; Lewis Melamed, acct exec.

■

Animal care products
Ad agency: Ken Schmidt Co., Milwaukee: Steve Krog, acct mgr.

■

Sarn Inc.
Ad agency: Seagram & Singer, Ann Arbor, Mich.: Cheryl Norman, acct exec.

■

Electronic prods
Ad agency: Tac Quest Business Agency, Houston: Alan D. Vera, president-ceo; Jim Shelby, sr vp-mktg svcs; Richard Baron, sr vp-creative dir; Lina Gallardo, acct super.

■

Riker Labs
Ad agencies: Trunk, Shea & McCaffrey, Montclair, N.J.: Paul Trunk, president; Tom Shea, vp-acct super.
Girgenti, Hughes, Butler & McDowell, New York: Bill Butler, exec vp; Steve Girgenti, president.

RANK **132**

Tonka Corp.

Minnetonka, Minn.
ADVERTISING: **$ 65.4** MILLION

Sales & earnings

($ in millions)

	1987	1986	% chg
Worldwide			
Sales	383	293	30.4
Earnings	(8)	22	(136.4)

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	198	15	1,185.8
Magazine	885	153	479.2
News supp	171	0	NA
Business publ	30	17	82.5
Network TV	23,334	28,742	(18.8)
Spot TV	21,284	18,146	17.3
Network cable TV	1,491	1,329	12.3
Spot radio	0	1	NA
Measured	47,393	48,403	(2.1)
Unmeasured	18,000	18,000	0.0
Total	65,393	66,403	(1.5)

Note: Fiscal year ended Jan. 2. A pro forma reading of Tonka results reflecting hypothetical ownership of Kenner Parker begun in 1986 shows the merged units would have had net revenues of $795 million in 1987, down 4.3% from 1986, and a net loss of $27.7 million, down from a net loss of $18 million in the prior year. U.S. ad expenditures of $65.4 million in 1987 and $66.4 million in 1986, established by AA in this report, are a composite reading of U.S. advertising for both Tonka and Kenner Parker for both years.

TONKA CORP.
6000 Clearwater Drive
Minnetonka, Minn. 55343
(612) 936-3300

Marketing personnel: Stephen G. Shank, chmn-ceo; James D. Miller, exec vp-cfo; David Mauer, corp vp, president-U.S. toy group, ; Jim Boosales, vp & president-Tonka International; Jerry Cleary, vp & president-Tonka Products; Louis Gioia, vp-mktg.

Kenner Products
Cincinnati

Marketing personnel: David Mauer, president; Bruce Stein, sr vp-mktg; Jim Block, Virginia Kent, vps-mktg.

Parker Brothers
Beverly, Mass.

Marketing personnel: Ron Leong, sr vp-mktg; Will Coleburn, mktg dir-family, children, word & card games; John Call, mktg dir-video and electronic games & NERF products.

Brands/services by agency of record:
Tonka Toys
Sega
Ad agency: Jordan, McGrath, Case & Taylor, New York: Don Weir, sr vp; Ellen Fields, vp-mgmt super, Tonka Toys; Kathryn Ryan, vp-mgmt super, Sega; Rebecca Randall, acct super.

■

Kenner
Ad agency: Grey Advertising, New York: John Cashwell, vp; Steve Dammers, sr vp.

■

Parker Brothers
Ad agency: Della Femina, McNamee WCRS, Boston: John Hurlbut, mgmt super; Barbara Lawrence, acct super; Jennifer Horton, Kim Leeman, acct mgrs; Barbara Turley, asst acct mgr.

RANK **115**

Trans World Airlines

New York
ADVERTISING: **$ 75.8** MILLION

Sales & earnings

($ in millions)

	1987	1986	% chg
Worldwide			
Sales	4,056	3,185	27.4
Earnings	106	(106)	200.0
Division sales	1987	1986	% chg
Passenger	3,415	2,641	29.3
Freight, mail	226	203	11.4
Other	415	341	21.8

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	24,365	29,329	(16.9)
Magazine	3,699	2,027	82.4
News supp	137	179	(23.9)
Business publ	1,107	1,343	(17.5)
Outdoor	240	422	(43.1)
Network TV	45	61	(25.3)
Spot TV	15,473	11,857	30.5
Spot radio	1,746	3,593	(51.4)
Measured	46,812	48,811	(4.1)
Unmeasured	29,000	30,000	(3.3)
Total	75,812	78,811	(3.8)

TRANS WORLD AIRLINES
605 Third Ave.
New York, N.Y. 10158-0039
(212) 692-3000

Marketing personnel: Tracy Britton, dir-adv & leisure mktg; James Smith, dir-business mktg; Kathi Trepper, dir-promos.

Brands/services by agency of record:
Trans World Airlines
Ad agency: Young & Rubicam, New York: Robert Donahoe, sr vp-mgmt super.

RANK **189**

Turner Broadcasting System

Atlanta
ADVERTISING: **$ 38.8** MILLION

Sales & earnings

($ in millions)

	1987	1986	% chg
Worldwide			
Sales	625	557	12.3
Earnings	(131)	(187)	29.9
Division sales	1987	1986	% chg
Broadcast	222	204	8.8
Cable productions	209	167	24.8
Program syndication	159	135	17.8
Professional sports	23	24	(4.6)
Real estate	38	24	61.7
Other	2	3	(41.4)

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	1,650	1,455	13.4
Magazine	7,034	8,932	(21.2)
News supp	8	39	(78.5)
Business publ	664	1,148	(42.2)
Outdoor	186	276	(32.7)
Network TV	13,084	5,407	142.0
Spot TV	6,211	6,752	(8.0)
Network cable TV	4,076	4,378	(6.9)
Network radio	872	867	0.6
Measured	33,784	29,251	15.5
Unmeasured	5,000	4,000	25.0
Total	38,784	33,251	16.6

TURNER BROADCASTING SYSTEM
One CNN Center
P.O. Box 105366
Atlanta, Ga. 30348-5366
(404) 827-1700

Corporate personnel: R.E. "Ted" Turner, chmn & president; William C. Bartholomay, vice chmn; Robert Wussler, exec vp; Paul D. Beckham, sr vp-finance & admin; Henry L. "Hank" Aaron, vp-community relations.
Marketing personnel: Ronald J. Harris, vp-adv & promo.

Turner Programming Services
Marketing personnel: Russ Berry, president; Ken Christensen, vp-adv; John Walden, vp-sales & mktg.

Turner Cable Network Sales
Marketing personnel: Terrence F. McGuirk, president; Robert Thalman, dir-mktg.

Turner Broadcast Sales
Marketing personnel: Farrell Reynolds, president; Dave Williams, vp-mktg.

Turner Entertainment Co.
Marketing personnel: Roger L. Mayer, president.

Atlanta National League Baseball Club
Marketing personnel: Stanley H. Kasten, president; Wayne Long, dir- mktg.

Atlanta Hawks
Marketing personnel: Stanley H. Kasten, president & genl mgr; Lee Douglas, vp & dir-mktg.

Brands/services by agency of record:
All divisions
Ad agency: (In-house): RET Advertising: Judy Chantain, vp-media svcs.

RANK **174**

United Parcel Service of America

Greenwich, Conn.
ADVERTISING: **$ 46.1** MILLION

Sales & earnings

($ in millions)

	1987	1986	% chg
Worldwide			
Sales	9,682	8,620	12.3
Earnings	784	669	17.2
U.S.	1987	1986	% chg
Sales	8,049	7,372	9.2
Operating income	NA	NA	NA

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	929	24	3,753.8
Magazine	3,169	1,500	111.3
Business publ	309	464	(33.3)
Network TV	21,539	3,282	556.3
Spot TV	4,453	8,271	(46.2)
Network cable TV	700	865	(19.0)
Spot radio	15	0	NA
Measured	31,113	14,405	116.0
Unmeasured	15,000	7,000	114.3
Total	46,113	21,405	115.4

UNITED PARCEL SERVICE OF AMERICA
51 Weaver St.
Greenwich Office Park 5
Greenwich, Conn. 06836
(203) 622-6000

Corporate personnel: John W. Rogers, chmn & ceo.
Marketing personnel: John W. Alden, sr vp-bus devel; Peter Fredo, adv & customer comm mgr; Mike Tobin, natl adv coord; Walter Mitchell, mktg mgr.

Brands/services by agency of record:
United Parcel Service
Ad agency: Ammirati & Puris, New York: Edward Vick, president; Stephen H. Gardner, sr vp-mgmt super.

RANK **192**

USAir Group

Arlington, Va.
ADVERTISING: **$ 37.8** MILLION

Sales & earnings

($ in millions)

	1987	1986	% chg
Worldwide			
Sales	3,001	1,835	63.5
Earnings	195	98	99.0
Division sales	1987	1986	% chg
Passenger	2,776	1,709	62.4
Other	226	126	78.8

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	9,929	8,189	21.2
Magazine	654	125	423.6
Business publ	423	NA	NA
Outdoor	1,187	1,295	(8.3)
Network TV	4,781	0	NA
Spot TV	7,640	11,470	(33.4)
Network cable TV	116	194	(40.5)
Spot radio	2,044	0	NA
Measured	26,773	21,273	25.9
Unmeasured	11,000	9,000	22.2
Total	37,773	30,273	24.8

USAIR GROUP
1911 Jefferson Davis Highway
Arlington, Va. 22202
(703) 892-7000

Marketing personnel: Randall Malin, exec vp-mktg; Brian M. Dwyer, vp-sales & mktg; Patricia Dewey, dir-adv & sales promo.

Brands/services by agency of record:
USAir Group
Ad agency: Earle Palmer Brown Cos., Bethesda, Md.: Claire Geier, sr vp-acct group dir; Rebecca Rubinstein, vp-mgmt super; Skip Kruger, acct super; Mimi Bast, Bonita Samuels, sr acct execs; Susan Blas, Cyril Crocker, Bill Rubacky, asst acct execs.

Piedmont Aviation
Winston-Salem, N.C.

Marketing personnel: J. Daniel Brock, sr vp-mktg; Lionel Anders, staff vp-sales; Bob McAlphin, vp-scheduling.

Brands/services by agency of record:
Piedmont Aviation
Ad agency: McKinney & Silver, Raleigh, N.C.: Robert C. Doherty, president; James DeVos, sr vp-mgmt super; Leslie Sisell, vp, acct super; Amy Adcroft, Liza Branch, acct execs.

Pennsylvania Airlines
Middletown, Pa.

Marketing personnel: J. Leslie Ehringer, vp-mktg.

Brands/services by agency of record:
Pennsylvania Airlines
Ad agency: (In-house): J. Leslie Ehringer, vp-mktg.

Suburban Airlines
Reading, Pa.

Marketing personnel: Paul R. Doelp, vp-mktg.

Brands/services by agency of record:
Suburban Airlines
Ad agency: (In-house): Paul R. Doelp, vp-mktg.

Henson Aviation
Salisbury, Md.

Marketing personnel: John W. Presburg, vp-scheduling & route devel.

Brands/services by agency of record:
Henson Aviation
Ad agency: (In-house): John W. Presburg, vp-scheduling & route devel.

Jetstream International Airlines
Dayton, Ohio

Marketing personnel: Edward McCusker, vp-mktg & sales.

Brands/services by agency of record:
Jetstream International Airlines
Ad agency: (In-house): Edward McCusker, vp-mktg & sales.

RANK **128**

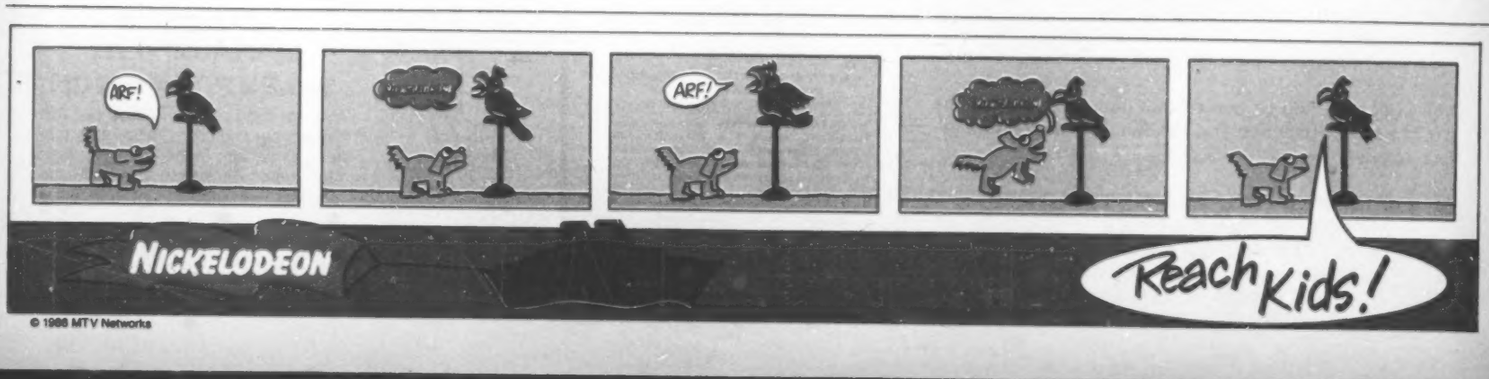
U.S. Shoe Corp.

Cincinnati
ADVERTISING: **$ 68.3** MILLION

Sales & earnings

($ in millions)

	1987	1986	% chg
Worldwide			
Sales	2,168	2,003	8.2
Earnings	52	25	104.4
Division sales	1987	1986	% chg
Footwear	729	774	(5.8)
Specialty retail	1,439	1,229	17.1



© 1988 MTV Networks

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	723	506	42.7
Magazine	1,787	1,323	35.0
News. supp.	196	209	(6.0)
Outdoor	64	30	113.8
Spot TV	28,507	16,741	70.3
Network cable TV	13	70	(81.3)
Spot radio	0	9	(100.0)
Measured	31,289	18,888	65.7
Unmeasured	37,000	22,000	68.2
Total	68,289	40,888	67.0

Note: Fiscal year ended Jan. 30, 1988 and Jan. 31, 1987. Fiscal 1987 results also included the cumulative effect of accounting changes that increased net earnings by $16 million. Unmeasured totals for both years include some spot tv not monitored in BAR/LNA.

U.S. SHOE CORP.
One Eastwood Drive
Cincinnati, Ohio 45227
(513) 527-7000

Corporate personnel: Philip Barach, chmn & ceo.

Marketing personnel: Larry Stuart, corp dir-adv & pr, footwear wholesale, footwear retail, free-standing retail, publishing, wholesale boots; Ellen Hassman, vp-mktg, Marx & Newman; David Brown, vp-mktg, LensCrafters; Greg Lechner, mktg dir-Women's Specialty Retail.

Brands/services by agency of record:
All divs adv

Ad agency: (In-House): Larry Stuart, corp dir-adv & pr, footwear wholesale, footwear retail, free-standing retail, publishing, wholesale boots; Ellen Hassman, vp-mktg, Marx & Newman; David Brown, vp-mktg, LensCrafters; Greg Lechner, mktg dir-Women's Specialty Retail.

RANK **135**

U.S. Sprint Communications Co.

Shawnee Mission, Kan.
ADVERTISING: **$ 84.7** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	2,592	2,132	NA
Earnings	(1,155)	104	NA

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	77	44	74.2
Magazine	235	6,057	(96.1)
News. supp.	0	195	NA
Business publ.	427	495	(13.7)
Network TV	34,840	25,013	39.3
Spot TV	7,546	36,906	(79.6)
Network cable TV	546	258	111.7
Spot radio	11	1,923	(99.4)
Measured	43,683	70,891	(38.4)
Unmeasured	21,000	34,000	(38.2)
Total	64,683	104,891	(38.3)

Note: Reporting years closed Dec. 31, 1987 and June 30, 1986. Sprint, a joint venture between United Telecommunications and GTE Corp., moved into the United Telecom camp in 1988 when United bought from GTE an additional 30.1% stake in Sprint, bringing its ownership to 79.1%.

U.S. SPRINT COMMUNICATIONS CO.
2330 Shawnee Mission Pkwy.
Shawnee Mission, Kan. 66205
(816) 276-8000

Corporate personnel: William T. Esrey, acting president.

Marketing personnel: David Holland, exec vp-mktg & sales.

Brands/services by agency of record:
All natl direct mktg

Ad agency: Devon Direct Marketing & Advertising, Malvern, Pa.: Jim Perry, Ron Greene, mng dirs; Marianne Croze, vp-mgmt super.

Walton, wealth and Wal-Mart

Sam Walton, 70, chairman of Wal-Mart Stores and possibly the richest man in America with net worth approaching $9 billion, relinquished the CEO title to President David Glass, 52, this February. Mr. Walton, the chain's co-founder with brother James, continues to be the inspirational force behind the company.

■

U.S. Sprint svc

Ad agency: J. Walter Thompson USA, San Francisco: Sherry Carniglia, sr vp-acct dir; Lex Matteini, acct super; Mary Wall, acct exec.

RANK **133**

US West

Englewood, Colo.
ADVERTISING: **$ 65.2** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	7,652	7,570	1.1
Earnings	997	1,007	(1.0)
Division sales	**1987**	**1986**	**% chg**
Local service	3,389	3,259	4.3
Interstate access	2,159	2,273	(5.0)
Intrastate access	357	322	10.9
Toll svc.	1,207	1,108	8.9
Other	529	608	(12.9)

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	4,271	3,144	35.9
Magazine	2,868	2,475	15.9
Business publ.	298	539	(44.7)
Outdoor	2,295	427	437.2
Network TV	619	555	11.5
Spot TV	16,198	13,613	19.0
Network cable TV	0	6	NA
Network radio	0	17	NA
Spot radio	8,639	6,149	40.5
Measured	35,189	26,925	30.7
Unmeasured	30,000	23,000	30.4
Total	65,189	49,925	30.6

US WEST
7800 East Orchard
Englewood, Colo. 80111
(303) 793-6500

Marketing personnel: Jack A. MacAllister, chmn & ceo; Richard D. McCormick, president -coo; Charles Lillis, vp-strategic planning; Judi Servoss, vp-pr; Sharon Vercimak, dir-adv & events mktg.

Brands/services by agency of record:
Investor adv
Corp adv

Ad agency: Grey Advertising, Los Angeles: Wendell Eastling, exec vp; Leslie Blair, acct super.

■

Residential

Ad agency: Campbell-Mithun-Esty, Minneapolis: Les Mouser, mgmt super; Maggie Horner, acct super; Rob Ley, acct exec; Liz Sheridan, asst acct exec.

■

Business to business

Ad agency: The Martin Agency, Richmond, Va.: Paul McKee, Stan Matus, sr vps; Rob Austin, acct super.

RANK **119**

VF Corp.

Wyomissing, Pa.
ADVERTISING: **$ 73.9** MILLION

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	2,574	1,545	66.6
Earnings	180	136	31.7
Division sales	**1988**	**1987**	**% chg**
Jeanswear	1,550	906	71.1
Sportswear	493	309	59.4
Intimate apparel	270	261	3.2
Other	261	68	282.7

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	11	800	(75.5)
Magazine	11,582	8,124	42.3
News. supp.	126	516	(75.7)
Outdoor	391	634	(38.4)
Network TV	13,530	5,982	126.2
Spot TV	4,512	5,992	(24.7)
Network cable TV	585	1,530	(63.1)
Network radio	0	2,329	NA
Measured	30,881	25,909	19.2
Unmeasured	43,000	36,000	19.4
Total	73,881	61,909	19.3

Note: Revenues for fiscal year ended Jan. 2, 1988 revenues included full-year results for Blue Bell Cos., acquired Nov. 17, 1986 for $1.1 billion. 1986 results include only $90 billion from Blue Bell.

VF CORP
1047 North Park Road
Wyomissing, Pa. 19610
(215) 378-1151

Corporate personnel: Lawrence R. Pugh, chmn & ceo; Robert E. Gregory, president-coo.

Jeanswear Group
Lee Apparel
Merriam, Kan.

Marketing personnel: David Lowe, vp-adv.

Brands/services by agency of record:
Jeanswear Group
Lee Apparel

Ad agency: Fallon McElligott, Minneapolis: Steve Sjobold, acct exec.

Wrangler
Greensboro, N.C.

Marketing personnel: Craig Veozey, Neal Anderson, adv dirs; Tom Collins, pr.

Brands/services by agency of record:
Wrangler

Ad agency: Saatchi & Saatchi DFS Compton, New York: Susana McDermott, acct exec.

Girbaud
Greensboro, N.C.

Marketing personnel: Joni Fiori, adv & pr dir.

Brands/services by agency of record:
Girbaud

Ad agency: (In-house): Joni Fiori, adv & pr dir.

Sportswear Group
Bassett-Walker
Martinsville, Va.

Marketing personnel: Will Gravely, adv dir.

Brands/services by agency of record:
Sportswear Group
Bassett-Walker

Ad agency: Cayne Advertising, Colfax, N.C.: Roger Beahm, acct exec.

Jantzen
Portland, Ore.

Marketing personnel: Roger Yost, adv dir-menswear; Bob Wertz, adv & promo dir-womenswear.

Brands/services by agency of record:
Jantzen

Ad agency: (In house): Roger Yost, adv dir-menswear; Bob Wertz, adv & promo dir-womenswear.

Jansport
Appleton, Wis.

Marketing personnel: Skip Yowell, adv dir; Rhonda S. Lewis, asst promo & adv dir.

Brands/services by agency of record:
Jansport

Ad agency: Elgin Syferd, Seattle, Wash: Patti Frey, acct exec.

Intimate Apparel Group
Vanity Fair
New York, N.Y.

Marketing personnel: Carole Stewart, adv dir.

Brands/services by agency of record:
Intimate Apparel Group
Vanity Fair

Ad agency: Bozell, Jacobs, Kenyon & Eckhardt, New York: Gay Wasserman, acct exec.

Modern Globe/Lollipop
North Wilkesboro, N.C.

Marketing personnel: Tom Gorman, vp-mktg.

Brands/services by agency of record:
Modern Globe/Lollipop

Ad agency: Price/McNabb, Asheville, N.C.: Susan Velardi, acct exec.

Occupational Apparel Group
Red Kap
Nashville, Tenn.

Marketing personnel: Barbara King, adv dir.

Brands/services by agency of record:
Occupational Apparel Group
Red Kap

Ad agency: Bill Hudson & Associates, Nashville, Tenn.: Susan Andrews, Tom Mays, acct exec.

RANK **184**

Visa International

San Mateo, Calif.
ADVERTISING: **$ 41.5** MILLION

Statistics

($ in millions)

Worldwide	1987	1986	% chg
Gross dollar volume	$164,830	$133,591	23.4
U.S.	**1987**	**1986**	**% chg**
Gross dollar volume	$97,712	$84,612	15.5
Other ctrls (not $)	**1987**	**1986**	**% chg**
Merchant outlets	5,741	5,245	9.5
Cardholders (000)	165,166	148,432	11.3

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Magazine	8,265	9,229	(10.4)
News. supp.	213	0	NA
Business publ.	653	786	(16.9)
Outdoor	58	6	871.7
Network TV	15,374	12,422	23.8
Spot TV	3,134	2,342	33.9
Network cable TV	582	535	8.9
Network radio	1,150	0	NA
Spot radio	60	4	1,529.5
Measured	29,490	25,322	16.5
Unmeasured	12,000	10,000	20.0
Total	41,490	35,322	17.5

VISA INTERNATIONAL
3151 Cleerview Way
San Mateo, Calif. 94402
(415) 570-3200

Marketing personnel: Bradford W. Morgan, exec vp-mktg; John H. Bennett, sr vp-consumer mktg; Jan Soderstrom, vp-adv & mktg comm; David Roberts, mgr-adv.

Brands/services by agency of record:
All prods

Ad agency: BBDO, New York: Gary dePaolo, mng dir; Richard Kroengold, mgmt super; Charles MacLachlan, acct exec; Charles Meismer, exec creative dir; Art Mellor, creative dir.

RANK **181**

Volvo AB

Goteborg, Sweden
ADVERTISING: **$ 43.2** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	14,608	11,825	23.5
Earnings	732	416	76.1
U.S.	**1987**	**1986**	**% chg**
Sales	3,516	3,233	8.8
Operating income	NA	NA	NA

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	6,456	5,768	11.9
Magazine	13,175	11,624	13.3
News. supp.	0	395	NA
Business publ.	1,393	1,025	35.9
Outdoor	1	1	(42.9)
Network TV	1,908	3,987	(74.7)
Spot TV	4,057	4,937	(17.8)
Network cable TV	1,711	637	168.5
Network radio	99	0	NA
Spot radio	2,285	378	503.8
Measured	30,184	28,753	5.0
Unmeasured	13,000	13,000	0.0
Total	43,184	41,753	3.4

Note: Exchange rates used were 1 Swedish kroner = $0.14062 in 1987 and $0.15789 in 1986.

VOLVO AB
S-405 08 Goteborg, Sweden

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- development of product formula/concept
- tracking surveys and post-launch counselling

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CONSUMER BEHAVIOUR STUDIES INC.
6F. Tanabe Bldg 2
1-9 Shibuya 3-Chome
Shibuya-Ku, Tokyo 150 Japan
Tel. 03-486-0006 Fax. 03-486-0649

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201 EAST 69TH STREET, NEW YORK, NY 10021 (212) 879-9100

Volvo North America Corp.
1 Volvo Drive
Rockleigh, N.J. 07647
(201) 768-7300

Corporate personnel: Bjorn Ahlstrom, president-ceo.

Volvo Cars USA

Marketing personnel: William J. Hoover, sr vp-mktg; Milt Gravatt, mgr-mktg svcs; Gerald Dudzik, natl adv mgr.

Volvo Finance N.A.

Marketing personnel: W.A. Magbag Jr., mgr-mktg.

Volvo GM Heavy Truck Corp

Marketing personnel: Larry Oliphant, vp-sales & mktg.

Volvo-Penta of America

Marketing personnel: Alan Revington, president.

Brands/services of agency on record:
Volvo-Penta of America
Volvo Cars
Volvo Finance N.A.
Volvo GM Heavy Truck Corp
Volvo-Penta of America

Ad agency: Scali, McCabe, Sloves, New York: John Slaven, sr vp-mgmt rep; Doug Pease, vp-mgmt super; Dean Beal, acct super; John Fiscella, acct exec; Adam Levine, asst acct exec; Harold Kobakof, acct super-dir field operations; Mike Silver, acct super-East region; Peter Gottfried, acct super-West region.

RANK **106**

Wal-Mart Stores

Bentonville, Ark.
ADVERTISING: **$ 80.4** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	11,909	8,451	40.9
Earnings	450	327	37.4

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Magazine	1,512	85	1,683.5
Outdoor	1	0	NA
Spot TV	30,737	30,445	1.0
Network cable TV	101	0	NA
Network radio	4	0	NA
Measured	32,356	30,529	6.0
Unmeasured	48,000	45,000	6.7
Total	80,356	75,529	6.4

WAL-MART STORES
702 S.W. Eighth St.
Bentonville, Ark., 72716
(501) 273-4000

Marketing personnel: Dwight Carney, vp-adv & sales promo; Bob McCurry, dir-adv; Bill Cahill, dir-sales promo.

Brands/services by agency of record:
Hypermarts
Apparel

Ad agency: GSD&M, Austin, Texas: Betsy Marin, acct exec.

■

All other adv

Ad agency: Bernstein-Rein Advertising, Kansa. City, Mo.: Skip Rein, exec vp.

RANK **137**

Wellcome Foundation

London
ADVERTISING: **$ 64.1** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	1,755	1,468	19.6
Earnings	146	93	56.3
U.S.	**1987**	**1986**	**% chg**
Sales	740	624	18.5
Operating income	300	239	25.4
Division sales	**1987**	**1986**	**% chg**
Human healthcare	1,485	1,231	20.6
Animal healthcare	270	237	14.2

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	69	NA	NA
Magazine	3,826	2,435	57.2
News. supp.	282	142	99.4
Business publ.	NA	670	NA
Network TV	25,420	26,454	(3.9)
Spot TV	175	198	(11.5)
Network cable TV	333	348	(4.1)
Measured	30,105	30,245	(0.5)
Unmeasured	34,000	35,000	(2.9)
Total	64,105	65,245	(1.7)

Note: Fiscal year ended Aug. 29. The exchange rate used to compile figures was £1 = U.S.$1.55 for 1987; £1 = U.S.$1.46 for 1986.

WELLCOME FOUNDATION
The Wellcome Building
183 Euston Rd.
London NW1 2BP England
44-01-387-4477

Burroughs Wellcome Co.
3030 Cornwallis Road
Research Triangle Park, N.C. 27709
(919) 248-3000

Marketing personnel: Theodore E. Haigler, president & ceo; Peter A. Reckert, vp-mktg & sales; Jerry Arnold, vp, genl mgr-mktg comm; Ron Wilson, genl mgr-mktg comm; Terry Stevens, vp, genl mgr-consumer prods; John W. Barron, genl mgr-diagnostic; Jack F. Munroe, vp, genl mgr-professional prods; Norman L. Halleman, genl mgr-natl accts.

Brands/services by agency of record:
Alkeran
Imuran
Leukeran
Myleran
Nix
Pediotic
Purinethol
Thioguanine
Tracrium
Wellcovorin

Ad agency: Fones & Nixon, New York: Doug Wicker, Dave Callahan, acct supers.

■

Diagnostic prods
Digibind
Lanoxin
Prolysis

Retrovir (AZT)
Wellbutrin

Ad agency: Lavey/Wolff/Swift, New York: Robert Smith, sr vp-acct group super; Jeffrey Negrin, acct super.

■

AllerAct prods (otc)
Neosporin Topicals (otc)
Polysporin Topicals (otc)
Sudafed prods (otc)

Ad agency: Rumrill-Hoyt, New York: Herbert Warren, exec vp-mgmt super; James Scanlon, sr vp-mgmt super; Walker Lewis, Doug Heimbigner, John Edwards, acct supers; Connie Gore, acct exec.

■

Zovirax

Ad agency: Sudler & Hennessey, New York: Leon Garuza, exec vp-group dir; Harold Grossman, vp-mktg rsch.

Wellcome pares AZT costs

Wellcome PLC's Retrovir (AZT), an AIDS palliative, brought it $70.4 million in six-month sales ended Feb. 27, 1988, but pressure to cut the price led Wellcome to drop the wholesale price for a year's supply by 20%, from $8,000 to $6,500.

RANK **112**

Whirlpool Corp.

Benton Harbor, Mich.
ADVERTISING: **$ 77.5** MILLION

Sales & earnings

($ in millions)

Worldwide	1987	1986	% chg
Sales	4,179	4,009	4.2
Earnings	192	200	(3.9)
Division sales	**1987**	**1986**	**% chg**
Laundry appliances	1,429	1,353	5.6
Refrdg. & a.c.	1,627	1,391	16.9
Home appliances	1,040	921	12.9
Other prods, svcs.	84	344	(75.7)

U.S. advertising by media

($ in thousands)

Media	1987	1986	% chg
Newspaper	6,280	4,140	51.7
Magazine	17,970	12,342	45.6
News. supp.	1,076	56	1,821.6
Business publ.	707	448	57.9
Outdoor	11	8	52.0
Network TV	16,766	13,925	20.4
Spot TV	3,744	2,473	51.4
Network cable TV	4	291	(98.6)
Network radio	5,786	7,930	(27.0)
Spot radio	115	0	NA
Measured	52,459	41,614	26.1
Unmeasured	25,000	20,000	25.0
Total	77,459	61,614	25.7

WHIRLPOOL CORP.
Benton Harbor, Mich. 49023-3692
(616) 926-5000

Marketing personnel: Jim McZinger, vp-mktg; B. David Allen, dir-mktg comm.

Brands/services by agency of record:
Washers
Dryers
Refrigerators
Dishwashers
Conventional cooking prods

WANTED:
National Advertisers

The Bottom Line

That's all that counts in advertising. For advertisers. For their agencies.

That's why we're so pleased, for example, with the bottom line results from direct response advertising in *Youth Beat* — the fastest growing Sunday supplement in America.

Results that keep going up with our circulation: 3,344,346...7,639,386... 10,011,797 — close to 14,000,000 by October 1, 1989.

Results that have already proved out to more than half a million dollars in direct cash sales from our test circulation of 2.7 million alone. Sales that project to nearly *thirty-three million dollars* at 14,000,000 circulation.

Sales of everything from stereos, cameras and bicycles — to costume jewelry, computers and VCRs. From food, candy and soft drinks — to cassettes, clothes, cosmetics — *you* name it.

And when you consider our audience, why not?

Sixty-three percent between 18 and 34. Thirty-six percent married. Seventy-two percent employed. Average family income $32,000. More than *50 billion dollars* of spendable income — plus direct influence on an additional *$80 billion dollars* of purchasing power. These are the people who read *Youth Beat*. Warm, loyal and responsive to both *Youth Beat* advertising and *Youth Beat* editorial alike.

A cover story on missing children, for example, generated more than 500 letters and phone calls to *"Child Find"*. Leads that led directly to locating 44 of the missing youngsters!

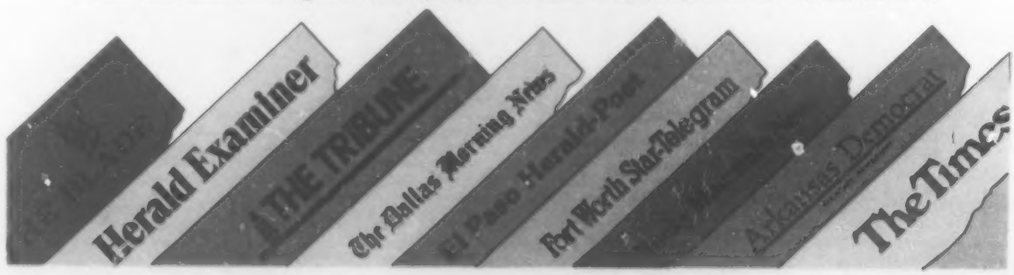
But what about rates?

That's the best part. Still only $5 per thousand. Less than half that of our major magazine competitors. And that rate is guaranteed through December 31, 1989 for Charter Advertisers — *provided* there is a minimum space commitment equivalent to 6 pages and the first insertion is run by April 2, 1989.

For more information, rate card, or reservations, simply call, write — or, better still, have one of our reps stop by.

DIRECT LINK MEDIA, INC. Youth Beat

Contact: **International Magazine REPS, Ltd.** 200 Madison Avenue, NY, NY 10016 / Tel: 212-689-5777



Microwave ovens
Corp adv
Ad agency: D'Arcy, Masius, Benton & Bowles, Bloomfield Hills, Mich.: R.P. Monley, exec vp-mgmt super; Tom Hayden, vp-acct super; Karen Ayala, John Ottman, acct execs; Stephen C. Kopcha, exec vp-exec creative dir; Gary Howell, vp-group creative dir.

Kitchenaid Inc.
St. Joseph, Mich.
Marketing personnel: Dave Williams, vp-mktg; Walter C. Layton, dir-mktg comm.
Brands/services by agency of record:
Kitchenaid
Ad agency: NW Ayer, New York: Mark Bollman, sr vp-mgmt super; Charles Meding, sr vp-exec acct dir; Kathy Oberg, acct exec; John Walsh, sr vp-exec creative dir; Jim Murphy, Howard Rieger, sr vps-group creative dirs; Rees Behrendt, vp-creative super; Frank Campana, sr art dir.

■

Sales promo
Product literature
Ad agency: Creative Advertising, St. Joseph, Mich.: Richard J. Radke Jr., vp-acct super.

Whirlpool Kitchens
Englewood, Colo.
Marketing personnel: Dennis Finch, president; Robert C. Russell, sr vp-sales & mktg.
Brands/services by agency of record:
Whirlpool Kitchens
Ad agency: Karsh & Hagan Advertising, Englewood, Colo.: Tom Hagan, co-chmn; Hank Schaller, acct super; Melissa Steinberg, acct exec.

RANK
188

Wickes Cos.

Santa Monica, Calif.
ADVERTISING: **$ 39.7** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	3,477	2,148	61.9
Earnings	181	84	115.5
■ Division sales	**1987**	**1986**	**% chg**
Home improvements	1,064	786	37.9
Wall coverings	644	163	295.8
Auto prods.	1,749	1,199	45.8

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	1	762	(99.9)
Magazine	1,872	2,386	(21.5)
News supp.	121	34	262.1
Business publ.	472	300	57.5
Outdoor	79	215	(63.4)
Network TV	9,429	13,545	(30.4)
Spot TV	12,180	15,038	(19.0)
Network cable TV	225	285	(20.9)
Network radio	2,507	1,931	29.8
Spot radio	812	445	82.6
Measured	27,698	34,939	(20.7)
Unmeasured	12,000	15,000	(20.0)
Total	39,698	49,939	(20.5)

■ **Note:** Fiscal 1987 ended Jan. 30, 1988. During 1987, certain businesses were classified as discontinued operations and prior periods have been accordingly restated.

WICKES COS.
3340 Ocean Park Blvd.
P.O. Box 4056
Santa Monica, Calif. 90405
(213) 452-0161

Corporate personnel: Sanford C. Sigoloff, chmn & president-ceo; Wilhelm A. Mallory, sr exec vp-cfo; Michael S. Sitrick, sr vp-corp comm.

Builders Emporium
Marketing personnel: Jack Edwards, president-ceo; Ted Kazleman, sr vp-mktg.

Orchard Supply Hardware
Marketing personnel: Maynard Jenkins, president-ceo; Joseph A. Di Rocco, vp-mktg.

Wickes Furniture
Marketing personnel: John A. Klein, president-ceo; Joseph Browne, vp-merch; Myron Grusin, vp-sales.

Wickes Manufacturing
Marketing personnel: Neil J. Feola, president; John A. Janitz, group vp-auto & industrial prods; Norman Schoenfeld, group vp-electronic & military group; Larry D. Webb, group vp-mechanical components.

Collins & Aikman
Marketing personnel: Alfred S. Crimmins, president-ceo; William D. Armstrong, president-wall coverings group; Andrew Major, president-decorative fabrics group; David P. Reynolds, president-automotive group.
Corporate media buying: Western International Media, Los Angeles: Jack Silver, vp-sales.
Brands/services by agency of record:
All adv
Ad agency: JJS Advertising, Santa Monica, Calif.: Joseph Sollish, president-creative dir.

RANK
109

F.W. Woolworth Co.

New York
ADVERTISING: **$ 79.0** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1988	1987	% chg
Sales	7,134	6,501	9.7
Earnings	251	214	17.3
■ U.S.	**1988**	**1987**	**% chg**
Sales	4,171	3,876	7.6
Operating income	222	203	9.4
■ Division sales	**1988**	**1987**	**% chg**
U.S. Woolworth	2,026	1,954	3.7
Woolworth Canada	1,493	1,436	4.0
Woolworth Germany	1,120	907	23.5
Kinney Shoe Corp.	2,055	1,817	13.1
Richman Bros.	263	261	0.8
Little Folk/Kids Mart	145	131	10.7
Other	106	66	60.6

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Magazine	1,941	4,690	(58.6)
News supp.	1,611	4,254	(62.1)
Outdoor	79	44	77.0
Network TV	10,130	370	NA
Spot TV	8,063	14,079	(42.7)
Network cable TV	1,369	2,124	(35.6)
Network radio	483	0	NA
Spot radio	6,360	2,610	143.7
Measured	30,035	28,171	6.6
Unmeasured	49,000	46,000	6.5
Total	79,035	74,171	6.6

■ **Note:** Fiscal years ended Jan. 30, 1988 and Jan. 31, 1987.

F.W. WOOLWORTH CO.
233 Broadway
New York, N.Y. 10279
(212) 553-2000

U.S. Woolworth
New York
Marketing personnel: Charles Worley, dir-sales promo & adv; Frank A. Bonacci, vp-sales, adv, visual merch.
Brands/services by agency of record:
Woolworth stores
Ad agency: (In-house): Barclay Park & Church: Frank A. Bonacci, vp-sales, adv, visual merch.

Kinney Shoe Corp.
New York
Marketing personnel: John K. Aneser, sr vp-mktg; Kurt Janke, vp-visual merch.
Brands/services by agency of record:
Kinney Shoe stores
Ad agency: Della Femina, McNamee WCRS, Boston: Anita Letendre, acct mgr.

■

Footlocker
Lady's Footlocker
Ad agency: AC&R Advertising, New York: Donald Patrick, exec vp; Doug Fidoten, sr vp-mgmt super.

Richman Brothers Co.
Anderson-Little Co.
Fall River, Mass.
Marketing personnel: Tom Donovan, dir-mktg; Carmen DeMelo, asst dir-mktg.
Brands/services by agency of record:
Richman Brothers Co.
Anderson-Little Co.
Ad agency: Harold Cabot & Co., Boston: Mark Grace, acct exec.

■ Division sales	1987	1986	% chg
Third party financing	218	100	118.0
Insurance	4,072	3,163	28.7
Investment banking	119	104	14.4

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Newspaper	1,316	5,904	(77.7)
Magazine	17,631	12,431	41.8
News supp.	35	168	(78.9)
Business publ.	3,447	3,996	(13.7)
Outdoor	23	8	185.2
Network TV	8,647	20,284	(57.4)
Spot TV	3,765	116	3,137.6
Network cable TV	396	280	41.5
Spot radio	1,647	229	620.7
Measured	36,908	43,415	(15.0)
Unmeasured	42,000	49,000	(14.3)
Total	78,908	92,415	(14.6)

XEROX CORP.
P.O. Box 1600
800 Long Ridge Rd.
Stamford, Conn. 06904
(203) 968-3000

Marketing personnel: Michael E.G. Kirby, dir-corp adv & promo; Nancy J. Wiese, mgr-corp adv & promo; Donald E. Blauvelt-mgr, merch & mktg comm, info prods div, special mkts group; Robert C. Melech, comm mgr-U.S. mktg group; Jay H. Nussbaum, vp-federal operations, custom systems div.
Brands/services by agency of record:
General adv, most prods & image adv
Ad agency: Backer Spielvogel Bates, New York: Mark Morris, exec vp; Scott Messinger, Shelley Diamond, sr vps-mgmt reps; MaryAnn Nelson, acct super, copiers, office systems, printing, custom systems; Jane Moore, acct super, corp & intl.

■

Recruitment adv
Ad agency: Bernard Hodes Advertising, New York: Jo Bredwell, sr vp-New York; Frank Hubbard, vp-Chicago; Bruce Skillings, sr vp-Palo Alto.

■

Financial svcs group adv
Ad agency: Ciocíola & Co. Advertising, New York: Mel Ciocíola, chmn; Marylou Pritchett, John Collins, exec vps.

■

Direct mktg, natl & local adv for natl mktg div
Ad agency: Lowe Marschalk, New York: Jim Johnson, exec vp; John Oliver, sr vp-mgmt svc dir; Diana Lynn, vp-mgmt super; John Casey, Tom Sullivan, acct supers (Rochester).

RANK
124

Zayre Corp.

Framingham, Mass.
ADVERTISING: **$ 69.4** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	6,186	5,351	15.6
Earnings	143	89	61.1
■ Division sales	**1987**	**1986**	**% chg**
Discount stores	3,290	3,046	8.0
Off price spclty stores	1,644	1,395	17.9
Warehouse clubs	1,253	910	37.7

U.S. advertising by media

($ in thousands)

■ Media	1987	1986	% chg
Magazine	443	37	1,097.3
Business publ.	3	9	(62.5)
Outdoor	21	9	140.2
Spot TV	25,954	17,000	52.7

■ Media	1987	1986	% chg
Spot radio	6,953	8,298	(16.2)
Measured	33,374	25,353	31.6
Unmeasured	36,000	27,000	33.3
Total	69,374	52,353	32.5

■ **Note:** Fiscal year ended Jan. 30, 1988 and Jan. 31, 1987. This September Zayre Corp. sold its chain of Zayre discount department stores to Ames Department Stores, Rocky Hill, Conn., in a $800 million cash and stock deal.

ZAYRE CORP.
770 Cochituate Road
Framingham, Mass. 01701
(617) 620-5000

TJX Cos.
Framingham, Mass.
Marketing personnel: Gary Stewart, vp-mktg, T.J. Maxx; Gail Lauter, mgr-mktg, Hit or Miss; Martin Alpert Sr., sr vp-mktg & merch, Chadwick's of Boston.
Brands/services by agency of record:
T.J. Maxx stores
Ad agency: Ingalls Quinn & Johnson, Boston: Carol Trifone, vp-mgmt super.

■

Hit or Miss stores
Ad agency: Mullen Advertising, Wenham, Mass.: Joseph Grimaldi, exec vp, dir-client svcs; Robert Kiel, vp-acct dir.

■

Chadwick's of Boston
Ad agency: (In-house): Martin Alpert Sr., sr vp-mktg & merch.

BJ's Wholesale Club
Framingham, Mass.
Marketing personnel: Leonard Avers, vp-mktg; Stanley Rockwell, adv mgr.
Brands/services by agency of record:
BJ's Wholesale Club
Ad agency: (In-house): Stanley Rockwell, adv mgr.

Companies ranked 101-200

(Continued from Page S-1)

Second 100 dropped 3.5% to $292 million in 1987.

Trans World Airlines, No. 115, and Pan Am Corp., No. 155, were the Nos. 1 and 2 spenders, respectively, in newspapers, but that belied the fact that airline spending, over-all, dropped 19.8% in newspapers as they cooled their heavy fare discounting wars. Telephone and retail categories, two of the top five spenders in newspapers, dropped by 11.3% and 42%, respectively. The only gains from the top five newspaper categories came from entertainment and automotive.

The biggest ad increase for the Second 100 among the top five measured media in this report came from spot radio, up 19.7% to $204 million. The leading category in the medium, retailing, rose 32.7% to $48.1 million, and the top spender was discounter Melville Corp., No. 169.

Magazines rose to $652 million, a 9.2% increase that was fueled by a 24% increase by the electronics/computers & appliances category, paced by No. 108 Sony Corp.'s $31.9 million expenditures. Sony was the top magazine spender among the Second 100.

Network TV grew to $1.02 billion, up 9.2%, receiving its biggest boost from its No. 1-spending Second 100 category, credit cards/financial. The category totalled $124.5 million in network TV, up 22.5%. However, that tally was offset by net TV's No. 2 category, pharmaceuticals, which dropped 8.7% to $124 million. Retail grew by 9% in network TV to $98 million, and toiletries by 28.4% to $91.7 million. Most of the toiletries' expenditures came from No. 118 Mennen Co., network TV's top spender at $43 million.

Spot TV attracted its biggest expenditure from retail, up 11.3% to $299.8 million out of spot's $1.1 billion total, a 6.3% increase. Restaurants followed with $135 million, up 16.2%. Imasco, owner of Hardee's restaurants, led all spot TV advertisers with $43.3 million. Retailers No. 113 Dayton Hudson Corp., and No. 106 Wal-Mart Stores added expenditures of $36.3 million and $30.7 million, respectively, to rank among spot TV's top five.

Spot TV as usual got an infusion of new ad dollars from new product introductions in regional markets. New product introductions advanced 27% in 1987 to 10,182 on a national basis, according to Gorman Publishing Co.'s *Gorman's New Product News*, which identified microwaveables and shelf-stable food products as major contributors to volume growth.

Borrowing a page from Gorman's analysis, Geo. A. Hormel & Co., No. 167, introduced Top Shelf, a line of shelf-stable entrees, and New Traditions meats and sandwiches—both product lines being part of Hormel's plan to offer ad-driven "value-added" food lines. Greyhound Corp., No. 163, with Dial Corp. as its major business following its Greyhound bus divestiture in 1986, introduced Lunch Bucket microwave entrees and soups, and expects national penetration by 1989.

Kimberly-Clark Corp., No. 143, enjoying a jump in its market share for Huggies—from 24% share in mid-1986 to 34% in 1987—developed through 1987 its new Snuggems Ultra economy-priced superabsorbent diaper. The line, introduced last February in the Southeast, replaces K-C's own Kleenex Super Dry diapers, a value-priced, non-superabsorbent diaper sold mainly in the South. This is the first diaper since 1985 to be introduced by either K-C or Procter & Gamble with a new brand name and separate advertising.

Guinness, known for its stout, introduced Guinness Gold, a golden lager, in markets from Boston to Northern Virginia. It is the first line extension under the Guinness name in 229 years. Lagers hold some 95% of the U.S. beer market.

Unusual tie-ins and marketing twists during the year included a home-delivered $1-to-$5 dollar-off coupon program from No. 149 Mattel Inc., a practice more in keeping with food marketers than toy companies. Indeed, Mattel's new president came from General Foods Corp.

Imasco gambled on the durability of the California Raisins Claymation performers and used them to promote breakfast items at Hardee's. It worked; Hardee's sales increased about 20% overall and the fast-food chain replaced Wendy's International as No. 3 in total sales. #

Notes to the advertiser ranking

The national advertisers in Ad Age's 4th annual Leading National Advertisers issue for companies ranked 101-200, are selected on the basis of measured ad spending only.

Unmeasured ad estimates then are applied to the leading 200 advertisers to determine rankings. Ad Age published its directory of the top 100 leading national advertisers Sept. 28, 1988. Ad expenditures are for U.S. only and reflect calendar years 1987 and 1986.

BAR/LNA reports supplies the bulk of measured media information. Magazine and newspaper supplements are supplied to LNA by Publishers Information Bureau (PIB). Outdoor is supplied to LNA by Outdoor Advertising Assn. of America and Institute of Outdoor Advertisers. Network TV, spot TV, network radio and cable TV networks are supplied by Broadcast Advertisers Reports. BAR/LNA's seven-media service also supplies brand and category spending by media. Seven-media totals quoted in profiles throughout this issue include only media listed in the preceding paragraph.

BAR is monitoring ad expenditures on syndicated TV separately from network TV and spot TV buys. These ads are bought nationally with the show, much like network TV buys. This spending is not included in measured media in this issue. Other monitored media include newspaper from Media Records, business publications from MMS/Rome Reports, farm publications from AGRICOM and spot radio from Radio Expenditures Reports.

PIB monitors 138 consumer magazines and the three publications it defines as newspaper supplements: *New York Magazine*, *Parade*, and *USA Weekend*. BAR monitors ABC, NBC and CBS TV networks; 345 TV stations in 75 top markets with continuous monitoring in the 16 top markets; CBN, CNN, ESPN, MTV, USA and WTBS cable TV networks continuously, and 17 radio networks including seven ABC networks, two CBS networks, three NBC networks, two United Stations networks and the Mutual, Satellite Music and Transtar radio networks.

O.A.A.A. and I.O.A. measure gross sales from more than 200 national poster and paint advertising plants in markets of over 100,000 population. Rome Reports monitors 567 business and trade publications. Media Records tracks 210 daily and Sunday newspapers.

Some measured media expenditures are restated to reflect corporate structure as of Aug. 7, 1988. Companies acquired prior to that date are included in the new parent's ad spending for full calendar 1987 and 1986 totals. Units spun off before that date are subtracted unless otherwise noted.

Measured-media services vary in the way they track ad spending. For example, MMS/Rome Reports tracks ad spending by division, rather than parent total. Every effort has been made to give full parent company ad expenditures wherever possible.

Unmeasured advertising figures are estimates and include direct mail, promotion, co-op and couponing to name a few. Local newspaper advertising is not included, but free-standing inserts distributed nationally are considered part of unmeasured. Ad Age beat reporters and corporate sources assist in providing this total.

Sales and earnings figures are taken from public documents. Where private companies will not divulge this information, an estimate or an "NA" is used. Foreign currency conversion rates are stated in notes in the profiles.

In the boxes accompanying each profile, sales credited to U.K.-based companies is their turnover and net income their trading profit attributable to ordinary shareholders.

RANK
110

Xerox Corp.

Stamford, Conn.
ADVERTISING: **$ 78.9** MILLION

Sales & earnings

($ in millions)

■ Worldwide	1987	1986	% chg
Sales	15,125	13,046	15.9
Earnings	578	465	24.3
■ U.S.	**1987**	**1986**	**% chg**
Sales	10,631	9,380	13.3
Operating income	393	315	24.8
■ Division sales	**1987**	**1986**	**% chg**
Business equipment	10,320	9,355	10.3
Equipment financing	396	324	22.2

Networks battle over bowl games

By WAYNE WALLEY

Now that major college football bowl game invitations are officially out, the *real* contest can begin—between advertisers and the TV networks.

ABC, CBS and NBC are all seeking hefty unit price increases over last season despite a marked decline in individual game ratings and chances of further viewer erosion. Seven bowl games—a record—dominate the Big 3 network schedule on Jan. 2.

But audience dilution and underdelivery could mean possible network make-goods. Average ratings for the seven games last season—Hall of Fame (played in December 1987), Citrus, Cotton, Rose, Fiesta, Sugar and Orange (all played Jan. 1)—dropped 14% from the previous year.

The networks hope to guard against losses this time by asking for average increases of as much as 30% per 30-second spot on the seven games.

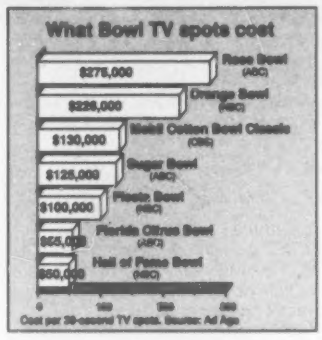
CBS is asking $130,000 for the Mobil Cotton Bowl Classic, double the 1988 rates. ABC wants $55,000 for the Florida Citrus Bowl, up 27.9%; $275,000 for the Rose Bowl, 21.1% more than on NBC in 1988; and $125,000 for the Sugar Bowl, two-thirds more than last season because of its shift from afternoon to a prime-time slot.

NBC's asking price is $50,000 for the Hall of Fame Bowl; $100,000 for the Fiesta, a 33% increase but a marked bargain compared with $227,000 charged for the Rose Bowl in the same time slot last season; and $226,000 for the Orange Bowl, up 2.4%.

Both ABC and NBC are also selling "buy the day" exclusive packages, which NBC successfully sold to Apple Computer last season.

For $4 million, Apple became the only computer advertiser in the Fiesta, Rose and Orange bowls with 22 30-second slots used throughout the day.

But advertisers and agency executives have yet to show interest in such a deal. In fact, most media buyers are predicting a ratings drop because of the extra New Year's Day game this season—the Hall of Fame Bowl.



The ratings results this season could necessitate a change in bowl game economics. If ratings plummet or sales don't materialize at these prices, chances are all three networks would try to renegotiate license fee packages or force reluctant bowl committees to accept corporate sponsorships to keep network contracts.

The Cotton Bowl, reportedly at CBS' request, signed Mobil Oil Corp. to a seven-year sponsorship deal in August that includes a commitment by Mobil to buy time during the telecast.

The Orange Bowl has been shopping for a sponsor but has yet to sign a deal. The Fiesta Bowl has been sponsored by Sunkist since 1987 and USF&G Insurance attached itself to the Sugar Bowl last season.

NBC, in fact, gave up the Rose Bowl this season because it had been losing money on the telecast due to an estimated $9 million network rights fee. The network reportedly wanted the Rose Bowl to sign a corporate sponsor to defray some of its costs, but Rose Bowl officials refused and that set the stage for the move to ABC.

With a void left by the departure of the Rose Bowl, NBC played hardball with the Fiesta Bowl, which originally balked at and then accepted the head-to-head competition with the oldest of the bowl games.

But should Notre Dame and West Virginia remain undefeated, creating a "national championship" Sunkist Fiesta Bowl, NBC will shift the game to 8 p.m. (ET) on Jan. 3. Either way, Fiesta Bowl officials expect the game to show a profit for NBC while gaining national exposure for the Fiesta Bowl parade.#

Gridiron to get dose of 'glasnost'

By STEVEN W. COLFORD

WASHINGTON—*Glasnost*, the Soviet Union's new policy of "openness," is moving to the gridiron and looking for corporate sponsors.

When the University of Illinois and University of Southern California meet next Sept. 2 in the first U.S. college football game ever played in the Soviet Union, the game may have a global sponsor.

Raycom, the sports marketing company that plans to televise the game around the world, is looking for a marketer with $2.5 million to spend on title rights to the Glasnost Bowl.

Plans for the game were unveiled here last week by Raycom and ABC Sports executives.

ABC will get an undisclosed fee from Raycom to televise the game live. Raycom plans to market the game and will keep ad revenues, said Dee Ray, president of the Charlotte, N.C.-based company.

Although no sponsors have been signed yet for the 3½-hour broadcast, Raycom anticipates little problem selling its 63 30-second units for the contest, which will start at noon (ET)—that's 8 p.m. in Moscow.

Ad rates aren't set yet, said Ray Warren, Raycom senior VP-sales and marketing. He expects rates to be higher than for regular Saturday afternoon games but below those of major college bowl games.

Mr. Warren, until recently an executive at ABC Sports, said Raycom also wants advertisers for half-game or full-game sponsorships.

"We'll try to give every product category an opportunity at an exclusive deal," he said.

While the list of advertisers is likely to include the soft-drink and automobile marketers that usually gravitate to TV sports, Raycom expects a greater proportion of consumer products marketers.

Ms. Ray said consumer product advertisers might want to get product and name exposure in the Soviet Union, where economic cooperation with the U.S. is growing rapidly.

The Glasnost Bowl will be televised throughout the Soviet Union, Ms. Ray said, using the ABC feed complete with commercials broadcast in the U.S. for products unknown and for the most part unavailable to the Soviet audience.

ABC expects the Illinois-USC clash to be the first in a series of games in Moscow and perhaps later expanding to other Soviet cities, Raycom said.#

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Hanes gets bolder in underwear ads

(Continued from Page 3)

sues as part of the $15 million campaign.

Hanes claims a 25% share of the total men's underwear market, representing growth of 17% in its white cotton share and a 28% increase in its fashion share during the past two years.

Second only to Fruit of the Loom's 33% share, Hanes is trailed by Jockey International at a distant third with a 6% share and BVD, a division of Fruit of the Loom, with a 4% share.

With the new campaign, Hanes has retired its tough-talking "Hanes Inspector 12" theme best known for the line, "They don't say Hanes until I say Hanes."

The "Inspector 12" effort was created by Leber Katz Partners, New York, in 1982. That campaign wasn't phased out because it was ineffective. In fact, said Hanes Men's Underwear President Barry Boyd, "Our unit share for the year ending this past September was up over 2 points to 24%."

"Our business had continued to grow, but we wanted to upgrade our image and reach a younger consumer than we did with Inspector 12, who appealed more to the 40-plus segment," said Collett Thach, senior product manager.

That younger consumer is also the one who'd be more inclined to wear fashion underwear which, at 8% a year growth, is outpacing men's white cotton briefs, with growth of 5%, and boxer shorts, with sales stable to slightly declining, Mr. Thach said.#

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November 28, 1988

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Advertising Age

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Cynthia Johnson/Gamma-Liaison

Richard Darman, as director of the Office of Management & Budget under George Bush, may hold in his hand the future of advertising's tax deductibility.

New OMB director's stand on deductibility worries ad industry

By STEVEN W. COLFORD

WASHINGTON—Ad industry leaders are concerned that Richard Darman, President-elect George Bush's choice to head the powerful Office of Management & Budget, is a proponent of altering the tax deductibility of advertising expenditures.

Mr. Darman, considered a political pragmatist, was named budget director early last week.

The notion of reducing or altering advertising's tax status—now fully deductible as a cost of doing business—first arose at the Department of Treasury during tax-reform negotiations in early 1986. Mr. Darman was former Treasury Secretary James Baker's deputy secretary at the time.

The proposal initially was to reduce deductibility, perhaps to 80%. Later it was proposed that advertising costs be 80% deductible in the first year, with the balance deductible over the next four years.

Leaders of the advertising, broadcasting and publishing industries successfully defused that tax bomb, but it has continued to tick.

With President-elect Bush under pressure to cut the deficit, deductibility of ad spending is likely to be a major issue

(Continued on Page 63)

Burger King eyeing FCB

Lavely link could help agency

By SCOTT HUME

Foote, Cone & Belding is the leading contender to succeed N W Ayer on Burger King Corp.'s $200 million account should an agency change occur, sources say.

Both Burger King and FCB last week denied rumors that the Chicago agency already is at work on creative assignments and that it will present new creative strategies to the chain in early January.

"Foote, Cone & Belding has been in contact with us, but we have not singled out any agency at this time," a Burger King spokeswoman said last week.

The chain earlier said it was "looking at the option of another agency developing our new creative" (AA, Nov. 21).

Said to be working in FCB's favor is its longstanding relationship with Anthony Lavely, named Burger King exec VP-marketing earlier this year.

Mr. Lavely previously worked at Kitchens of Sara Lee and Jerrico (Long John Silver's Seafood Shoppes). FCB handled Long John Silver's until earlier this year; Mr. Lavely left the company in 1986.

Insiders say FCB certainly has had more detailed discussions with Burger King than any other agency, but apparently no change in agency assignment will be made until the question of who will own parent Pillsbury Co. is resolved. Executives at New York-

(Continued on Page 64)

CBS puts premium on its sports :15s

By VERNE GAY

NEW YORK—CBS-TV is starting to charge a premium for stand-alone 15-second commercials on all sports programs.

The move adds fuel to the fire that's starting to rage over rising prices for the shorter ad units.

The increasing demand for :15s and the resulting clutter, pricing and product protection problems have been called the "monster issue" looming for networks and advertisers (AA, Aug. 29).

CBS said last week it's boosting prices on the shorter commercial units—which have been set at half the cost of a standard 30-second unit—because it had trouble "matching," or finding partners, for advertisers who want :15s.

The amount of each premium will depend on demand.

CBS began experimenting with the plan two weeks ago for college and professional basketball, but it's now spreading to all sports programming, such as National Football League games, college football and golf's U.S. Open and Masters Tournament.

CBS tries to find appropriate 15-second "matches"—or another 15-second spot to fill out the standard 30-second unit—to avoid a "gap" between the end of one spot

(Continued on Page 64)

Last Minute News

JWT quits Pan Am review

NEW YORK—J. Walter Thompson USA pulled out of Pan American World Airways' $55 million review for its main airline account because of concerns over client conflicts, a JWT spokeswoman said. JWT handles Canada's WardAir, Italy's Alitalia and Mexico's Mexicana Airlines accounts, which on certain routes compete with Pan Am's international service. That leaves D'Arcy Masius Benton & Bowles; Della Femina, McNamee WCRS; and Ogilvy & Mather as remaining competitors (AA, Oct. 31). Wells, Rich, Greene previously handled. A separate competition is under way for Pan Am's $10 million Northeast shuttle account, which JWT isn't expected to join.

Grey to sell syndication unit

NEW YORK—Grey Advertising has agreed in principle to sell the majority stake in its TV syndication unit, LBS Communications. The buyer is a new company formed by Warburg, Pincus Capital Co. and Henry Siegel, chairman

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Ward's beats Sears to punch. P. 3

Book excerpt: 'Bottoms-Up.' P. 36

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Retailers set holiday ads. P. 62

Exiting Omnicom?

Buyouts hinted for Ingalls, Waring

By GARY LEVIN and ALAN RADDING

Ingalls, Quinn & Johnson, Boston's second-largest agency, may be close to a leveraged buyout from its parent, Omnicom Group.

Another unconfirmed report late last week indicated a leveraged buyout for Waring & LaRosa, New York, also may be in the works. Both Waring and Ingalls are part of Omnicom's Diversified Agency Services group.

Reports circulated last week that a buyout for Ingalls is being engineered by Richard C. "Bink" Garrison, the agency's president; Bruce L. Kelley, exec VP-director of account management; and Harvey Gabor, exec VP-executive creative director.

Della Femina, McNamee WCRS, Boston's No. 3 agency, also was rumored to have attempted an acquisition of Ingalls, but those talks apparently have ended.

Ingalls billed $135 million last year.

A source at another agency said the rumors were fueled when a handful of Ingalls employees rejected job offers elsewhere because they'd been assured they would be part of an Ingalls buyout. The *Boston Globe* mentioned the possible leveraged buyout in an article last week.

Mr. Garrison would neither confirm nor deny the rumors under orders from Omnicom President-CEO Allen Rosenshine, who couldn't be reached for comment. "There's nothing I can comment or speculate about," he said.

An Omnicom spokesman declined comment, saying only that "we've not talked about it here."

A well-placed source, while acknowledging Omnicom's interest in a sale, said no deal was imminent.

Earlier this year, Mr. Rosenshine hinted at the possibility of selling part or all of Ingalls, Waring and Dallas-based Tracy-Locke, all part of Omnicom's diversified group.

(Continued on Page 63)

Staff photo by Michael A. Marcotte

Holiday shoppers Diane Davis (l.) of Hinsdale, Ill., and her sister-in-law, Kristen Davis of St. Charles, search for "something unique at good prices" at Bloomingdale's in Chicago.

Shoppers give big kickoff to holiday sales

An Advertising Age roundup

On the biggest shopping day of the year—the day after Thanksgiving—consumers loosened their purse strings and by midday had gone on a binge.

"This is a very robust holiday season," said Fred Marx, president of Marx & Co., a Bloomfield Hills, Mich., retail consulting company. He based his view on pre-Thanksgiving sales levels and consumer buying up to midday Friday.

That day is a key barometer for holiday sales because a strong fourth-quarter can account for as much as 44% of total year sales.

In Houston, Robert Sakowitz, president-ceo of Sakowitz Inc., was buoyant. "We had people waiting outside the door" at opening, he said. "I think it's going to be a very good Christmas."

In Hayward, Calif., lines also formed outside Mervyn's before opening and sales were brisk all morning. "In many markets, we're trending ahead of last year," a spokeswoman said.

In New York City, where the weather was sunny and cool, major retailers reported sales Nov. 25 were exceeding their expectations.

"So far, it's very, very strong," said Anthony Verizis, exec VP-marketing and communications, Abraham & Straus. "The stores are jammed."

At Bloomingdale's, stores were packed with customers. "Sales look very strong . . . above expectations," said Julian Taub, senior VP.

On Fifth Avenue, fresh from a major store remodeling, B. Altman's

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Airlines decide this week whether to comply with the new state ad guidelines or stick with the U.S. Department of Transportation orders.

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Ties to Chrysler pay as Ross Roy bags Alfa Romeo

By PATRICIA STRNAD

Ross Roy Inc. was rewarded last week for its persistence in seeking a car account from client Chrysler Motors—it got the $10 million Alfa Romeo account.

Alfa Romeo selected Ross Roy to handle national advertising for its import line after a five-month review.

The Bloomfield Hills, Mich., agency got its big break in mid-October when Chrysler and Alfa's Italian parent, Fiat Auto, formed a joint distribution company, headed by Darrell Davis, formerly general sales manager for Chrysler (AA, Oct. 17).

Mr. Davis said Ross Roy's automotive experience—it already handles Chrysler merchandising—was a key factor in the decision. "Because of our limited budget, I felt merchandising would play an important part in whatever we did," he added.

Other finalists for the account were Tatham-Laird & Kudner, Chicago; Lord, Geller, Federico, Einstein, New York; and Biederman & Co., New York. An Alfa official said at least 100 agencies expressed interest.

Ross Roy last year lobbied hard for the $100 million-plus Jeep/Eagle business after Chrysler acquired the lines as part of American Motors Corp. But Chrysler stuck with AMC's agency, William Esty Co., now Campbell-Mithun-Esty, Southfield, Mich.

"As we've gone through these so-

(Continued on Page 63)

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Politicians are ad-recall winners

By SCOTT HUME

George Bush, Michael Dukakis and the nation's other candidates for political office were the best-recalled advertised products last month.

Fittingly, at a time when the quality and effectiveness of the two major presidential candidates' TV advertising sometimes seemed the campaign's most discussed issue, politicians were the most effective advertisers.

When 1,000 adults were asked last month which advertisement they first recalled having heard, seen or read, political ads easily outdistanced the field.

That field included such high-visibility products as (Nos. 2 through 10 in descending order): McDonald's, Anheuser-Busch's Budweiser/Bud Light, Miller, Pepsi-Cola, Coca-Cola, Chevrolet, California raisins, Ford and Stroh.

Like the latest hit on the music charts, political ads have steadily moved up toward the top spot. They ranked No. 9 in August before inching up to No. 6 in September and then taking the crown in October.

Political advertising topped the recall lists for all demographic groups but had higher recall among men (57% of those who named political ads first) than women, and highest among respondents ages 25 to 34 and among those with household incomes above $60,000.

The strong response garnered by political advertising kept McDonald's from repeating for a second consecutive month as the advertiser with the best overall top-of-mind awareness.

But McDonald's did pass a milestone. When the 1,000 adults were asked which fast-food advertising they first recalled having seen, heard or read, McDonald's was named by 51.7% of the respondents.

No single advertiser ever before has received the first mentions of more than half the respondents, though McDonald's recall score traditionally has hovered around that mark. In September, for example, it got 48.4% of first mentions.

What likely put Big Mac over the top in October was the heavily advertised one-two punch of its "When the U.S. Wins, You Win" Summer Olympics game promotion followed by the return of its "Mac Tonight" character.

Burger King last month launched the largest national promotion in the hamburger chain's history—the "Triple Jump Checkers" game promotion—and hardly anyone noticed.

Despite heavy network and spot TV support, awareness of Burger King's advertising actually fell to 12.6% of first mentions in October, down from 13.7% in September.

Wendy's was third last month with 8.8% of first mentions.

AdWatch is a joint project of Advertising Age and the Gallup Organization. Advertising awareness is measured by asking a nationally projectable sample to name the advertising that comes to mind first, both overall and in specific product categories.

Last month, 1,000 people were polled by phone. The survey has a margin of error of 3.1%.

Among other significant changes in the October survey:

- Just as the **computer** category started to tighten up, Apple has surged again.

In September, recall of IBM's advertising jumped 6.2 points to 28.8% of first mentions, putting it only a half point behind Apple's 29.3% share. But Apple's advertising rebounded last month, rising 4.8 points to a 34.1% top-of-mind recall rating; IBM was down to 26.7%. Radio Shack was third with 2.9%.

- Ford lost most of its previous month's gain in the **cars and trucks** category, falling 3.5 points to 22.8% of first mentions. Chevrolet was unchanged at 22% in second place; Toyota was third with a 6.4% share.
- Goodyear's advertising continued the impressive increase in awareness it has registered in the **tire** category since the "Nobody fits you like Goodyear" campaign began in August.

That month, its share of first mentions rose more than 5 points to 27.5%. In September, its share moved up to 29.3%, and last month it hit 31.2%.

This was the first time any one tire marketer's advertising had been named by more than 30% of a monthly sample.

Michelin was second in October, with 16.9% of first mentions; Firestone third with 7.1%.#

For more information, contact the Gallup Organization, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

AdWatch survey of advertising awareness
Top 10 in October

One thousand people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Source: Gallup Organization, Lincoln, Neb.

Rank		Advertiser	Agency
10/88	9/88		
1	5*	Political ads	Various
2	1	McDonald's	Leo Burnett USA
3	3*	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham
4	7*	Miller	Backer Spielvogel Bates/J. Walter Thompson USA
4*	2	Pepsi-Cola	BBDO Worldwide
6	3*	Coca-Cola	McCann-Erickson
7	7*	Chevrolet	Lintas:Campbell-Ewald
8	9	California raisins	Foote, Cone & Belding
9	5*	Ford	J. Walter Thompson USA
10	—	Stroh	Lowe Marschalk

* Indicates a tie.

How old is young?

Ask us here at *Youth Beat* - the fastest growing Sunday supplement in America.

In 1988, we conducted a successful, 16-week, coast-to-coast test. The results were so positive that starting January 8, 1989, *Youth Beat* will appear weekly in 25 newspapers and 3,334,346 circulation, increasing to 45 newspapers and 8,788,489 circulation in July, and 66 newspapers and 12,500,000 circulation by October 1989.

We thought we were publishing primarily for the younger generation - mostly teenagers in high school. But our June 1988 survey really opened our eyes: *Sixty-three percent between 18 and 34. About equally divided between men and women. Thirty-six percent married.*

Ninety percent, high school educated. Seventy-two percent employed. Average household income $32,000.

We're attracting this savvy, young-adult readership because of the range and quality of our editorial content: sports, films and music, stars and superstars, career opportunities, self-help suggestions, current affairs, education - *plus* two page inserts of local news and features indigenous to each newspaper.

All immensely readable, clear, down-to-earth, exciting.

But whatever the attraction, *we do know* that our audience is responsive. Very responsive - making *Youth Beat* an ideal addition to your media mix.

Our readers purchase everything from cars to cosmetics. Stereos, cameras and bicycles - to costume jewelry, computers and VCR s. Food, candy and soft drinks - to records, clothes, insurance - you name it.

And why not - when they control nearly *50 billion dollars* of spendable income - directly influence another *80 billion dollars* of purchasing power.

And our rates?

Less than half that of our major magazine competitors. Our current rate of $5 a thousand for Charter Advertisers is guaranteed through December 31, 1989, *provided* there is a minimum space commitment equivalent to 6 pages and the first insertion is run by April 2, 1989.

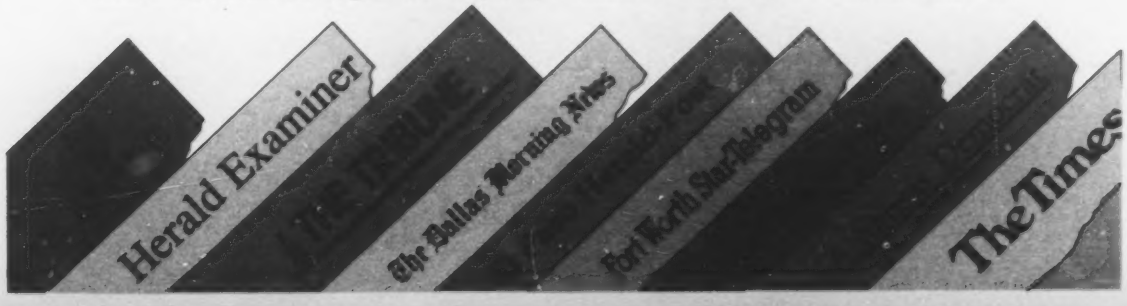
How old is young?

Get our current survey, get our rate card, get to know all about *Youth Beat* - before it's a day older.

Just call, or write.

DIRECT LINK MEDIA, INC. Youth Beat
Young America's Newspaper

Contact: **International Magazine REPS, Ltd.**, 200 Madison Avenue, NY, NY 10016, Tel: 212-689-5777



Aaron will star in Pepsi promo

Somers, N.Y.—Baseball Hall of Famer Hank Aaron has signed with Pepsi-Cola Co. and Arby's Restaurants for a national spot TV and radio campaign in February to raise funds for Big Brothers/Big Sisters of America.

The eight-week promotion offers Hank Aaron collector's cups at Arby's with purchase of Pepsi products.

The campaign is being created by Tracy-Locke, Dallas, which is Pepsi's agency for regional advertising.#

Canon zooms in on future growth

Focus changes to consumer desires

By DAVID KILBURN

TOKYO—Canon, the electronics company that built its business exporting high-quality, lower-cost products designed and made in Japan, is in a state of transition.

Protectionism, trade friction and the yen's high value have forced Canon planners to take a hard look at how the company should position itself to maintain growth in the future—especially considering the soon-to-be unified European market and the growing sophistication of consumers worldwide.

Unlike most other Japanese companies, Canon has relied on overseas markets for 70% of its sales, which hit $7.9 billion in 1987. North America and Europe are Canon's two largest world markets, each accounting for around 30% of sales.

While export growth has given Canon an edge in international sophistication, it means the company must deal with trade problems and protectionism to sustain growth.

Should Canon fall prey to the troubles caused by exporting, it cannot fall back on a large domestic market in Japan to survive. Canon's overall business is far smaller than its major domestic competitors'.

Concerned about consumers

Reflecting the company's foundation, Canon still holds technology in high esteem, but must be more open to consumer desires.

"We aim to develop our own unique technologies, which can then form the basis of our products," said Eiji Toyosaki, corporate communications manager. "Product development is handled entirely" by research and development.

However, he admits Canon "must change from being a product-oriented company to a market-oriented one. Until now, we have been concerned more with production and sales than marketing. We will be focusing much more closely on the needs of different consumer groups in each country and less concerned with the traditional production-oriented way of thinking."

This change will call for a complex readjustment in almost every aspect of Canon's activities.

"As marketing is made stronger, there is the risk it will weaken the motivation of the engineers who both pilot the new technologies and develop the new products," Mr. Toyosaki said.

The problems can be overcome, he said. "The engineers are already getting involved in marketing and finding out about the consumer. R&D and marketing were once separate functions but, in the future, they will become increasingly integrated," Mr. Toyosaki said.

A young company by Japanese standards, Canon dates from 1933 when a small group of camera enthusiasts started a laboratory to design and manufacture 35mm cameras matching the quality of the German-made Leica. After two years, it produced its first camera sold at half the price of the Leica, including innovations such as a pop-up viewfinder. In 1937, the laboratory was reorganized and incorporated, creating the company now called Canon.

Canon is picturing itself as consumer oriented. Dentsu handled this Canon EOS camera ad, headlined "Prelude to Life."

Beyond cameras

Today, the product line includes video, business machines, medical equipment, broadcast equipment and semiconductors. Business machines now account for about 75% of sales, with cameras and optical equipment accounting for 18% and 7%, respectively.

So far the company's technological edge has helped it make steady progress. In 1987, it was No. 91 in *Fortune's* ranking of the biggest industrial corporations outside the U.S., up from No. 98 in 1986 and No. 125 in 1985.

But circumstances are changing, said Noritomo Kobayashi, manager of the international marketing development division.

"This year we have introduced the Global Canon Marketing System," a business plan to enable Canon to relate better to consumer needs across its many markets, he said. For instance, the plan could lead to standardized hardware of products with varied software.

"It is still too early to say that we are making a global marketing strategy; the system is still too new. But, in the future we must have this function, and it will need to be very strong. Without it, the value of our products will be much smaller than their potential," he said.

Although vying with Minolta to be Japan's largest camera marketer, Canon is increasingly being pressured by Nikon, which also has technologically advanced products and a keen sense of consumer needs. Competition in Canon's other business areas—much coming from the same competitors as in the camera market—isn't any easier.

The change in philosophy is clearly demonstrated by the company's plan to replace its current divisional structure.

Philosophy lesson

"At the moment, we have a traditional structure based on three product group divisions—cameras, optical products and business machines. We will see a change from product divisions to more market-oriented groups that will reflect the needs of customers more directly," said Hisashi Tainaka, general manager-international marketing division. The company is considering restructuring to set up home, society, industry and workplace divisions.

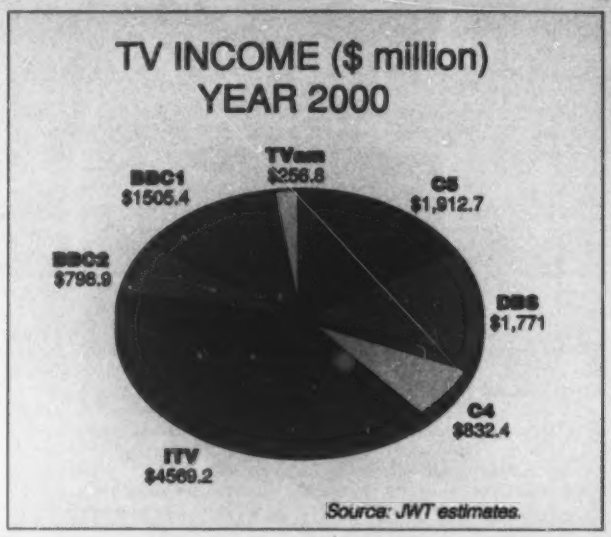
Canon has been manufacturing overseas since 1970, when a camera factory was set up in Taiwan. More recently, as the rising value of the yen has made Japanese-made products increasingly expensive overseas and as trade friction has made export strategies more difficult, the company has opened more facilities in major markets.

The objective, Mr. Toyosaki said, "is to make Canon a company with no national identity and free from trade friction, by setting up autonomous manufacturing subsidiaries and, more recently, R&D facilities, keeping production close to the place of consumption."

Canon's progress overseas is important to its main agencies in Japan. Unlike most Japanese companies, Canon has consistently supported Dentsu and Hakuhodo in their own international moves.

Canon is a key account for Dentsu Corp. of America in New York and for Hakuhodo's office in Amsterdam, which coordinates much of Canon's advertising in Europe.

In 1987 the company spent $311 million on media advertising, production and point of purchase. Spending is divided evenly among Europe, North America and Japan.#



U.K. advertisers applaud attempt at deregulation

By LAUREL WENTZ

LONDON—Though advertisers eager to curb the rising costs of TV ad time are welcoming the U.K. government's radical proposals to deregulate TV and radio, some broadcasters are worried.

A long-awaited 45-page government report, "Broadcasting in the '90s: Competition, Choice and Quality," published earlier this month, is the basis for legislation to be introduced and likely to be approved by Parliament next year. It would change completely the system of two non-commercial BBC channels and two advertising-supported channels.

Ken Miles, director of the Incorporated Society of British Advertisers, said advertisers are pleased about plans to start a fifth national TV channel in 1991, with the possibility of a sixth to follow.

However, he said advertisers are "not very happy" about the proposal to sell off the 16 regional franchises of the existing commercial network ITV when the franchises expire in 1992 or about plans to replace the current tax on the ITV companies' profits with a new tax on ad revenue.

"We think that to add an advertising levy on top of paying a lump sum on [buying] a franchise may put up the cost to advertisers and affect [franchisees'] ability to make good programs," he said.

The government report discusses the BBC; the existing two commercial channels ITV (to be renamed Channel 3) and Channel 4; the fifth and sixth channels; cable TV; and the new direct broadcast by satellite channels that will begin in the U.K. in February.

TVS Entertainment ads warn that deregulation could lower program standards.

If Parliament passes the report's recommendations, all channels except the BBC can seek revenue from advertising, sponsorship and subscription or pay TV. Mr. Miles said barter syndication, now banned in the U.K., is likely to be allowed; however, it is not mentioned specifically in the report. And even the BBC will be encouraged to explore sponsorship and pay TV for special events to reduce dependence on annual TV license fees.

"We hope [ad] rates will stabilize with the extra supply," Mr. Miles said.

U.K. advertisers want relief from prices that have been rising by 15% a year as demand continues to outstrip the seven minutes per hour of commercials available on ITV and Channel 4.

"Advertisers are looking for an increase in commercial impacts," said Stewart Butterfield, European media director, McCann-Erickson.

In a new J. Walter Thompson Co. report on TV in the year 2000, JWT TV Controller Tim Drysdale predicted that by the end of the 1990s, commercial audiences will increase by 20% as new channels win viewers from the BBC and increase the number of viewing hours.

The existing ITV companies that stand to lose their franchises oppose the sweeping changes. TVS Entertainment, the ITV company covering southern England, has been running page newspaper ads of a sultry woman doing a striptease with the warning that TV deregulation in Italy led to declining program standards. TVS Chief Executive James Gatward predicted that U.K. TV ad revenues will total $3.2 billion in 1992, a 36.2% increase from 1987. Mr. Gatward said that would be insufficient to fund all the planned new TV channels.#

World News Roundup

(Continued from Page 3)

munity's commercial integration in 1992, when the EC's trade barriers will fall. Also, the *WSJ/E* is inviting agencies to submit ads describing their vision of Europe in 1992.

BRASILIA, BRAZIL—The Brazilian government approved regulations for the manufacture and sale of diet soft drinks. Both Coca-Cola Co. and PepsiCo plan to launch diet colas soon. McCann-Erickson, Sao Paulo, handles Coca-Cola Co.; ALMAP/BBDO, Sao Paulo, is Pepsi's agency.

MEXICO CITY—Televisa, Mexico's broadcasting conglomerate, will launch Dec. 5 Galavision, a Spanish-language TV channel in Europe via the Eutelsat F4 satellite.

BREMEN, WEST GERMANY—Jacobs Suchard in 1989 will begin testing Milka chocolate bar in the U.S. Test markets haven't been determined. Young & Rubicam, Chicago, handles in the U.S.

MADRID—The Pearson Group, London-based publisher of the *Financial Times*, bought 35% of Spain's leading daily business paper, *Expansion*, from publisher Area Editorial for $10.3 million.

Rate hikes fall off pace as poor year hits pricing

Moderate increases, some below inflation, mark a year of transition

Media mavens watch Robert J. Coen's forecasts with a mixture of hope and fear. How they respond depends on which side of the bargaining table they are sitting.

Since 1950 Mr. Coen has dauntlessly prognosticated the media's winners and losers. McCann-Erickson's senior VP & director of forecasting casts his eyes upon 1989, picking moderate price increases in every media category despite poor performance in many.

By Robert J. Coen

Although a moderately higher rate of inflation is expected for the U.S. economy, the pace of media price increases is likely to be the same or even more modest than at the start of 1988.

The expectations of extra advertising demand from the elections and the Olympics raised the pricing targets of most media at the start of 1988. But demand fizzled and prices softened as the year unfolded.

The normal post-Olympics slump plus the failure of a turnaround in ad demand should suppress price increase pressures to cover higher postage, paper and labor costs. In 1989, most media hope to raise their prices by 4% to 6%, but most marketers intend to maintain tough buying tactics.

Most of the key marketing categories have continued to emphasize price and promotion tactics over advertising. Signs of surging product categories are not immediately evident. Unless some new unforeseeable ad demand appears within the next few months, media reinflation is not likely to reappear soon.

The present levels of media supply and demand suggest relatively modest rate hikes in 1989.

No medals for network TV

The Olympics added nearly $1 billion to network TV ad revenue. Without the Olympics revenue increases would have been quite small and price increases would have been insignificant except for a few of the most popular prime-time and sports programs.

During non-Olympics months in 1988, network prices were flat in most time periods and the average cost of a 30-second spot actually declined during daytime hours. The loss of interest in daytime units and the proliferation of 15-second spots have significantly shifted the supply-and-demand relationship.

Unit price increases for 1989 will be mixed, with prime time and sports up about 4% or 5% on average. A modest further slide in ratings could mean cost-per-thousand increases of 5% to 6%. Although the decline in the price of the weekday daytime units may be about over, no significant increase in these prices is likely soon.

Increases in the price of all dayparts are expected to average about 3% for the year, with CPMs rising about 4%.

Spot TV supply up, demand down

The shift in the supply-demand pattern for spot TV is quite similar to network TV's. The supply of acceptable inventory has been growing as demand has been slipping.

In 1987 there were clear signs that most key national and local spot category budgets were no longer rising. In 1988 the Olympics and the elections provided only a modest quadrennial boost. In 1989, no significant new-product introductions or competitive budget increases are expected.

The average unit price increases for spot TV will rise only 2% over their 1988 levels. The trend toward audience fragmentation also should persist, meaning most commercial units will deliver slightly smaller audiences. In 1989 the CPM for most spot TV schedules is expected to rise about 3%.

(Continued on Page S-18)

Doug Goodman

In 1989 the big money will be in the vault, not in media companies' coffers, predicts McCann's Robert J. Coen.

Rates bending, but will they break?

Pressured publishers move to change haggling along strictly dollar terms

By Laurie Werner

Publishers and ad agencies may move the negotiating table into a boxing ring next year. Rate negotiation talks are bound to be no-holds-barred slugfests.

"The supply of magazines is up, and the demand is down," says John Gray, senior VP, director-media planning, J. Walter Thompson USA. "And that is going to put tremendous pressure on publishers."

Every negotiating tool will be called into play to diffuse strictly dollar-related bargaining. "Rate negotiation is a fact of life," however, according to James Guthrie, exec VP-marketing development, Magazine Publishers of America.

It even may be on the rise given publishers' intention to raise rates 6% to 8%. "Postage and paper increases may account for a 5% increase, but that doesn't justify 6% to 8%," Mr. Gray says.

"There's no average discount," he says, but rate cuts usually range from 5% to 10%. The rate may be slashed 50% when a publisher is desperate to fill a page, Mr. Gray says.

"They could turn to other places to cut costs," he says. "*Time's* recent decision to prune expensive circulation [to stave off a rate increase] is the right thing to do."

While magazines must meet fixed costs, they can trim the size of their book to lower production expenses. Television has less flexibility because cutting corners immediately would be apparent in programming production values, says Art Heller, exec VP, director-media programming and promotion services, Griffin Bacal. "But it's a trade-off, and some magazines are getting to the point where they may compromise editorial quality," which will be their undoing, he says.

Yet they may have no choice but to cut rates in a marketplace where competitors deal off the card. "Several magazines have proved to be immune to negotiating, but whether they will be able to continue that policy is the question," Mr. Heller says.

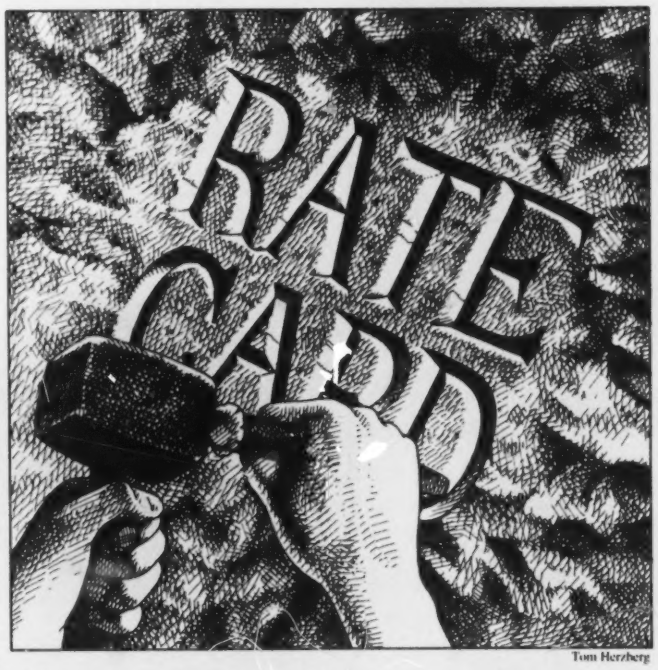
There are ways to write a rate card with a chisel—not with a pencil and eraser—and still negotiate, he says.

Cross-magazine and cross-media discounts allow rate cuts to be spread more thinly among individual publications. Ideas such as Time Inc.'s Max-Plan, which gives advertisers space credits if they match or exceed the money spent in Time Inc. publications during a year, will be on the rise, Mr. Gray says.

But relatively new discounting twists will take hold. Exclusivity discounts are emerging where publishers offer discounts to advertisers that buy their book but not the competitor.

Salesmen are highlighting

(Continued on Page S-2)



Tom Herzberg

Laurie Werner is a New York-based free-lance writer who frequently covers advertising and marketing subjects.

View from the trenches: Magazines

Time to spruce up those dusty racks

New foes 'leave less for magazines,' forcing a change in reaching buyers

It's gut-check time for magazines. They not only face mounting pressure from other media for consumers' time and media dollars, but advertiser and agency demands for rate bending, merchandising options and prime positioning are at peak levels.

All this happens as the medium posts gains. Figures for the first three quarters of this year show ad revenue up 8.6% to $4.1 billion from the same period last year, and ad pages up 2.8% to 117,546. Magazine Publishers of America President Don Kummerfeld predicts total 1988 revenues will rise 9% to almost $5.9 billion.

But the medium's big picture looks murky. Magazines' share of total ad revenue dropped to 5.3% in 1987 from 6.1% in 1980. Magazines are losing share to cable and conventional TV, says John J. Meskil, exec VP-media and administration at Warwick Advertising.

The problem will continue, "leaving less for magazines," he says. "Growth of cable homes at affordable pricing will cut into magazine revenue at an increasing rate in 1989."

In the following piece, Mr. Meskil suggests magazines will need to bend a bit more to accommodate a more demanding buying audience.

By John J. Meskil

Circulation is becoming a major problem for many magazines. Single-copy newsstand sales peaked in 1980 but have declined by more than 14 million in the last 10 years despite the addition of 150 major titles. Nine of the top 10 leading newsstand magazines have lost circulation in the last two years.

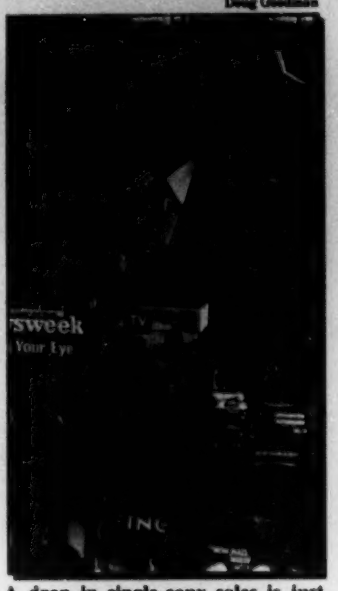
Subscription sales have increased significantly, compensating for the loss in single-copy sales. However, these subscriptions are more expensive to obtain as publications rely increasingly on promotions and incentives to generate readers.

Magazines will face increasing pressure to raise cover/subscription prices to supplant increasing production costs. The average cost of an annual magazine subscription has risen from $18 in 1981 to $23.50 in 1989, about the same cost to install cable. Asked to make a choice, consumers increasingly will subscribe to fewer magazines to afford cable.

But magazines have no other alternative to raising costs to the consumer. Paper costs are increasing 15% annually and second-class postage is up 17%.

Circulation losses will result when magazines find it too expensive to promote to the marginal reader. Circulations of many major magazines, particularly those with more than 1 million circulation, will decline in 1989. For example, recognizing the high cost of attracting and maintaining subscribers, *Time* elected to cut guaranteed circulation, defraying an ad rate increase.

Doug Goodman



A drop in single-copy sales is just one of publishers' many woes, says Warwick's John Meskil.

The increasing cost of paper, postage and promotion will cause most magazines to hike ad rates 7% to 8% in 1989. For example, *McCall's* rates will jump 7% and *People's* 7.8%. Magazines held 1988 rate increases to 3% to 5% and will play catch up next year.

Publishers have to allow room for rate negotiation, but they will hesitate to cut rates in 1989. We are close to the point where rates are cut at the expense of editorial quality, which would sound their death knell.

While rate negotiation will continue in 1989, the term will go out of style. Advertisers and agencies know who will cut rates to get the business, but magazines have gotten better at the art of negotiation and will give the store away only to very big advertisers.

Magazines will emphasize their role as a marketing partner. The terms "added value" and "product specific merchandising" will be in vogue in 1989 as magazines and clients attempt to enhance the value of the medium in moving product.

For example, in *Mademoiselle's* "Center Stage" shopping-mall program editors showcase the latest fashions and advertisers give away shopping bags reinforcing the tie in between editorial and advertiser. *Better Homes & Gardens, Vanity Fair* and other magazines have developed ways to tie advertised products to the magazines' retail and consumer influence.

The concept of pooling merchandising dollars from several publications to build a high-impact added value should be advanced. Rather than having advertisers approach single publications and receive a 1% merchandising allowance, all publications involved in the buy can combine efforts to give the advertiser something bigger.

Ad positioning will become a bigger negotiating chip in

(Continued on Page S-18)

Rates bend

(Continued from Page S-1)

"added value" to existing rates rather than discussing discounts, even when the latter is involved. "The 200 advertisers in our Max-Plan have earned millions of dollars of credits, but more important, they've extended their reach in our magazines and their share of market," says Reginald Brack, Jr., president, Time Inc.'s Magazine Group.

Value-added is also the buzzword at Hearst Corp. "It's our responsibility to educate ad agencies that thinking price alone does not serve their clients' needs," says Claeys Bahrenburg, exec VP, group publishing director. Hearst positions its four magazine packages as franchise builders, not just discount options.

"We don't view advertising as just selling ad pages," says Mr. Bahrenburg, "we view it as being an advertiser's and agency's marketing partner." Hearst has worked with Procter & Gamble Co. and Kraft Inc. to create point-of-purchase promotions, using "The value of our franchise to give positive ruboff to their products."

Value-added options are becoming so much a part of the buying process, agencies often view with suspicion publishers who dwell only on discounts. "We've seen companies come in and give too much away," says Leo Scullin, senior VP, director-new electronic and print media, Young & Rubicam. "It immediately makes us suspect of their business situation."

Editorial tie-ins, special sections, special issues and ad positioning will become increasingly important negotiating tools, says Mr. Gray. The importance of each will vary depending on client needs.

"Some need pure tonnage, saturation for the lowest cost, so you go for rate negotiation. Others need unique positions near a certain editorial, so you don't push as hard for price, you go for positioning," he says.

"Positioning is vital to us," Mr. Heller says, adding that front-of-the-book isn't always the criteria. "We look for positioning opposite editorial that will talk to our target."

Promotional tie-ins such as trips and tennis/golf tournaments may not generate a buy, but they can help push reluctant advertisers over the edge. "Next year we'll see proof of publishers' creativity," says Mr. Gray. "Offerings will be limited only by their ability to dream something up."

They will have to dream big, particularly as the trend of advertiser-as-publisher accelerates, says Louis Schultz, exec VP, Lintas:Campbell-Ewald. "I see a lot of advertisers looking at proprietary magazines because it is the closest a magazine can come to direct marketing," he says.

Client General Motors Corp. Chevrolet division's *Chevy Outdoors*, a quarterly for truck owners, gives the company a targeted forum for its ads and sells space to advertisers such as Coleman Co. and Winnebago Industries.

As for publishers' moves to creatively blunt rate cuts, Mr. Schultz bets that dollars will remain the focus of negotiations. "We're certainly interested in talking about positioning, merchandising and all the bells and whistles. But first the rate has to be right."

The Big Hitters: Magazines

Total & top 10 media spenders (January to June, $000,000)

		1988	1987	% chg
	Total spending	$2,749.4	$2,183.1	25.9%
1.	**Philip Morris Cos.**	111.2	130.9	-15.0
2.	**General Motors Corp.**	104.1	80.7	29.0
3.	**Ford Motor Co.**	66.3	64.7	2.5
4.	**Chrysler Corp.**	65.2	40.5	61.2
5.	**RJR Nabisco Inc.**	58.5	53.6	9.2
6.	**Procter & Gamble Co.**	45.3	36.4	24.3
7.	**Unilever NV**	33.0	29.6	11.2
8.	**Time Inc.**	29.2	27.6	5.9
9.	**AT&T Co.**	27.3	29.8	-8.5
10.	**Honda Motor Co.**	26.7	24.9	7.1

Source: BAR/LNA Multi-Media Reports

POINT OF ATTACK

Climbing costs cause concern

The three Ps of publishing are starting to sour Peter Diamandis' mood. "The biggest issue we will face next year is escalating costs—press, postage, paper," says the ceo of Diamandis Communications.

"It's tough to take all in one year," he says, adding that publishers will face a 10% to 15% increase in paper prices next year. "That's too much. It'll drive marginal guys out of the business. The rest of us will have to fight like hell to keep those costs down," he says.

Mr. Diamandis says publishers will explore alternate delivery systems and group paper purchases at fewer suppliers to realize volume discounts. "There are cheaper means available," he says.

Christopher Whittle (left); Peter Diamandis

Publishers also must address the continuing decline of single-copy sales. The obvious solution, according to Mr. Diamandis, is to "Create excellent magazines that the public wants to buy."

Constant innovation is the approach used at Whittle Communications, says Chairman Christopher Whittle. "We're in an extremely idea-driven business," he says. Mr. Whittle's big idea this year galvanized the publishing industry, as other publishers viewed as predatory the company's exclusivity agreements with doctors, dentists and others with waiting rooms for its *Special Report* publications.

But concepts like this meet the primary purposes of serving reader and advertiser, he says. "If you have the right idea, [advertisers] are more than happy to participate."

However, *Special Reports* cannot grow, Mr. Whittle says. "Where most publishers look to define their growth by extending circulation or increasing ad pages, we can't do either."

This forces the company constantly to come up with new concepts, a situation most publishers rarely face. Whittle Communications will launch eight to 12 new publications next year, which he describes as "a typical year."

"Unlike other publishers, I don't have competitive pressures. I don't have rate pressures. I don't use the post office, so I don't have postal rate pressure. And we don't use much paper," Mr. Whittle says. "Coming up with ideas and recruiting new talent are the challenges we face."

—Laurie Werner

Trouble corralling the grazers

Studies hint at depth of problem, but nets just begin to shake their apathy

By Jim Benson

Network and advertising executives long have feared the day when the TV generation would reach adulthood, bringing with it limited attention spans and itchy remote-control trigger fingers.

The day has arrived, and channel switching, also known as grazing, has become an accepted part of viewing among those in the demographically desirable 18-to-34-year-old age group. Similar to commercial zapping, grazing illustrates viewers' inability to get hooked by a specific TV program.

The issue is whether grazing will put the networks further out to pasture. The implications could be staggering as networks are forced to charge drastically lower rates to reflect transient viewing audiences. Advertisers, meanwhile, would reach fewer and less-involved viewers.

Despite indications the problem may be growing worse, neither advertisers nor network executives are panicking. "I think we've all been ignoring it," says a media buyer for a major company.

Tom Herzberg

Budgets are not being shifted because of grazing, "but there is some concern," says John Sisk, senior VP, director-network negotiating, J. Walter Thompson Co.

"It's hard to generalize because we don't have a lot of data," says Richard Kostyra, exec VP, U.S. director-media services, JWT. He admits that all preliminary evidence indicates channel switching "is a growing problem."

Data on the subject is sketchy, often conflicting. During its brief foray into the market in the 1987-88 TV season, R.D. Percy & Co. put its passive people meter system to work to assess grazing's impact. It found that 13% of viewers switch channels during the course of a program.

Another recent study claimed more than 50% of viewers aged 18 to 34 watch more than one program in a half-hour period and 20% watch three or more. Of the 650 men and women interviewed by Frank N. Magid Associates, 25% of all respondents claimed to change channels to at least one other program during a half-hour time period.

Although David Poltrack, senior VP-planning & research, CBS, has criticized the people meter, he not surprisingly considers the Percy results to be more reliable. The people meter figures he has seen also lead him to suspect that grazing patterns may not be entirely bad for the networks.

He points to the finding that 90% of the people who switch channels fail to return to the program they were watching. That bodes well for the network that winds up with the displaced viewers, he says.

Although show ratings can be provided on a minute-by-minute basis, programming is bought and sold based on total half-hour ratings. Mr. Sisk says ratings and media buys should be measured by the commercial pod. "There has been some talk about advertisers paying the rating at the time of the commercial," he says.

To hold the audience, networks must continue to aim for "more involved programming," Mr. Kostyra says, where viewers schedule programs into their nightly routine. Opinions on whether that entails developing more narrowcast shows or programs that appeal to the mass audience depends on the product being sold.

But Mr. Poltrack says the networks can take some definite steps to break grazing patterns. CBS just began using "attitude" messages at the end of its programs, where voice-overs discuss the remainder of the night's schedule as the program's credits are rolled.

Mr. Sisk says he would like to see more networks put commercials in during the show, and not after the credits. "Viewers race to turn the channel selector once the credits have aired," he says.

But the networks cannot do it alone. Zapping commercials within a show leads to grazing, and advertisers must come up with compelling spots that grab the viewer within the first few seconds, says Lon Bencini, media manager at General Mills.

The proliferation of humorous spots and those using vignettes—15-second and 30-second spots intertwined with news updates or quizzes—reflect advertiser moves to prevent zapping through creative approaches, he says.

Even with increasing entertainment values and unusual pod configurations, advertisers are stifled by network commercial practices. The Big 3 networks have to rethink their strategy of cramming promotional spots, public service announcements and news breaks into the last commercial opening, says Chuck Fruit, VP-corporate media, Anheuser-Busch Cos.

"The viewer doesn't distinguish between those as much as we in the business do," he says. "From now on the network programmers and advertisers are going to have to pay attention not just to the ratings, but to the way the shows are structured in terms of commercial load and other non-program material."

In prime time, advertisers have attempted to mute the effect of commercial zapping by increasing product placements on network shows. But many agency buyers believe the networks will start clamping down on the practice.

Paul Isacsson, exec VP, director-broadcast programming and purchasing at Young & Rubicam, New York, sees the advent of high-definition TV as a possible grazing stopper as the higher quality image might help capture viewers. "There is a lot of technology coming down the line that we can make use of," he says.

While grazing presents difficulties, "It's not the end of the world," Mr. Isacsson says.

Mr. Bencini sees it differently. "It's a big, fuzzy issue," he says. "I don't think too many people have their hands on it."

Jim Benson is a TV writer for the Los Angeles Daily News.

View from the trenches: TV

Another bad year for TV's Goliaths

The big kids on the block are bloodied, but not about to leave town

By Willard G. Hadlock

It's getting easy to pick on network TV. Sure, media's big hitter has seen ad revenues grow 16.5% to $4.7 billion from January to June 1988 compared with the same period last year.

But the big lunk is in big trouble. Cable is nipping at its heels, syndication is nibbling on its toes. Audience fragmentation and ratings declines, zapping and grazing, VCRs and pay-per-view, writers' strikes and less-than-warmly received season premieres: Need we say more?

Willard G. Hadlock, exec VP, media services at Leo Burnett Co., identifies the events that should have made network TV a shadow of its former self, why that shadow still has a lot of substance and how it is attempting to step back into the spotlight.

The network world has never been in such a state of flux as it is now. The change has come quickly; it is a much different TV market than what we faced in the early '80s.

The growth in alternate programming sources—both commercial sources like cable and syndication and non-commercial sources like pay movies and prerecorded tapes—have taken away the networks' sole dominance over TV. Additionally, the advent of the 15-second commercial, the demise of the National Association of Broadcasters code and a switch in TV measurement from diaries and household meters to people meters have changed how network TV is bought and sold.

The networks' share of audience has fallen from the low 90% level not so many years ago to the low 70% and high 60% level today—and it will continue to drop.

This failing network audience will have many repercussions. Advertisers will continue to pay rate increases while the networks suffer a revenue slump. Both buyer and seller lose.

How is this possible? Buyers, at least knowledgeable ones, measure their costs by costs-per-thousand and CPMs rise as audiences decline. The networks' revenues are based on unit costs and they have been unable to get unit price increases. In fact, Broadcast Advertiser Reports says the networks' total revenue has risen only 4% to $8.7 billion over the last three years.

Mary Horlehy

Everybody's a loser next year in buying and selling network TV, says Leo Burnett's Bill Hadlock. Ad rates are up and network revenues are down.

Flattening revenue in a period of rising costs has caused the networks' profit margins to fall from 12% in the late '70s to 6% in the mid-'80s and it is continuing down.

Declining audiences, flattening revenues and lower profits have been major factors in the takeover of the networks by outside corporations. These factors also are causing the networks to search for new areas of revenue.

One of those areas is increased commercial time. In prime time we have gone from six commercial minutes an hour to almost seven. It's likely that the commercial load will now move toward eight minutes an hour—we already have four minutes of ads in some half-hour shows.

Viewers may not like it, and neither will some buyers. But

(Continued on Page S-6)

Crossroads for video crossover

Soon as format settles in, home video set to burst as a powerful medium

By Wayne Walley

The year is 2008. The latest blockbuster surpasses $100 million at the box office. A media buyer smiles. A commercial for an important client already has been placed on the upcoming video release of the hit movie as part of an upfront package deal.

While many see this scenario as a future reality for the home video industry, it may be pure fantasy.

"Alternative" media forms emerge with regularity, but few hold the potential of videocassette advertising. Recent A.C. Nielsen Co. figures show 60% of American TV households have at least one VCR. The Electronic Industries Association estimates prerecorded cassette sales will jump 22% to 135 million units in 1988.

Rented videocassettes represent a potential ad medium of more than $45 million a year, according to Steve Wilson, chairman-ceo of Fairfield Group, a home entertainment consultancy.

However, since Pepsi-Cola Co. boomed through the videocassette commercial barrier by placing a 60-second Diet Pepsi spot on the "Top Gun" tape two years ago, home video has become more of an enigma than a medium.

"Studios and advertisers haven't been sure how to capitalize on video," says Robert Reisenberg, president, Maltese Productions and Maltese Video Partners. "The first thought is to sponsor a video or make a media buy, but people are finding out this is a small part of the equation."

Others see the medium emerging soon. "Videocassette recorders will be at 90% of home penetration in no time flat," says Louis Schultz, exec VP, Lintas:Campbell-Ewald. "Advertisers see the value of that." Advertiser-sponsored prerecorded videocassettes particularly will become "a real serious contender for ad dollars," he says.

Scores of advertisers have sponsored special-interest tapes, complete with commercials, as value-added premiums. Others have opted for cross-promotional campaigns offering consumers a rebate with video and product proof of purchase. For example, Royal Crown Cola purchased 20,000 units of "It's a Wonderful Life" and inserted a 30-second spot for a holiday season proof-of-purchase promotion.

Although Nestle Foods swung a deal to put its "Sweet Dreams" campaign on "Dirty Dancing," video spot sales have yet to set records.

"The real problem is to get advertisers to embrace video as an ad medium," says Jay Coleman, president of Rockbill Inc., an entertainment marketing company. "We're trying to establish video as another channel, a 'fourth network,' but advertisers are slow to respond."

Only a handful of major theatrical video releases have included commercials: Chrysler Corp.'s Jeep/Eagle division on "Platoon"; Nestle Foods Corp. on "Dirty Dancing"; Hershey's Kisses on "The Princess Bride"; Pepsi's "Floata" spot on "Innerspace" and Pepsi's Mountain Dew on the low-priced release of "Dirty Dancing," and Snickers on "Moonstruck." A Nestle's Crunch spot will appear on the Jan. 4 release of "Young Guns."

The stumbling block is that advertisers want quantifiable results while the studios do not want to equate video's uncluttered long-term commercial exposure with broadcast TV. The result is a more complicated deal.

"Conceptually advertisers believe ads on cassettes are an appropriate place to spend media dollars, but the question is how much," says Eric Kessler, VP-marketing, HBO Home Video.

Some companies use number of units ordered as a basis for payment, charging anywhere from $1 to $3 per tape to place a commercial. Others say rental transactions might be a better rate guide. Although impossible to determine before release, some suggest a minimum level be established and companies pay make-goods or receive bonus revenue depending on final rental totals.

"The problem is too little research," says Christine Alvarez, director of advertising, RCA/Columbia Pictures Home Video. Agencies want to verify and compare the number of impressions with network costs-per-thousand, she says.

Hershey and Pepsi paid about $2 per tape sold—an estimated $400,000 to $600,000—to place ads on "The Princess Bride" and "Innerspace," respectively. The advertisers struck a straight media buy instead of creating integrated cross-promotions.

The deal between Mars Inc. and MGM/UA Home Video to place a Snickers spot on "Moonstruck" hinged on Mars' willingness to lend marketing support. "We were not looking for X amount of dollars to put an ad on the tape," says Mr. Coleman, who helped engineer the agreement. "More important was the joint marketing effort where both brought money to the party."

Video companies don't want just ad dollars, says Louise Aliamo, VP-advertising and publicity for Nelson Home Entertainment. "We hope to have enough lead time to include cross-promotions to take advantage of an advertiser's consumer base the same way the company is trying to take advantage of ours." Nelson was eager to put ads on "The Last Emperor," but in the end opted for promotional deals with Chun King and Tsingtao beer.

The studios do not make much money by selling the time for cash, says Jerilyn Kessel, managing director, "Video-Flash." "Their revenues come from selling more units," which involves convincing retailers of consumer demand for a title via pre-release promotion and advertising.

"That costs more money and that's the reason the studios want a sponsor involved in more than one way," she says. "We've said from Day 1 that video will not be a mass medium like broadcast TV."

Media buyers say the video industry has not yet convinced them cassettes can be an effective ad vehicle. "You need a structure and a way to sell it as a package deal vs. title-by-title deals," says David R. Verklin, VP-media director, Hal Riney & Partners, San Francisco. "No one has tried to turn video into a medium."

The big hitters: TV

Total & top 10 media spenders (January to June, $000,000)

		1988	1987	% chg
	NETWORK TV			
	Total spending	$4,735.3	$4,066.3	16.5%
1.	**Procter & Gamble Co.**	172.8	192.3	-10.1
2.	**General Motors Corp.**	171.4	129.9	31.9
3.	**Philip Morris Cos.**	154.7	181.2	-14.6
4.	**Kellogg Co.**	140.0	109.8	27.5
5.	**Chrysler Corp.**	110.2	66.0	67.0
6.	**Unilever NV**	107.6	124.8	-13.8
7.	**McDonald's Corp.**	107.4	105.4	2.0
8.	**RJR Nabisco**	101.9	93.8	8.6
9.	**AT&T Co.**	97.5	73.1	33.3
10.	**Anheuser-Busch Cos.**	96.1	88.5	8.6
	SPOT TV			
	Total spending	$4,009.1	$3,548.3	13.0%
1.	**PepsiCo Inc.**	130.2	130.9	-0.5
2.	**Procter & Gamble Co.**	102.9	72.8	41.3
3.	**General Motors Corp.**	71.6	36.4	96.5
4.	**General Mills**	66.4	61.2	8.6
5.	**McDonald's Corp.**	58.1	55.1	5.5
6.	**Anheuser-Busch Cos.**	45.7	44.6	2.8
7.	**Pillsbury Co.**	45.7	56.5	-19.2
8.	**Philip Morris Cos.**	45.6	59.9	-23.9
9.	**Coca-Cola Co.**	34.0	35.5	-4.3
10.	**Nestle SA**	31.6	27.5	14.9
	TV SYNDICATION			
	Total spending	$424.8	$316.9	34.1%
1.	**Procter & Gamble Co.**	29.4	20.7	41.7
2.	**Philip Morris Cos.**	27.2	23.7	14.7
3.	**Kraft Inc.**	20.4	10.9	86.6
4.	**Bristol-Myers Co.**	15.7	10.7	47.1
5.	**Mars Inc.**	13.7	6.6	105.5
6.	**Unilever NV**	13.1	16.4	-20.0
7.	**Kellogg Co.**	11.5	10.4	9.7
8.	**Nestle SA**	11.3	11.0	2.9
9.	**Coca-Cola Co.**	10.4	4.8	117.3
10.	**Eastman Kodak Co.**	9.9	7.7	29.2

Source: BAR/LNA Multi-Media Reports. **Note:** Note: Major spending by auto dealer groups in spot TV (January to June 1988, $000,000)—General Motors Corp. Dealers Association, $85.4; Ford Auto Dealers Association, $48.7; Chrysler Corp. Dealer Association, $45.0; Ford Motor Co. Local Dealers, $42.4; General Motors Corp. Local Dealers, $38.3; Hyundai Group, $37.7.

Bad year

(Continued from Page S-4)

the networks will get away with it because of the way time is bought. They will be able to keep CPMs down by adding the slots.

A second area networks can increase revenue in a flat market is to charge premiums for 15-second commercials. At least two networks have stated their intention to charge a premium—and they will face some resistance.

Advertisers will reduce their use of 15s before they pay premiums; they already have avoided 15s in spot TV buys because of premiums. Piggyback pools, where 15s are combined into a 30-second buy to avoid the charge, will be established.

The networks also are looking for ways to charge premium prices for shows by featuring products within programming. For example, they will levy a premium per commercial and stipulate a minimum number of spots per show to feature an advertiser's product in a show's script.

I suspect the premium for including the product will have very limited appeal. Advertisers will not be interested in paying significant sums of money to put their brands in a show. This policy also might discourage advertisers from buying time in a show where a competitor's products are being displayed in programming.

Even with declining audiences and revenues, the networks will continue to dominate national TV.

> ***Advertisers will reduce their use of 15s before they pay premiums; they already have avoided 15s in spot TV buys.***
>
> **Bill Hadlock**
> **Leo Burnett Co.**

People watch programs, not stations or networks or cable or anything else. As long as the networks have the best programs—read "best" as most popular and not most critically acclaimed—they will draw the majority of viewers, sell spots on their programs for more money and continue to buy the best programs.

The fact that cable, and to a lesser extent syndication, have less than 100% coverage of the country contributes to network dominance. More coverage means larger ratings, which translates to more revenue because revenue increases growing geometrically as ratings rise, not arithmetically. A 20 rating is worth twice the CPM of a 10 rating but commands four times the unit cost.

So what, if anything, is going to change network dominance? Pay for view.

If the leading cable networks can get system operators to pay them significant fees to carry their shows, the whole game could change. Most major cable networks already collect per-subscriber fees from the system operators. But if fees were to rise to $1 a month, a cable network with a 40 million home subscriber base would raise $480 million a year, giving it a significant revenue base to bid for programming.

Depending how much cable and syndicated programming improves—and how far the broadcast networks push for premium prices to cover revenue losses—the networks' historical dominance of the TV marketplace may disappear.

Victim of its own success

Cable TV can't seem to escape web of low ad rates

By Wayne Walley

The darling of the TV business may have given itself enough cable to hang itself.

Cable TV has built a $1 billion-a-year business by offering advertisers a medium that is cheaper and more efficient than broadcast TV. But its efficiency has created a dilemma for today's cable executives: How to increase ad rates and revenues to achieve true market value without alienating customers.

While cable TV, according to the CableTelevision Advertising Bureau, might reach anywhere from one-quarter to one-third of the TV audience, it reaps only 8% to 9% of TV's total ad revenues.

Cable seems to be paying for its early days when demand was low and advertisers could essentially write their own ticket.

"If you continue to overly discount the price, you may never get that advertiser to true market value," says Jack Bonanni, senior VP-advertising sales, ESPN. Because ad budgets are based on previous year expenditures, cable sellers have two choices: Continue digging a hole or walk out on some business.

The solution is to establish a value and then stick with it, he says. "If we can't be ballsy now, when can we do it? We've broken the 50% penetration level. We're growing each month in the number of subscribers. Demand is growing geometrically while the broadcast network audiences continue to erode." Now is the time to increase the cost-per-thousand level, Mr. Bonanni says.

This is easier said than done. While those within the industry believe cable's CPM is too low, media buyers know price is negotiable because of cable's vast unsold ad inventory.

"The fact cable networks are 24 hours is a killer," says Bart McHugh, senior VP-director of national radio/broadcast, DDB Needham Worldwide, New York. "We buy cable because of its target audience. But the price is directly related to the amount of inventory and perceived value. To raise prices cable has to have more people who want it than don't want it."

Some suggest cable networks reduce their inventory by giving local operators more time or tightening inventory by running more on-air promotions in ad slots. If demand increases or even remains level while supply decreases, the industry theoretically could raise its rates.

But most cable executives consider this strategy unacceptable. "If you cut the number of spots in half, you have to charge double to stay even. That doesn't help," says Lloyd Werner, senior VP-sales and marketing, Group W Satellite Communications.

Artificially higher costs-per-thousand also could force advertisers to turn to other media. "You can justify a higher CPM because it is a competitive price or because your medium is worth it when the others are not worth the extra cost," Mr. Bonanni says.

Cable has long pushed the premise that its subscribers are better marketing targets because they can pay for TV and are more likely to purchase goods and services. While the theory has been corroborated by various studies and profiles of cable subscribers, media buyers now want more.

"Cable needs to show people practical results instead of philosophical arguments," says David R. Verklin, VP-media director, Hal Riney & Partners, San Francisco. "Maybe the future is showing a cost-per-sale instead of a CPM. But cable is doing a pretty good job," he says, adding that CPMs are up 10% this year and will increase 6% to 7% next year.

The Infomarketing division of Jack Myers Marketing Communications reports a majority of advertisers are likely to increase cable buys within the next two years. Of the 375 ad executives the company surveyed in August, 88% said they would increase cable buys greatly or slightly in the next 24 months compared with 58% for spot TV, 54% for network TV and 52% for syndication.

The study also showed 92% and 83% were satisfied or very satisfied with cable's ad frequency and CPM efficiency, respectively. However, 70% were dissatisfied with the standardized industry research data.

"Cable is working on it. It will [achieve true market value], but it will take time,"

(Continued on Page S-22)

The big hitters: Cable TV

Total & top 10 media spenders (January to June, $000,000)

		1988	1987	% chg
	Total spending	**$330.3**	**$255.7**	**29.2%**
1.	**Procter & Gamble Co.**	$14.3	$10.9	30.8
2.	**Philip Morris Cos.**	12.2	11.6	5.3
3.	**General Mills**	8.9	7.1	25.4
4.	**Anheuser-Busch Cos.**	8.6	10.4	-17.8
5.	**Time Inc.**	8.1	7.4	9.6
6.	**Eastman Kodak Co.**	6.5	1.0	532.9
7.	**RJR Nabisco**	6.3	7.2	-12.7
8.	**Chrysler Corp.**	5.9	1.5	304.1
9.	**Mars Inc.**	5.5	9.2	-40.2
10.	**Clorox Co.**	5.1	3.2	57.9

Source: BAR/LNA Multi-Media Reports

View from the trenches: Cable TV

Merely more channels on the tube

Media director prods cable to sharpen its targeting

Ah, the magic year. Cable is glowing and gloating over having crossed the threshold of 50% household penetration one year ago.

Although reaching more than half of U.S. households should make cable an even more serious contender for national ad dollars, "the magic number for cable occurred years ago when cable reached 33% household penetration," says David R. Verklin, VP-media director, Hal Riney & Partners, San Francisco. Cable penetration should reach 54% to 55% in 1989, he says.

The important factor next year will not be cable's penetration, but the penetration of the individual networks, Mr. Verklin says. In this article, he argues that the time has come to treat cable like other media.

By David R. Verklin

"Well Mabel, that was one heck of a meatloaf. What do you say we watch a little cable tonight?"

I'm convinced this conversation does not occur nightly in 52% of America's households, although so many marketers and agencies seem to believe it does.

Cable has become merely another television channel to the American TV viewer. Within the next 12 months, the advertising community will begin the long-awaited process of considering cable from the viewer's perspective.

Cable is no longer an emerging medium. It's entrenched. In fact, it's really not another "medium." It's just more programs on the tube.

Michael A. Marcotte

Cable fragmentation translates to opportunities, says David Verklin.

In the past, people scanned *TV Guide* to find out what was on TV. America is now using remote controls to sample the programs they might want to watch. The grazing generation has arrived and TV will never be the same.

Interestingly, declining network shares and viewer fragmentation are not necessarily bad news for marketers. Fragmentation has presented opportunities to deliver ad messages to specific groups at specific times.

Using greater frequency in more compatible environments, these spots mean lower overall costs-per-thousand. Next year the broadcast networks and their cable counterparts finally will learn to co-exist to the advertisers' benefit.

The new programming alternatives like TNT can make cable vibrant and 64-channel

(Continued on Page S-22)

POINT OF ATTACK

If in doubt, promote

Cable is caught in a void of its own making, stuck between programming improvements and marketing support that still falls short. Next year promotional activities must close the gap, says Kay Koplovitz, president of USA Network.

"Program improvements in cable have come light years in the past five years, but our promotion and marketing efforts are lagging behind," Ms. Koplovitz says, blaming the situation on the complexities a cable operator faces in promoting 30 to 50 channels at the same time.

"USA has approached this problem by taking on long-term commitments for high-visibility shows," such as familiar off-network series "Miami Vice" and "Murder, She Wrote." This allows the network to focus

Arnie Adler

USA Network's Kay Koplovitz is calling for joint promotions.

promotional efforts on its original program series such as "Alfred Hitchcock Presents," "The Ray Bradbury Theatre," "The Hitchhiker," and its "World Premiere Movie" package that will debut next April.

"Cable penetration is another area where the industry needs to make improvements," she says, adding that program offerings far exceed the consumers' understanding of what is available.

Consolidated efforts in the form of national and local promotions are needed, Ms. Koplovitz says. "Local newspaper and TV guide promotions, along with radio and TV spots, would go a long way toward promoting the product to non-subscribers."

A solution to improving viewership is to run more program-specific promotions in unsold local ad slots.

But cable will be fighting other battles next year. Regulatory issues, particularly in the area of breaking down competitive barriers, will become critical, Ms. Koplovitz says.

"The cable industry will be in the strongest position if the product—meaning programming and service—is of the highest quality and therefore able to withstand competitive entry. This industry began with the premise that competition was good and we ought to be able to win this game by the rules."

—Wayne Walley

'How do you eat an elephant?'

For papers hunting national ads, it's 'A bite at a time'

By Eileen Norris

By all accounts, there will be no major breakthrough in the unrequited love newspapers have for national advertisers. No marriage proposals in 1989, nor in 1990. This couple may never tie the knot.

But they could, and that fact is frustrating media buyers. They talk about what might have been and what still could be.

Facing stagnant retail linage, newspaper executives obviously would love to increase their share of national advertising—the Newspaper Advertising Bureau says it is newspapers' No. 1 growth opportunity. But they want to proceed cautiously.

"How do you eat an elephant?" asks Roger Clapp, advertising director for Richmond Newspapers Inc., and president of the International Newspaper Advertising & Marketing Executives. "One bite at a time. We just have to nibble away at this."

The Newspaper Advertising Bureau's Future of Advertising Committee illustrates the pace. Designed to encourage advertisers in specific categories to mix newspapers into their media buy, the program has attracted only three new advertisers in more than a year.

Tom Herzberg

American Express, American Home Products Co. and Federal Express have signed on and the committee is pursuing a beer and fast food advertiser, says Lance Primis, exec VP of *The New York Times* and the committee chairman. "We're looking for ways to expand it and continue the momentum," he says, adding that the three-company gain meets the FOA's expectations.

But many ad executives say newspapers should capitalize on the fragmentation and competition within the broadcast industry. "We've always felt the time is right to bring national rates into line with local rates," says Jack Cohen, VP, director-print/outdoor media, DDB Needham, New York.

Newspapers would definitely get more national business by reducing rates, he adds.

National advertisers pay about 60% more than local retailers for newspaper space. But national retailers such as Sears, Roebuck & Co. or J.C. Penney Co. pay the lower retail space.

"If newspapers want national advertisers' business they will have to do certain things to get it. If we had a fairer national rate structure the percentage of dollars spent would go up for papers," Mr. Cohen predicts.

The newspaper industry has had increasing trouble luring national advertisers. Its share of national advertising dropped from 16% in 1950 to about 6% last year, according to industry records.

Some buyers suggest newspapers emulate magazines' negotiable rate cards or at least create one that has some flexibility. "Magazines are highly negotiable while newspapers, by and large, stick to the rate card. The client says, 'Gee, if I can negotiate with a magazine, why not?' " says Mr. Cohen.

Bringing national rates into line with local rates will require a lengthy courtship. Newspapers have a differential built into their profit structure, says Dan Pearson, senior group director-media for RJR Tobacco USA.

"But the bigger problem is that the rates charged make the newspaper a less attractive medium, especially when compared to others," he says. "Newspapers have to make themselves more attractive from a cost standpoint, and at the same time be more flexible and have a greater orientation to what the national advertiser is looking for."

(Continued on Page S-26)

Free-lance writer Eileen Norris frequently has covered the newspaper industry for Ad Age *Special Reports and coordinated a report on total market coverage.*

View from the trenches: Newspapers

Publishers pitch in together

Rather gloomy outlook for medium spurs cooperation

Newspapers are discovering that a winning season is the hardest thing to duplicate. They boosted their share of media billings to 10.3% in 1987 from 9.8% in 1986 and billings from the Top 500 agencies to almost $3 billion from $2.7 billion. Still, seers predict final 1988 numbers will tell a different story.

Knight-Ridder Newspapers reports third-quarter retail and general advertising revenue fell below estimates; third-quarter ad linage is down 8% from 1987 at *The New York Times*; Times Mirror Co. blames low ad volume for its soft third-quarter results; the list goes on.

Newspapers are taking it on the chin particularly in retail and national ad revenue. Growth in classified ad linage—still the newspapers' domain—has bolstered overall results.

But with newsprint costs increasing and ad dollars declining in key categories, newspapers face an increasingly hostile environment.

Despite what he calls a "very tough" outlook for newspapers over the next few years, Mike Drexler, exec VP-media, Bozell, Jacobs, Kenyon & Eckhardt, sees some signs of movement by newspaper publishers to satisfy advertisers' needs and improve their performance.

Doug Goodman

BJK&E's Mike Drexler sees papers acting to build ad base.

By Mike Drexler

To put it mildly, 1988 is not a robust year for newspapers. The 1987 stock market crash wrecked a great deal of financial linage, retail and classified placement was sluggish, and decreased spending from other major categories such as food, transportation, oil and gasoline contributed to a lackluster picture.

Worse yet, newspapers in 1989 will face higher operating costs, more competition, increased newsprint prices and advertisers that won't tolerate rate increases much beyond the expected inflation rate.

The next few years look tough for newspapers; they face

(Continued on Page S-26)

POINT OF ATTACK

Reposition in media mix

Bad news *redux* for newspapers: Costs are up, subscriptions and ad rates are up, ad linage is soft, circulation is down.

"Those trends are turning up with regularity," says John Siegenthaler, president and publisher of Nashville's *The Tennessean*, and editorial director of *USA Today*.

"The challenge as a publisher will be no different next year than it has been any other year: To provide a quality newspaper and return a meaningful profit," Mr. Siegenthaler says, adding that process has been made exceedingly more difficult by an inflationary cost spiral.

Newspapers must be more

John Siegenthaler looks to buck the regular downward trends.

proactive, Mr. Siegenthaler says. "We've been reactive so long, at times it's almost negative. We know there will be price increases and circulation drops, but if you get locked into that cycle it kills the incentive for new and creative approaches to increasing business."

The medium should seize the opportunity to capitalize on advertisers' concerns with other media. "It's very clear advertisers are confused by the fractionalization and Balkanization of TV audiences," he says.

"Advertisers talk more about the problems of delivering audiences than rate increases," he says, adding that they are looking for certifiable audiences that newspapers deliver and prove via audits. Yet the industry hasn't addressed the potential of positioning newspapers against other media, Mr. Siegenthaler says. "There has not even been enough experimentation to tell what works," he adds.

Still, newspapers largely remain at the mercy of their home markets. Plant openings, for instance, in the Nashville area have helped *The Tennessean*.

The best news for newspapers would be legislative incentives to expand plant development, he says, adding that President-elect George Bush knows the business community "has been holding its nose and keeping one hand on its pocketbook. If he makes moves to build confidence immediately, I anticipate newspaper publishers will be breathing easier and taking their hands off those pocketbooks."

—Ed Fitch

Growth depends on finer tuning

Listenership up, yet sales are stuck; an insider looks to breaking the jam

Give radio some credit. In the last 18 months it has been challenged up and down the dial, yet radio stations are being acquired for increasingly higher prices, hinting that some believe its troubles are only temporary.

Reduced ad budgets are biting into radio's share and sales are flat.

Network radio revenues in 1987 stood at $371 million—flat from 1986—while spot lost $18 million to $1.3 billion.

From January to June 1988, spot increased 9% to $724.6 million, and network jumped 17.6% to $307.5 million.

Final figures for 1988 will be flat, predicts Sam Michaelson, VP, Saatchi & Saatchi Advertising, New York. In addition to soft sales, audiences are fragmenting and competition is increasing on national and spot levels from cable TV.

"The national media budget process followed a simple path: After network TV dollars had been established, national radio would take the leftovers," says Ms. Michaelson.

But 1988 budgets increasingly were directed to national cable rather than radio to make up the shortfall from network TV's declining audience base, she says.

And while Ms. Michaelson does not see the stresses abating in 1989, "I am witnessing a fundamental change in how radio is being sold that proves that the people behind the scenes are learning to survive, adapt and grow."

For example, this year radio sellers moved to create more precise measurement standards, she says.

In the following article, Ms. Michaelson indicates what radio must do to tune up the revenue.

By Sam Michaelson

Radio growth fell below the rate of inflation in 1988, the first time I can recall such an occurrence. This stands out in stark contrast to the record high-ticket sales of radio stations.

Here's the clincher: Inventory growth is outpacing advertiser demand on all fronts—spot, network and syndication. Ironically, radio continues to show gains in listenership. Raising demand for the medium is the only way to reverse the downturn.

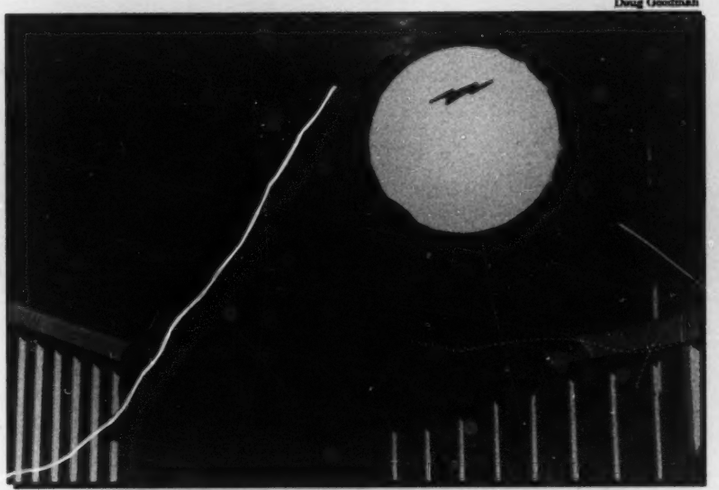
Radio is such a part of our lives that many advertisers take it for granted. While few clients question its ability to communicate ideas and sell product, most do not devote a major portion of their budgets to it.

Radio loses the battle for the budget against the glamorous outlets because it is unfairly perceived as a high impact/low status medium.

The optimist in me says this is a time of opportunity for radio. But not without some fallout first. Several players are being squeezed, and in 1989 some of the smaller tents might close.

Right now there is a glut of programming at fair prices.

Doug Goodman



Radio adds audience, yet unsold inventory goes begging, says Sam Michaelson.

This spells a big opportunity for advertisers that move into the market now. An implosion caused by improved audience measurement is possible next year, which would make the market very tight, very fast—although there will *never* be a shortage of inventory.

Oddly enough, several economists' predictions of a recession bode well for the medium. Radio's cost-efficiency and the low out-of-pocket advertising costs work in its favor during tight economic times.

Many advertisers also move to a more promotional and retail-oriented strategy during recessions. Because of its image as a local medium, radio is perceived as being more successful in pushing retail messages. In addition to extending reach and building frequency, radio is effective as a promotional tool.

National radio also has finally overcome its greatest disadvantage: the lack of precise measurement, particularly among radio syndicators. In 1988, exact time-period measurement criteria became the rule, not the exception, in the New York marketplace. And it is becoming the standard in the rest of the U.S.

It is hoped it will become the industry standard next year. Some larger sellers will resist providing this information, but the smarter ones will.

Issues such as determining tune-in factors and tracking programming schedules and commercial airings hung over the industry like a cloud. Today, even the smallest syndicator is capable of tracking this sophisticated information via on-line access to Arbitron Ratings Co. or Birch Scarborough Research tapes.

As exact time audience measurements guarantee advertisers are getting what they pay for, toward the end of next year it is possible syndicated radio will no longer be considered an afterthought media buy. However, negotiated costs-per-point have not yet risen to compensate for more precise audience tallies.

While costs per thousand will generally increase 4% to 6% next year, CPMs may decrease in markets where new signals are coming on the air. Audience fragmentation has kept CPMs down on adult targeted stations; the youth market has been a little stronger because there are fewer outlets.

Radio also needs to market itself differently.

In the last year, the big news in radio has been the price tags of radio stations, the price of Westwood One stock, how much money Casey Kasem wanted to stay at ABC, the possible selling price of United Stations or the price of the National Football League rights bid at CBS.

Certainly, this proves radio's value as a profit center, but there still is a need to motivate clients to invest more of their budget in radio.

What motivates clients to use radio are winning campaigns with great creative. This may come off as old fashioned, but nothing is more delightful than good radio.

Radio salesmen should sell this aspect of their medium at agencies' creative departments. The greatest way to raise demand for radio is to educate creative groups.

For example, the Radio Advertising Bureau is making joint presentations to creative teams and media buyers on what makes radio unique and how to make great radio commercials.

There is improvement, however. Salesmen no longer wait by the phone for calls; instead they are making a tremendous effort to develop new clients. Also, radio stations are spending significantly more dollars in promotion, both on and off the air, to listeners and media buyers.

But the key to radio's longevity lies in its audience gains. While radio has been facing pressure on many fronts, it hasn't lost any ground with listeners.

The big hitters: Network radio

Total & top 10 media spenders (January to June, $000 omitted)

		1988	1987	% chg
	Total network spending	$307.5	[illegible]	17.6
1.	**Sears, Roebuck & Co.**	29.4	23.3	25.9
2.	**General Motors Corp.**	15.0	8.2	82.6
3.	**Bayer AG**	9.7	10.3	-5.5
4.	**Campbell Soup Co.**	9.6	4.9	98.3
5.	**Procter & Gamble Co.**	9.0	8.4	7.6
6.	**Unilever NV**	8.4	4.6	80.8
7.	**Chrysler Corp.**	8.0	2.7	200.6
8.	**Anheuser-Busch Cos.**	8.0	10.9	-27.0
9.	**City Investing Co.**	7.8	0	100.0
10.	**Warner-Lambert Co.**	7.6	13.7	-44.3

Source: BAR/LNA Multi-Media Reports

POINT OF ATTACK

Radio set to go platinum

Having fallen from its once-lofty pinnacle during its Golden Age in the '30s and '40s, radio now looks up at television.

While spot and network radio attracted $1 billion in ad revenue in the first six months of 1988, TV amassed $9.5 billion when network, spot, cable and syndication are combined.

But Norm Pattiz, chairman of Westwood One, says to forget the Golden Age. Radio, he claims, is entering the Platinum Age as TV stumbles through trying times.

"It will be impossible to get a firm handle on what TV will be like in the late, even the mid-'90s," he says. "Radio is benefitting because radio will be essentially the same."

Radio's biggest challenge is to promote itself and become more visible, especially in light of changes in other media, he says. Network TV will continue to lose share and cable TV will not be able to sustain its rate of growth, Mr. Pattiz predicts. "The opportunities will be ours as changes in video occupy and concern those people."

Norm Pattiz

But technological and regulatory changes will keep TV in the spotlight. "So much is likely to change in the TV business that we must take the offensive. We can't let all the focus be on what happens in the TV business," he says.

The radio industry must raise its visibility among advertisers and dispel the thought that it's anything less than cutting edge, Mr. Pattiz says. It also must reiterate its ability to fit effectively and efficiently into advertisers' increasingly segmented marketing plans.

The radio market's continued fractionalization is not a problem, but an opportunity. "Now the goal is to know the fractional markets and to modify network programming for the markets," adding that the radio marketplace is as fragmented as it possibly can be.

"Sure there's format duplication, but it's just a product of cycles," Mr. Pattiz says. If listeners flock to a new format other stations will adopt the format to compete for the audience, he says. "But eventually success eludes some of the players. And then it's on to the next format."

For example, the New Age format will be out of fashion in a few years, he says. "It will be old age."

While radio will undergo changes, it won't change fundamentally, Mr. Pattiz says. "It will always be the medium you listen to at the beach, when you're sitting in traffic."

—*Kristina Stiner*

View from the trenches: Outdoor

Price right, but hurdles remain

Fighting cigarette, alcohol losses, medium erects welcome sign for retail

The outlook for media hasn't changed for years: Another year, another rate increase. Next year will be no exception in the world of outdoor advertising, although increases should be moderate, according to Robert Flood, senior VP, director-corporate outdoor of DMB&B, St. Louis.

Mr. Flood predicts rates for 30-sheet posters will increase 4.5% in the Top 100 markets, while costs for rotating painted bulletins and eight-sheet posters will rise 4% and 7%, respectively. The latter would have risen about 4% except a major eight-sheet company boosted its rates at double-digit levels, he says.

In the Top 50 markets, transit rates will increase 6%, and bus shelter ad rates will climb 5%. High-traffic airport and taxi advertising will jump 8% and 6%, respectively, Mr. Flood says.

"Many of the increases will be ameliorated by off-rate card negotiations," especially in markets where similar outdoor media compete, he says. Higher costs in some out-of-home media will be offset by increases in traffic volume, retarding cost-per-thousand increases, "one area where out-of-home still compares favorably with the other major media," Mr. Flood says.

Yet, outdoor advertising companies read the writing on the wall: Primary advertiser categories—cigarettes and liquor—continue to face adverse business climates.

Outdoor isn't taking a complete pasting; spending increased 12.9% to $341.5 million during the first six months of 1988 compared with the same period last year.

Five of the medium's Top 10 advertisers reduced outdoor budgets, and newspapers were the only medium with a lower growth rate.

Barring major upheavals, however, 1989 looks like a repeat of 1988 with most out-of-home trending moderately upward, Mr. Flood says.

Below he discusses the market's dynamics and how they will affect outdoor activity next year.

By Robert Flood

Outdoor companies are looking at the big picture in assessing the big boards' potential. They hope the higher cost of spot TV vs. network TV, increasing channel choices and eroding ratings, will prompt some advertisers to direct a greater portion of their budget out of the family room and into the streets.

They also say outdoor's low CPMs will attract advertisers emphasizing regional marketing approaches.

As a result, major outdoor operators will target retail and package-goods advertisers more than ever.

Don Byer, president of the Institute of Outdoor Advertising, reports the retail category is up about 30% this year and has supplanted beer, wine and liquor as the No. 2 outdoor spender.

Although outdoor's reliance on tobacco advertising has declined, it is still No. 1, causing a nagging concern among some operators.

Growth in package goods probably won't be as dramatic as retail's 30% surge, but with some effort from the industry this category has no place to go but up. Healthcare is another category with tremendous volume that has not yet been tapped adequately.

Outdoor operators must address three issues to add new customers. The load factor—average persons per car—needs to be revised, and the Traffic Audit Bureau is studying how to address this.

Bill Stover

Outdoor rate increases may be negated by negotiations, says Bob Flood.

In addition, reach/frequency data needs updating. Because TAB's audited circulation figures form the heart of these numbers, the load factors must be updated first. Hopefully the new Harris-Donovan Audience Measurement System will win approval and replace the current Audience Market-by-Market for Outdoor system that some find faulty.

Advertisers also need a performance audit system that confirms designs are posted in the right place at the right time. A pilot program in five markets is testing the viability of a proposed system.

Of all the out-of-home categories, the eight-sheet poster has shown the largest inventory growth in the last five years, up about 25% to the current total of about 150,000 locations. Fueling the eight-sheet boom is local-level sales growth, which promises to continue.

Advertisers' strong interest in targeting Hispanics promises to continue next year, which should help the eight-sheet business. It is a relatively low-cost way to target geographically contained ethnic groups without wasting circulation.

Tobacco business is up slightly in 1988, and not much change is expected for 1989. The liquor category is off slightly for 1988 and will probably maintain that trend in 1989.

Interest in backlighted eight-sheets remains stable, and no change is foreseen. In the "what's new" department look for the introduction of the front-lighted, eight-sheet posters in some markets.

While eight-sheets will be slightly up, look for slow growth in the number of markets served by bus shelter advertising and a moderate increase in total number of units for 1989. San Francisco, San Diego and Phoenix were added in 1988, bringing to 38 the number of markets served by bus shelters. National shelter inventory increased 700 units or 11%.

Billings for 1988 will hit $2[illegible] million to $25 million with retail the leading category. Other significant users include media, entertainment, beer, financial, fast food and real estate. The sales outlook for 1989 appears stable and rates should increase an average of 5%.

Computer painting of bulletin faces should grow in 1989 as more operators equip their structures to accept the vinyl "Flex Face" or gain experience working with the adhesive-backed faces. The growth of this will hinge partly on outdoor companies compensating advertisers for producing the faces because the cost of hand painting currently included in space rates is not deducted.

Computer painting hopefully will become more competitively priced as equipment is amortized and technology improved. It is not a panacea for the industry—and not even a competitor to the printing press in longer runs—but it does bring the world's oldest medium into the 21st century a little early, offering clear, consistent reproduction.

The variety of supplementary out-of-home media has grown inordinately. More than 120 forms of alternative out-of-home media have hit the market in the past five years; 25 have been introduced in the past 18 months, including four of the 14 truck media companies.

Many of the new forms—including Ad Mat, Coupon Solution, Super Sign, P-O-P Radio—center in and near supermarkets and convenience stores and have enjoyed measurable success. Others are located in bars and restaurants, schools, airplanes, ski resorts, golf courses, video rental stores, health clubs, hotels, malls and theaters while others are on the sides of trucks and phone booths.

Not all of these will make the cut. But one or more could outdistance the current out-of-home leaders not too far down the road, particularly those in close proximity to the point of purchase.

The big hitters: Outdoor

Total & top 10 media spenders (January to June, $000,000)

		1988	1987	% chg
	Total spending	$341.5	$302.5	12.9%
1.	**RJR Nabisco**	30.3	32.6	-7.1
2.	**Philip Morris Cos.**	25.3	24.2	4.4
3.	**Loews Corp.**	16.7	11.3	47.1
4.	**BAT Industries**	10.1	5.0	101.4
5.	**American Brands**	5.7	7.5	-24.3
6.	**Seagram Co.**	3.8	6.1	-38.5
7.	**McDonald's Corp.**	3.1	3.7	-17.1
8.	**Anheuser-Busch Cos.**	3.1	4.3	-28.5
9.	**Grand Metropolitan PLC**	2.7	1.7	56.0
10.	**Holiday Corp.**	2.6	2.5	7.0

Source: BAR/LNA Multi-Media Reports. Note: Major spending by auto dealer groups in outdoor (January to June 1988, $000,000)—General Motors Corp. Dealers, $6.9 million; Ford Motor Co. Local Dealers, $4.1 million.

POINT OF ATTACK

Walk softly; carry big board

Advertising outdoors is no picnic.

Although the medium is growing—the Institute of Outdoor Advertising projects 1988 revenues will rise 7% to $1.4 billion—outdoor controls only about 1.4% of total advertising revenue. It also faces the daunting task of attracting new advertisers while fighting critics who call outdoor "visual pollution."

Don Davidson, president of Gannett Co.'s Gannett Outdoor Group, says a focus on new outdoor venues is key to the industry's health. He also touts greater flexibility and experimentation, both in dealing with outdoor's critics and in developing creative options for new advertisers.

"We need to get more categories into the medium and we've had some success with this in 1988," he says, mentioning growth in package-goods advertisers. Procter & Gamble, for example, increased its 1987 outdoor spending 187.4% to $842,000 from 1986.

"Interestingly, P&G had us participate in a seminar they had on new media, when we're actually one of the oldest mediums around. That tells you a lot about advertisers' perception of the medium."

Don Davidson

He says the industry must do a better job of positioning itself against other media. New computer-based research tools, such as Donnelley Marketing's Conquest system, also should be used to attract more advertisers, Mr. Davidson says.

Outdoor also should focus increasingly on its ability to hit segmented targets. "Some advertisers still see it as a mass medium and use it that way," he says. "Others are using it more carefully, and affordably, to hit audience segments." Adjacency and proximity to point-of-transaction is another area to stress, especially to food and package-good companies, Mr. Davidson says.

Part of the growth process involves boosting the medium's image, he says. "We need to tell our side of the story."

Legislation restricting the number and location of outdoor boards is pending in a handful of cities, and already is on the books in Denver, Jacksonville, Fla., St. Louis and Maricopa County, Ariz. Alaska, Hawaii, Maine and Vermont have banned outdoor boards.

Mr. Davidson describes outdoor's critics as "a vocal minority." While the group is small, a dialog must be maintained, he says. "The most important thing is for us to keep a nonconfrontational attitude."

—Kristine Stiven

Pricing

(Continued from Page S-1)

Cable acceptance up; penetration too low

Although advertiser acceptance of cable is growing, the demand is still far short of the supply of commercial positions available.

Cable's main problem remains: Few individual cable programs deliver audience with ratings even as high as 1% of total U.S. TV homes.

Cable unit rates should rise only slightly more than the broadcast networks, about 5% in 1989. Cable TV CPMs will probably be up about 6%. Most of the additional sales volume will come from buys made on previously unsold inventory with somewhat lower ratings and smaller audience levels.

Not enough demand for network radio

The supply of available network radio time exceeds advertiser demand. But prices for the most desirable time slots may rise in line with the expected inflation rate of about 5% in 1989.

The remaining positions that went unsold or at bargain basement prices this year may show some improvement in 1989 simply because their prices were quite low in 1988. Prices could rise by about 4% overall in 1989.

Spot radio falls below inflation

The demand for spot radio time has been sluggish for the last few years and only moderately better in 1988. In post-Olympics 1989, buying demand should remain low. Rate increases are expected to be lower than inflation, coming in around 3%.

Newspaper linage down; rates up

The prices for national newspaper ads have risen faster than the general inflation rate in the last three years. Not coincidentally national ad linage has declined in most markets. In 1989 national rates will probably be raised about 6% despite slumping space orders.

Magazines flat, but competitive

Magazine ad pages have been flat for several years and competition for orders has held down the net prices realized by most magazines. Because of higher paper and postage expenses most magazines are announcing 6% to 7% basic rate hikes.

However, competition for orders will continue to be intense and rate cards will be modified throughout the year.

Unit price increases in 1989 should level out around 4%. As a result of some reduction in circulation guarantees, CPMs are expected to increase 6%.

Outdoor draws blank

Outdoor ad sales continue to suffer because of declining orders from cigarette and alcoholic-beverage marketers. The outdoor companies have a lot of unsold boards, allowing buyers to hold price hikes to a minimum in many markets.

Unit prices for outdoor showings on average are expected to be up 4% in 1989. With slightly higher traffic counts, typical CPMs should rise 3% next year.

Mail stung by quadruple-whammy

The price of mailings has been affected by higher postage charges, but even more by the rising paper, printing and list procurement costs. In 1988 the cost of all these factors rose sharply.

However, in 1989 the price pressure should be in line with the general inflation rate and the cost increase of a typical mailing should be about 5%.

Post-Olympics stress

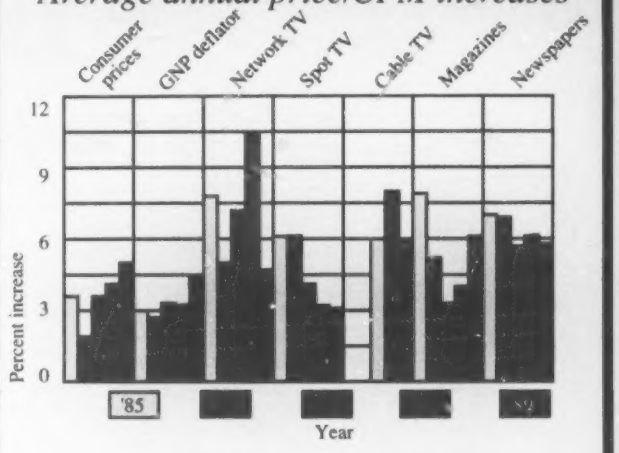
The media face not only the post-Olympics, post-election year letdown, but an increasingly guarded view of the nation's economic outlook. In addition, the number of brands with continuity ad schedules continues to decline.

The demand is soft at the same time that the supply of advertising units is effectively being expanded by the growth in the use of preprints and 15-second spots, creating a classic supply-demand situation that should lead to a buyer's market.

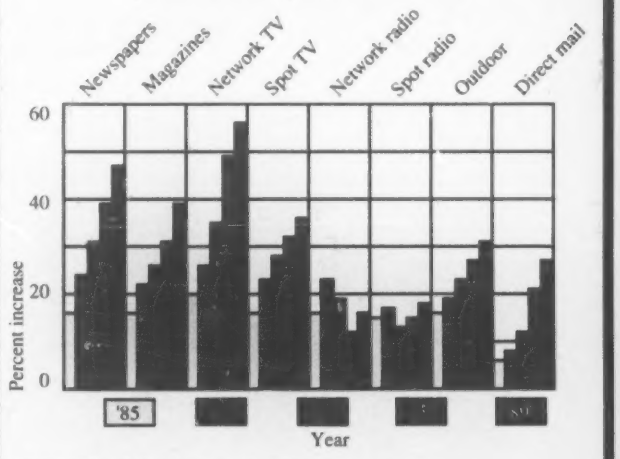
Although inflation in the general economy should be somewhat higher in 1989, it is not likely that these higher cost pressures will reinflate media rates.

MEDIA PRICE TRENDS

Average annual price/CPM increases



Media cpm trends from base years '82-'84



Source: McCann-Erickson. * indicates estimated figures.
Cable TV data for 1985 and 1986 is not available.

Dusty racks

(Continued from Page S-2)

1989. Instead of generating studies that say there is relatively no difference between readership in the front and back of the book, it is time for a more enlightened approach.

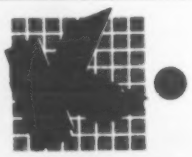
Publishers should discuss positioning problems with clients and agencies before the schedule is determined. Big accounts should receive a requested position; smaller advertisers may be forced to pay a premium.

There will be more use of spectacular units in 1989 and an increase in special issues as advertisers try to rise above the clutter. Rates in specials also are negotiated more readily.

Magazines will get an increasing share of their revenue from regional and local market editions. However, they must create a revised pricing structure to fit into advertisers' local/regional marketing plans because the premiums paid for regional buys are too high.

Despite these efforts to increase magazines' share of the media mix, they will show a modest page gain of 2% and a revenue gain of 8% to 10% next year. The major increases should come from automotive, toiletries and cosmetics, direct response retail, travel, computer and office equipment and health products.

This year magazines will be fortunate to finish ahead in pages over 1987. Despite publishers' efforts to position the medium as flexible and cost-effective, the story for 1989 will be similar.



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Channels

(Continued from Page S-7)

says Mr. McHugh. "They are not going to jam it down our throats overnight.

"I've said this before, and people don't like it, but we do buy eyeballs. We're trying to sell product and sales are directly proportional to the eyeballs we reach," he says. "Cable has the potential to only reach 53% or 54% of the households. If they had 97% coverage and matched broadcast ratings, they could command the same CPM."

Increased competition from new cable channels adding more inventory also poses a problem. "More than anything else, new networks with more inventory have held down unit prices and CPMs," says Dick Hammer, managing director-advertising sales, CBN Family Channel, New York. To raise prices cable must provide better service and more viewers with more desirable demographics, which will come only with programming improvements, he says.

Another solution is to add value to media buys with program sponsorship, product placement or other incentives. "Get the advertiser involved, Mr. Werner says.

Cable networks also have more leeway in terms of product placement in programs than broadcast networks. Beatrice Cos., for example, sponsors "Country Kitchen" on TNN and certain Beatrice products are usually in the kitchen.

"To get our fair share we might build a program for an advertiser," Mr. Werner says. "If an advertiser had $200,000 to spend and didn't care, all viewers and CPMs are alike. But we try to give an added value or some sort of zap protection. You don't do it blatantly and obviously, but it can be done subtly."

Cable sellers cannot compare their medium to network TV, he says. "If you walk into a time buyer and say you're no different than CBS, they'll say, 'You're only in 50% of the households, the equivalent of the worst daytime show on CBS. We buy it for a $2 CPM, so we'll buy you for $1.75 because you're less than the worst on CBS.' If you walk in and say, 'I'm different' you get away from being tagged the worst," Mr. Werner says.

> *"We're trying to sell product and sales are directly proportional to the eyeballs we reach."*
>
> **Bart McHugh**
> **DDB Needham Worldwide**

Jack Myers, president of his own consultancy, says cable CPMs should be higher than broadcast TV's. The ability to target a narrow audience is considered a premium in most media, he says. "But in TV it's become a liability."

Cable's effort to be accepted as a "mainstream" media could push it away from its value as client-oriented media, Mr. Myers says.

"The answer is for cable to make sure it is responsive to marketing needs vs. simply providing eyes. The challenge of cable is how to do both," Mr. Myers says. AA

Victim

(Continued from Page S-7)

capacity worthwhile. Don't be surprised if more major awards shows, first-run movies, miniseries or major sports events are aired exclusively on advertiser-supported cable by 1990. Cable's promise will be realized through vertical networks offering unique, tightly defined programming concepts. Unfortunately, smaller networks will have trouble selling inventory in 1989.

Expect two or three networks to emerge in 1989 and one network to fold. Also anticipate more than one to change ownership; Wall Street will be infatuated with cable again in 1989.

Nothing to write home about

The writers' strike was predicted as a magic moment for cable, giving recalcitrant network-only advertisers the final push into significant cable schedules. Those who said this really don't understand "the medium."

Cable is more like radio than broadcast TV with a few notable exceptions. Cable is not and should not be considered a substitute for network numbers. It is a CPM softener, or a targeted, low out-of-pocket, high frequency way to use TV.

The hot spot

Spot cable is one of the hottest ideas in TV. The remaining problems are almost logistical.

Centralized access to salesmen will emerge in 1989. National companies will represent local operators in one Area of Dominant Influence and sell a whole market or group of systems within a market at prices competitive with spot TV. Generating research that details cost-per-point vs. the current cost-per-spot also will become a priority. Hard interconnects will eliminate the time-consuming task of bicycling tapes to 15 systems in a single ADI.

Pricing will begin to reflect the idea that spot cable can compete with classic broadcast spot. Local cable reps need to hire high-powered spot TV salesmen to run the business and advertisers will beat a path to their door in 1989.

Let's be upfront

Cable upfront has already happened, will grow and is a sure bet for the 1990s and beyond. Upfront will grow next year by about 10% vs. 1988-89.

Remember that cable booked $1.1 billion in sales, with a hefty portion in upfront last year. But don't forget the networks did $9 billion.

Just who do they think they are?

We started to see the emergence of the cocky cable salesman in 1988. Get ready, it will continue in 1989.

Total cable spending will be up about 10% to 12% next year. CPMs should be up by perhaps 7%. My advice to cable salesmen is to think longer term. They should stop swinging at other cable networks and start talking about buys that involve more than just their network. It's also time they stopped swiping at broadcast networks and work harder on clients that already book business and offer long-term deals.

Cable networks should pitch their ability to move merchandise. Let's see some case studies of positive changes in awareness, intent, usage and, most of all, sales volume.

There's a difference between being cocky and confident; 1989 is the year to make friends and regroup. The competition is not with the networks, it's for the viewer's share of mind.

What does that viewer really think? I think Mabel just told Harvey to stop changing channels with that damn remote, or she'll wrap the meatloaf pan around his head. AA

Doc prescribes a few remedies

Cable is at that awkward age—not a kid anymore, not quite an adult. It is clear some of the networks are having trouble struggling to maturity, according to David R. Verklin, VP-media director, Hal Riney & Partners.

Below the Cable Doctor puts out his shingle, gestures to the couch and offers advice and therapy.

USA Network—Your promotional mailings are the best in the industry. You're also the only network that continues to sell cable as an industry.

It's unfortunate that "Miami Vice" and "Murder She Wrote" reruns are your key programs. It's time to bid for some major sports or big-name programming events.

And give your research director a raise.

ESPN—You're in the big leagues now. Your NFL programming points tellingly at the potential of the wired TV signal, with your second-year games getting ratings estimates of 10 and 11.

But stop selling your NFL games in a package with a matching amount of regular inventory. We don't like it when the networks do it, and we don't like it when you do it, either.

You're the industry leader, so bid for bigger, better and more highly rated sporting events. The NFL is a fabulous start. How about Major League Baseball? How about a piece of the Olympics?

CNN—The most aggressive sales force in the business. Stop selling on a program-by-program basis to AT&T but on a rotation to Slim Whitman.

You're more like an all-news radio station: low ratings, fabulous demographics, terrific frequency. Sell it like radio; don't sell it like network TV.

Relax, you're a terrific network, but not "the world's most important."

WTBS—The Braves are far from "America's Team," but we love the job you've done with "National Geographic." You're committed to family-oriented programming. Your ratings will continue to grow.

You were cable before cable was cool. Now you're in cable when cable is cocky.

A&E—The Cinderella network on the brink of becoming a major player. It's time for you to buy some major programming. Make a bid for one of the awards shows.

But we love the fact that you're the only network that still lets us hear Walter Cronkite. How about producing more of your own documentaries and less PBS reruns?

Lifetime—If it were not for "Attitudes," you'd put us all to sleep. How about something in prime time?

HBO, Cinemax, Movie Channel, etc.— I predicted you would take some form of advertising every year for the last two, and I'll continue to predict it for 1989. You're going to let advertisers run some spots during movie breaks or you'll agree to take a four-minute intermission within a film. You'll come knocking next year.

Your subscriber base just won't grow or pay enough for you to compete against home video for product in 1989 and 1990. You need the advertising community, and we'd like to work with you—1989 will be the year.

The Travel Channel—Does Carl Icahn really need money that badly? Carl, sell it to someone who really wants to make a go of it.

It's a terrific programming concept for certain clients. The Travel Channel is a perfect example of the benefits of fragmentation, but let's see some numbers in 1989.

MTV and VH-1—The thrill is gone. You've got to mix some programming in with videos.

The changes you made in 1988 were in the right direction. Cable is a medium that was meant to evolve. Go for it.

Nickelodeon/Nick at Night—With 37 million subscribers, you're a hitter. Although advertisers are searching for ways to reach children and young adults, you're still the biggest secret in town.

To the buying community, you're incorrectly viewed as the place for after-school specials and a glass of Bosco. Next year run a hard-hitting trade campaign and throw some money toward a major tune-in effort.

You need to show us that you're in touch and hip. You've got a product to market just like the rest of us. Do it. AA

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SPEAKING WITH AUTHORITY

Passion cools for media buying pools

There has been a lot of big talk concerning the possibility of pooling media buying in Europe and elsewhere, leading to discussions on client reaction, conflicts and clout.

Although the passion for pooled media has cooled, media directors talk about the concept and how to increase clout.

Katz

Schultz

Kroyer

Heller

Cheryl Kroyer, senior VP, media director, Ketchum Advertising

"This strategy creates a bottom line-oriented buying service mentality. In such an environment you're not as concerned with the richness of the media mix, the quality of the targeting.

"You've also got to ask why a big client would want a small client to hang on to its clout coattails. What's in it for them?

"I also can't believe that the media can afford to give major price reductions just because they're working with group buyers. The media can't let any one company or agency become so important that they take control. Although if times ever get tough, they'll do anything they can to get the business.

"I started thinking consolidated buying would never happen here because there's too much working against it, but if the economy gets worse or the networks and big media companies get into trouble anything could happen."

Louis Schultz, exec VP, Lintas: Campbell-Ewald

"There is a point where you become too big. If you are dealing in upfront and can control 33% of inventory, the media can't cut a deal because it hurts their bottom line.

"Here the big agencies are within a couple of cents of each other on major media buys, anyway. Still 1% of $100 million is a lot of money.

"You could consolidate buys within an existing system. For example, Interpublic could create a major buying arm and have it handle non-competitive IPG brands. However, you have to be careful that other brands related to the group but not served by the buying arm are not put at a disadvantage."

Art Heller, exec VP, Griffin Bacal Inc.

"The independent buying services handle about 30% of total media business in England and have become a formidable challenger to agencies. This is a response to that challenge. If [buying combines] were to happen here it would be an overresponse to the current challenge in the U.S.

"I'm not a supporter of the potential merger of media departments on the basis of clout. When we talk clout we're emphasizing dollar clout that exists, but is not the sole determining factor.

"It not only raises client conflict problems and questions of how to distribute media buys among agencies, but provides agencies with the 'opportunity' to give clients less service. Merger mania was presented as a way to provide more service. In fact, there have been a lot of cutbacks.

"We are a service business. We must have a terrible wish to hurt ourselves."

Hal Katz, exec VP, Vitt Media International

"I think the programs will fail in Europe. A lot of the media is placed by buying services, which are already owned by mega-agencies.

"Clients were unhappy with megamergers because they didn't see benefits. Agencies see the benefit in increasing media clout. But it's simply a hidden megamerger. They will tell clients it's a way to increase clout, but it really is a way to reduce staff because 40% of staff will be cut. Clout is not money, but how you think and the people you bring to the table to exploit the efficiencies.

"Anyway, they act like they'll increase their clout by combining billings to $11 billion from $5 billion. Who in their right mind can say $5 billion is not a lot of clout already?"

—By Kristine Stiven and Ed Fitch

Elephant

(Continued from Page S-12)

Man does not buy by rates alone, says John Kosanke, president of Knight-Ridder Newspaper Sales. "Rates can be an inducement, but it's an addendum to a marketing plan. We're reaching out and papers are getting more flexible."

The purchase is a matter of pricing, positioning and convenience, he says. "The momentum is building, but we won't get there in 1989."

To reduce national ad rates, newspapers would have to raise retail and classified rates, says Mr. Clapp. That cannot be done because the first category is down and the other relatively flat. "It's really a Catch-22 situation." Newspapers that have lowered rates under special marketing plans are getting the same total business at the lower price level, he says.

A newspaper industry discount plan that offered national advertisers up to a 30% rate reduction attracted more than 200 newspapers. However, only a handful of advertisers, including Campbell Soup Co. and Perdue Farms, picked up on the deal. "But the program is moving along," insists Jim Wilson, NAB senior VP-national sales.

Too many conflicts among newspapers arose concerning the package-goods rate plan's criteria, says Bud Shields, VP, manager-newspaper buying group, Lintas:Campbell-Ewald.

The plan clearly stipulates advertisers must buy at least a ¼-page ad 13 times a year to qualify for the rate. "But different papers have different definitions of what constitutes a package good," Mr. Cohen says. "Some say beer, some say over-the-counter drugs and toiletries. Some accept coupons, some do not.

"It was a good first step, but there's a limit as to which kind of advertiser can use it and how they can use it," Mr. Cohen says, a problem compounded by the papers' inability to agree on those limitations.

"You've got 1,600-to-1,800 different individuals running the newspapers and they all have different ideas," says Mr. Pearson.

NAB does not take a firm stand on the rate-disparity issue because its members are split on the subject, says Mr. Wilson. "There are several things we have agreed upon as an industry to make newspapers easier to plan, evaluate and use."

Recent developments include using a standardized advertising invoice and eliminating minimum-size requirements for color ads. "We are stressing a market-driven approach, offering more flexibility and increased standardization," he says.

But agency executives reiterate that newspapers may be missing their best chance to make inroads into new territory. "The national advertiser is in a quandry about the broadcast business, what with cable, the networks, independents and VCR zapping," says Mr. Shields. "It's a perfect opportunity for newspapers to capitalize on the fragmentation of the broadcast industry."

Broadcasters probably will counteract their problems before newspapers react, he says. "One or two years is the most time the newspaper industry has to increase its share of national ad dollars."

The big hitters: Newspapers

Total & top 10 media spenders (January to June, $000,000)

		1988	1987	% chg
	Total spending	$3,154.2	$2,998.2	5.2%
1.	**Sears, Roebuck & Co.**	58.7	71.9	-18.3
2.	**May Dept. Stores**	56.1	70.4	-20.4
3.	**Macy Acquiring Corp.**	54.3	51.2	6.2
4.	**General Motors Corp.**	51.5	33.1	55.5
5.	**Federated Dept. Stores**	41.5	58.9	-29.5
6.	**Texas Air Corp.**	39.6	38.5	2.9
7.	**Philip Morris Cos.**	34.8	21.9	58.8
8.	**K mart Corp.**	32.0	35.8	-10.6
9.	**Dayton Hudson Corp.**	30.6	30.6	.2
10.	**Carter Hawley Hale Stores**	28.2	18.6	51.2

Source: BAR/LNA Multi-Media Reports. Note: General Motors Corp. Local Dealers spent $34.5 million, January to June 1988.

Publishers

(Continued from Page S-12)

a weak ad climate because there's nothing on the horizon to spur the economy. Competition for local dollars particularly looks great.

In addition to the issues of relative pricing and cost efficiencies of alternate media, there's growing competition from cable TV. Local cable operators have become much more aggressive in marketing their programs to both local and national advertisers, giving newspapers an aggressive competitor on their turf.

The medium also continues to be plagued by the use of free standing inserts to replace run-of-press insertions. One bright spot is national advertisers' growing interest in doing local and regional promotions in conjunction with retailers.

Of course, the constant debate of the national/retail rate differential has not been put to rest—and it may never be resolved. The best we can hope for is a tangible sign that publishers are willing to help national advertisers by reducing the disparity. It is encouraging to see further incentives built into the national advertising discount structure.

Interest is up in forming joint efforts such as two programs involving American Express where ads for its corporate card and traveler's cheques were placed in similar positions on the first stock market page and the weather page, respectively. Newspapers also participated in an extensive merchandising effort in the second program.

Specialized space units, franchise positions, single-sponsored sections, couponing tie-ins and consecutive insertion programs are only a few of a newer, wider range of placement options.

Newspaper publishers also recognize the need to standardize space contracts, invoices, Standard Rate & Data Service listings, advertising positions and rate structures.

Publishers are realizing national advertisers need to know buys can be planned and structured in a similar way across many markets. If advertisers want to tailor their campaigns for different parts of the country, they must be able to use regional clusters of newspapers.

Newspapers are starting to acknowledge this need. The Impact and Flex plans permit multiple coupon placements and allow advertisers to tie into seasonal-themed coupon promotions, respectively. These Gannett Co.-repped plans, which allow advertisers both national and regional options, will expand next year.

Newspaper publishers are beginning to accept that they no longer can do business as if each publisher were an island. Standardizing research data, pricing structures, creative executions, merchandising and promotional support and color capability must grow if national ad revenues are to grow.

So far the type of ad rate negotiations common in the magazine industry haven't happened in the newspaper market because there aren't too many dual-paper markets to stimulate a price war. It could happen in selected markets and may on a larger scale because of the business environment.

But I don't think it will break wide open. It's more likely publishers will focus more on frequency discounts and favored ad positioning.

But publishers must continue to adapt if they are to prosper. They have learned they can no longer take their readerships, retail ad base or the promise of national advertising for granted.

Managing editor (operations) Ed Fitch coordinated this Media Outlook report.

Coming

Next week ADVERTISING AGE's Special Report will focus on **Marketing/Advertising Research.**

MARKETING TO HISPANICS

Perspectivas

Edited by Ed Fitch

NUMBERS GAME

RADIO FINALLY TUNES IN RESEARCH

A reunion of sorts took place in New York on Nov. 18 to get a tenacious monkey off Spanish radio's back. The Spanish Radio Advisory Council, which was folded into an Advertising Research Foundation subcommittee, reconvened to review Birch Scarborough Research's proposed methodology to measure Hispanic radio listenership (AA, Sept. 26, 1987, *et. seq.*).

"The committee voted unanimously to endorse us," said Tom Birch, company chairman, ending months of bickering among stations, research companies, agencies and marketers concerning Spanish radio measurement methodology.

While the endorsement essentially represents only a vote of confidence, stations and agencies are expected to begin subscribing to Birch. Major Hispanic radio rep company Caballero Spanish Media already subscribes to Birch, as do a number of top Hispanic agencies. At press time Birch was negotiating with Tichenor Spanish Radio, the largest Spanish-language station group.

"If Tichenor is ready to buy and Caballero and Katz [Hispanic Radio] go along, that swings it," said Abbott Wool, senior VP-media director, Cadwell Davis Partners, and SRAC chairman. "Big station owners seem to be going along."

Not all of the concerns have been addressed, said Betty Ann Morse, VP, media research director, D'Arcy Masius Benton & Bowles. "Although I think this is a step in the right direction."

One of the primary failings remains the lack of a door-to-door component; Birch performs telephone interviews and committee members and station owners wanted a door-to-door element to compare results.

Ms. Morse said the ARF subcommittee is hoping to mount a study to determine if phone ownership affects listenership patterns, but admitted "I don't know if it will get off the ground."

"The phone question is the big one that has not yet been addressed," said Mac Tichenor, president, TSR. But he said it is time for action. "We should act now and reserve judgment on some of the unanswered questions."

Any recommended methodology would have faults, added Monica Roslow, Conill Advertising's director-research. "Doing research in the Spanish market is never perfect and it never will be. What's important is that it's reliable and that both sides can live with it," she said.

Gaining the endorsement should bring Birch a lot of business. "We've crossed the precipice and now realize the enormity of the market before us," Mr. Birch said.

STATION BREAKS

GALAVISION FACES A BASIC PROBLEM

John Pero seems to like tough sales. He commanded the sales operation of Spanish International Network and Univision when some corporations' attitudes toward Hispanic marketing bordered on contempt.

Just when Univision started to benefit from the market's momentum, Univisa sold it to Hallmark Cards. Mr. Pero remained with Univisa to oversee its Galavision cable network's transition from a pay tier to an ad-supported, basic cable operation.

Ten weeks into that conversion, he uttered the predictable: "Cable in general is tough to sell; selling Spanish cable isn't the easiest thing in the world."

Mr. Pero believes the network can find a place, adding that advertisers are slow to think of Galavision as an ad medium after eight years as a pay service.

"Our concern is the area of coverage," said Publicidad Siboney Media Director Meg Bernot. "They have 25%, Univision has 85%, Telemundo will be up to 75% in 1989. The issue is whether buying a string of low-rated spots on Galavision is worth it."

The continuing addition of Telemundo Group stations in many markets also has hurt Galavision. "Now there are greater out-of-pocket expenses just to cover the two broadcast networks efficiently," Ms. Bernot said.

Mr. Pero has met with some success. Miller Brewing Co. is buying spots on hourly sports updates, and sales are strong in Los Angeles where local coverage is good, he said.

Eduardo del Rivero, VP-account services at Miller agency Mendoza, Dillon & Asociados, said the buy was generated by "a very good deal. We're just testing it to see if it will work."

Galavision is cutting some sweet deals, with :30s going for less than half of the $400 rate, Mr. Pero said. "It's an attractive package and other clients are interested," although he would not specify.

Mr. Pero suggested that when subscriber households reach 3 million—"50% wiring of Hispanic households, same as the general market level"—sales will follow. Galavision currently reaches about 1 million households.

Coverage will jump 50% in the first quarter of 1989, predicted Starrett Berry, Galavision's VP-general manager. "A lot of systems have waited to convert until after the fourth quarter," he said.

Viewer response has been mixed, Mr. Berry admitted. "We're still in a tough transitionary period." Galavision altered its programming from entertainment/variety to news when it converted to basic.

"We had a lot of die-hard film and *novela* fans," he said. "We're virtually changing audiences entirely." The news format is attracting a younger, male-oriented audience; the viewership previously had skewed toward older women.

Mr. del Rivero said Galavision's male audience was a bonus for Miller, and that "there is a precedent in the general market that a news channel could work well."

However, Galavision executives are reevaluating programming. "If the viewers desire slightly different, more diverse programming we will include it in our menu. We made a drastic change and want to make sure the format will take hold," Mr. Berry said.

Entertainment elements may return to the mix. An increase in first-run sports programming also is being considered.

Adding entertainment shows would put Galavision in direct competition with Spanish-language broadcast networks, Ms. Bernot said. Systems in most major Hispanic markets carry all three networks. "And altering programming doesn't change the fact that it has only 25% coverage."

Larger audiences might result if Galavision can beat Univision and Telemundo at their own programming game. "If they come up with better programming than the traditional fare, they'll get audience because viewers want an alternative," Mr. del Rivero said. Until this happens, "cable will be a marginal player," he added.

"We don't have a physical make-or-break point," Mr. Berry said. "Galavision has been here for nine years and people thought it would be gone by now. There will always be a place for something like this."

PRODUCT AND ACCOUNT ACTIVITY

Hyundai Motor America, which did not have a 1988 U.S. model, stunned the marketplace by grabbing an 8.2% share of 1987 model year sales among Hispanics, according to R.L. Polk & Co.

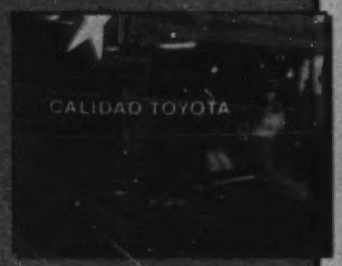
Last month, Hyundai broke Hispanic market TV and radio spots in Miami via Backer Spielvogel Bates. As the numbers show Hyundai has done very well without advertising.

"In most Hispanic areas our penetration has been fantastic by using English-language media," said Joe Corey, national advertising manager. "There is no evidence that adding Hispanic media in markets like Los Angeles or San Antonio would bring us anything."

Miami differs in its media usage. "We've been studying it and our evidence shows that Miami Hispanics watch and listen to Hispanic media (at the exclusion of general market media)," he said, adding that Spanish-language media is receiving 10% to 15% of the local spot budget.

But Hyundai has lots of company. Nissan Motor Co., Hispanic market import leader with a 6.4% share of 1987 sales, launched fourth quarter spots in Miami via Casanova, Pendrill Publicidad.

Toyota Motor Corp., the No. 3 import with a 7.5% share, recently broke a network TV and radio campaign via Conill Advertising, representing the most aggressive import advertising to Hispanics. Toyota also is running heavy local campaigns in eight markets.

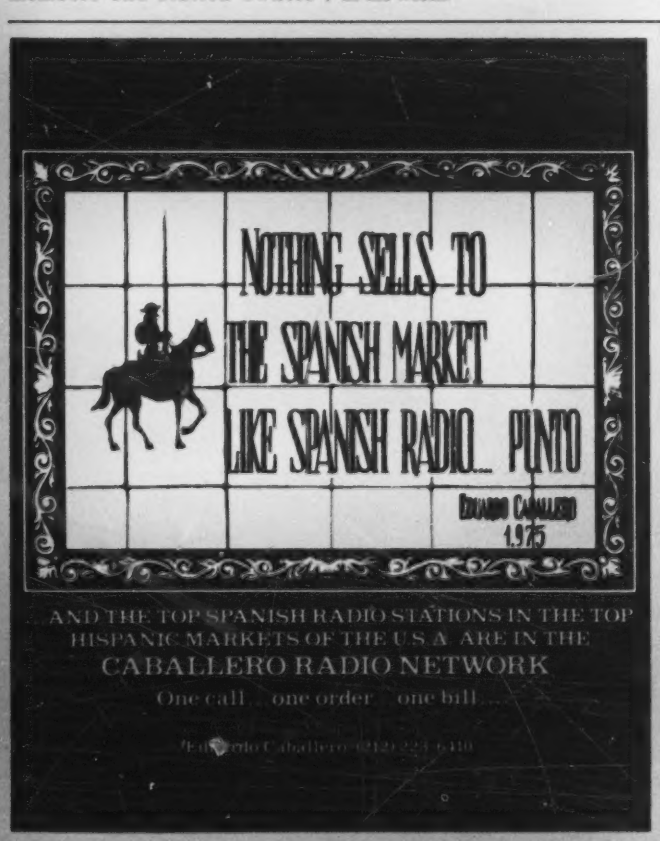


Not only is it the fastest growing consumer segment, "but in terms of percentages, Hispanics are moving into the affluent segments at a faster rate than any other segment," said George Borst, Toyota's national ad manager. "Of course, they're starting from a small base, but we really see them as a dynamic, loyalty-driven consumer force."

Despite the upsurge in ad efforts, Mr. Borst said the imports did well among Hispanics because of population concentrations. "We would get a disproportionate share anyway because the Hispanic population is located in our strong sales areas."

- HBO assigned advertising of its "Spanish-enhanced project" to Publicidad Siboney. In January selected HBO and Cinemax programs will be aired in Spanish via second audio programming.
- R.J. Reynolds Tobacco USA to Bravo Group as first Hispanic agency of record. Bravo reportedly will focus initially on Camel filter cigarettes.
- Certified Grocers of California to Castellanos Latina for its Golden Creme dairy line as first Hispanic agency of record. Also to Castellanos, National Home Shopper's distributor recruitment and image advertising. Both multi-media accounts carry $750,000 budget.
- After testing in San Antonio and Los Angeles, Quaker Oats Co. has rolled TV and radio spots for Gatorade thirst quencher nationally. Berry-Brown Advertising handles.

- Procter & Gamble Co.'s Ivory and Camay to Conill Advertising, which also was named first Hispanic agency of record for Helene Curtis Industries. Inaugural Finesse spots are breaking in San Francisco and Miami.
- Roundup: Zebbies Inc. to Marketing Mercadeo International as first Hispanic agency of record. Spice marketer Bekal Products Co. to Fernandez Barsdat/JGR & Associates. Highland Superstores' is breaking initial Hispanic market TV campaign, featuring comedian Paul Rodriguez, via W.B. Doner & Co. General Mills and Circus Vargas have created a $300,000 proof-of-purchase promotion. GTE California via Sosa & Associates will spend $1 million in November and December on inaugural Hispanic ads.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LOYALTY BORDERS ON IMMIGRATION

To successfully crack the U.S. Hispanic market a product may do well to imitate part of its target market and enter *El Norte* via a Rio Grande crossing.

What has long been assumed to be a cultural tendency toward brand loyalty is often brand awareness built in Latin America, transferred

to the U.S. via immigrants and perpetuated by minimal advertising of competing products here.

"No real cultural principle accounts for this. In the absence of a cultural argument, it has to do with the marketing environment," said Roger Sennot, general manager, Market Development Inc.

Fitch

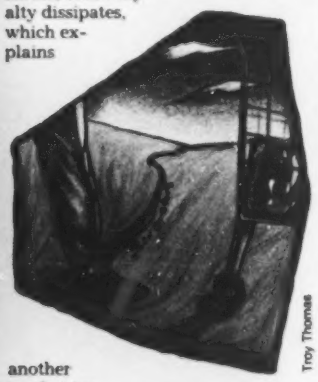
Many products' high sales among U.S. Hispanics result from aggressive Latin American advertising, said Rolando Wejc, VP-account director at Leo Burnett Co. and formerly exec VP, director-client services at Leo Burnett Venezuela, C.A. "It's simply loyalty to the brands they know best," he said.

At stake is a sizable portion of the market. U.S. Census Bureau figures estimate that immigrants account for 50% of U.S. Hispanic population growth. The numbers likely are much higher, taking into account the undocumented.

Companies with strong general-market campaigns cannot expect to reach this sizable segment.

"The newcomer who functions primarily in Spanish will not have the same information imparted to him by companies because general-market efforts often are not duplicated in the Hispanic market," said Joe Albonetti, VP-executive director of Tinsley Advertising's Conceptos International.

Not surprisingly, the so-called brand loyalty is greatest among foreign-born, Spanish-dominant consumers. But when they are exposed to advertising via Spanish-language media, brand loyalty dissipates, which explains



Troy Thomas

another market truism: Hispanics will try new products.

"The two behaviors are a result of the same thing," Mr. Sennot said. "A good [U.S. Hispanic market] campaign will drive Latin American brand loyalty away in no time."

So what's a company to do? "Take care of those people who've taken care of it," said Herney Nisimblat, director-Hispanic marketing, Colgate-Palmolive.

Colgate toothpaste has more than 80% share of the Latin American market and about 65% share of the U.S. Hispanic market. "If we don't continue to talk to them here and continue our efforts, we would not enjoy that," he said. Loyalty must be refreshed through advertising, couponing, sampling, community events and promotions, "or they'll forget about you."

The brand with the lower Latin American share has but one choice. "You certainly need a bigger effort if they don't bring product awareness with them," said Mr. Wejc.

The marketing principle is universal: The more media and advertising exposure, the more awareness and trial. "If we weren't talking about Hispanic market behavior the air of mystery would be dispelled," Mr. Sennot said.

Many don't dismiss a cultural factor, however. "The psychographics have to be considered"; Hispanics are more conservative and less prone to switching brands, said Mr. Nisimblat.

Again, the specific marketing environment dictates tactics. "Trial occurs in the less brand-name conscious categories," said Ricardo Amundsen-Bueno, president of his own marketing consultancy. Beer will carry more brand loyalty than tissue; "things that say, 'I'm this kind of guy,' vs. those that don't."

Brand loyalty is destined to become less of a given as Hispanic marketing becomes more competitive. "As the noise level and the information provided increase, no one can assume Hispanics will remain loyal," Mr. Albonetti said.

Future acculturation and immigration patterns also may lessen the impact. "For the first generation Hispanic, it helps a lot. What happens next depends on a lot of variables," Mr. Wejc said.

As more U.S. Hispanics are born north of the Rio Grande, brand loyalties will swing to those products that also are nurtured primarily in the U.S. Hispanic market.

■ Next year's activity should be a good gauge of Hispanic marketing's relative importance. When total budgets are tight—as they are expected to be next year—segment marketing historically has been pared in favor of other programs.

"We don't expect cutbacks on our side," said Eduardo del Rivero, VP-account services, of Hispanic shop **Mendoza, Dillon & Asociados.** "It's finally at the point where clients are realizing it's not just an opportunity, but a necessity."

Contributing to this awareness is stagnant general-market performance. "As brands mature in the general market, marketing managers are realizing there is real additional business potential in the Hispanic market," he said.

Carlos Rossi, ceo of No. 2 Hispanic shop **Conill Advertising**, said in general clients are investing more. "But when you look specifically, growth is coming mostly from those clients that are already committed and are now moving forward at a faster pace." Those companies are not necessarily the largest, he said, but those with the most analytical marketing strategies.

The boom abates

Hispanic market expenditures ($000,000 and % change)

1988	$550.1	12.1%
1987	490.7	23.3
1986	398.0	19.3
1985	333.5	17.2
1984	284.5	26.8

Source: Hispanic Business

"Still Hispanic marketing is one of the first areas to get cut," Mr. Rossi said. One positive change he noted is that some companies—even those that are cutting back—are devoting a greater proportion of their budgets to Hispanic marketing.

Improving performance next year may be relatively easy. Growth in 1988 Hispanic marketing expenditures is the lowest of the decade. Total market expenditures will rise 12.1% to $550.1 million, far off the 23.3% pace set last year, according to *Hispanic Business*. An additional $59.4 million was funneled into the market this year compared with a $92.7 million surge in 1987.

With some exceptions, leading Hispanic market advertisers did not bump up 1988 budgets substantially. In economically suspect times, further growth seems increasingly to hinge on bringing new advertisers into the market.

—*Ed Fitch*

Laura Fabian **Angelica Mi Vida**
Braulio **Angelica Mi Vida (Theme)**
Julio Iglesias **Moods Specials**
Emmanuel **Moods Specials**
Jose Luis Rodriguez **El Puma**
Lana Montalban **Informador 47**

ONE-DERFUL!

For 16 straight years, WNJU 47 has been the #1 Spanish-language television station in New York— sign-on to sign-off.

Since 1972—and again this year—WNJU 47 has dominated the New York Hispanic market.

Now, as the flagship station in the new Telemundo network, and with exciting and innovative programming such as *Angelica Mi Vida*, the first U.S.-produced novela, the domination is as strong as ever!

The fact is, for an advertiser to cover the New York Hispanic market, Telemundo's WNJU 47 is a must.

WNJU 47 NEW YORK TELEMUNDO

Without Us, New York Wouldn't Be New York.

Source: Arbitron 1972 through 1988 to date.

C2710-1
12/9/88

Sai
to
WASHINGTON DC 20014
4520 EAST-WEST HWY #800
SRI ACQUISITIONS
CONGRESSIONAL INFO SERVICE
02019094 9 01AA00888 COMPHX2
200
**********3-DIGIT

blishers eye '90s woman —Page 6

A short, sad creative story —Page 44

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$2.00 a copy; $64 a year

December 5, 1988

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Last Minute News

BK's Lavely may be out

MIAMI—Burger King early this week is expected to announce the possible departure of Exec VP-Marketing Anthony Lavely, sources close to the company said. Franchisees' complaints about Burger King's response to their marketing problems led to the move, sources said. Mr. Lavely, 45, has been the chief proponent of replacing N W Ayer, New York, on Burger King's $200 million account, so his departure is viewed as a positive sign for the agency. His close ties to Foote, Cone & Belding, Chicago, from his days as senior VP-marketing at Jerrico, led to speculation that FCB would soon wrest the account from Ayer (AA, Nov. 21). Mr. Lavely's possible replacement couldn't be determined; a company spokeswoman wouldn't confirm or deny the report.

Hearst plans new magazine

NEW YORK—Hearst Corp. will launch a new home magazine in May 1989 called *American Home*. John Mack Carter, Hearst's director-magazine development, described *American Home* as a home service magazine, targeting an upscale audience and fo-

(Continued on Page 8)

RJR's brands: Bidding begins

An Advertising Age roundup

The auction of RJR Nabisco has only just begun, and with it could come plummeting ad budgets and the cancellation of new products—among them, sources predict, the controversial Premier "smokeless" cigarette.

Procter & Gamble Co., Ralston Purina Co., Quaker Oats Co., Nestle SA and others are lining up to grab such brands as Planters, Del Monte, Fleischmann's and Milk Bone.

Kohlberg Kravis Roberts & Co., which emerged the victor in a bloody battle for the food and tobacco giant, said it plans to sell off at least $5 billion in blue-chip brands.

Last week, Kohlberg Kravis won a bidding war by agreeing to pay a record $25 billion in a leveraged buyout for the marketer of such well-known brands as Oreo cookies and Winston cigarettes.

Of the brands that will remain under Kohlberg Kravis—believed to include the cookie/cracker and the cash-rich tobacco businesses—there likely will be massive advertising cuts to service debt from the mammoth transaction.

RJR Nabisco ranked No. 5 among ADVERTISING AGE Leading National Advertisers with 1987 ad spending of $639.6 million.

"The extraordinary irony is we've never had such proof of the value of brands, but the problem with an LBO is that the brands they paid tremendous money for are going to be starved [in terms of ad support] to service the debt," a source close to RJR Nabisco said.

In fact, observers said tobacco ad spending in general is set to take a nose dive.

"Between RJR Nabisco and Philip Morris [acquiring Kraft for $13 billion], it's safe to say ad expenditures in the tobacco industry will be coming down,"

(Continued on Page 65)

Saatchi has advertisers' eye

By THOMAS J. TYRER

Saatchi & Saatchi Advertising, which has quickly seized a sizable portion of U.S. ad spending, is beginning to score big in advertisers' share of mind as well.

According to Agency Watch, ADVERTISING AGE's quarterly survey of company advertising directors, Saatchi now ranks second only to J. Walter Thompson Co. in top-of-mind awareness.

In the latest Agency Watch survey, conducted during the third quarter this year, 12% of the 300 advertising executives polled answered Saatchi when asked which agency first came to mind. That was Saatchi's highest score yet for that question and gave the agency the No. 2 spot for the second straight quarter.

JWT, which has dominated the awareness category since Agency Watch began in the fourth quarter of 1984, was named the agency that first comes to mind by 23.4% of the respondents.

Ogilvy & Mather Worldwide was third with a score of 11.7%, followed by Young & Rubicam with 9% and BBDO Worldwide with 8.4%.

Saatchi's rise to the ranks of agencies that company ad executives consider the country's best is equally impressive.

In the latest survey, 3% of those surveyed said Saatchi was the best overall agency in the country, tying it for fourth place with Foote, Cone & Belding Communications.

That's the first time Saatchi has cracked Agency Watch's top five "best" agencies. Saatchi entered the U.S. in 1982 and in 1987 reported gross U.S. billings of $2.19 billion.

Ranking ahead of Saatchi and FCB as best overall agencies were JWT, No. 1 with a score of 7%; O&M, 4.4%; and Y&R, 3.7%.

JWT's score marks a rebound from its slump to 3.3% in the second quarter (AA, Aug. 15).

O&M, on the other hand, recorded its lowest best-agency score yet.

O&M and JWT have held the survey's No. 1 and No. 2 positions in every quarter.

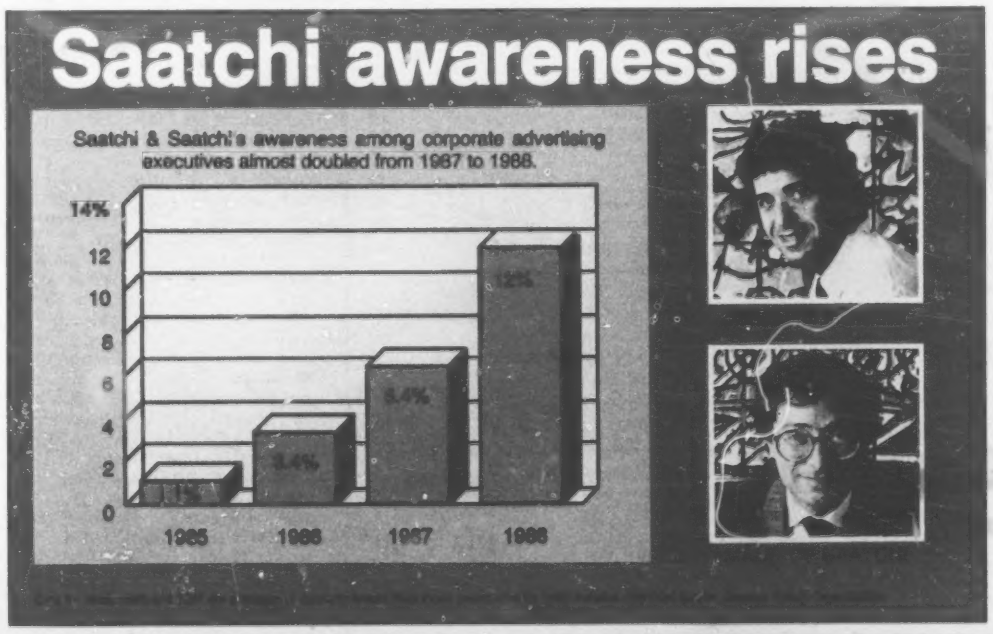
Saatchi also scored well in other areas. It was named the country's hottest agency by 4.4% of those questioned, which tied it for second in that category with Chiat/Day.

Hal Riney & Partners extended its streak as the hottest agency to a full year with a score of 5.4%.

Although it didn't rank higher than fifth in any of the six specific agency attributes monitored by Agency Watch, Saatchi tied or topped its previous best scores for those attributes.

The agency's best showings were in top management, where it was No. 5 with a score of 2.7%, and in marketing and account executives, in each of which it tied

(Continued on Page 68)



Saatchi's earnings aren't so showy this year—Page 68

NBC to cut Olympic clutter

By VERNE GAY

NEW YORK—NBC-TV might have fewer commercials in its 1992 telecast of the Summer Olympics following widespread criticism among viewers and advertisers that ad "clutter" in the 1988 Games resulted in lower-than-expected ratings.

In announcing NBC's record-breaking winning $401 million bid to telecast the '92 Summer Games, NBC President Robert Wright said the network had "learned" from its experience in Seoul, the site of the 1988 Summer Games.

The bid for the '92 Games in Barcelona, Spain, is up 33.7% over the '88 bid of about $300 million.

"We made mistakes [with the production], we learned a lot and we will try to minimize the commercial load," Mr. Wright said. The network would "certainly" not run any more commercial time, but it likely would have fewer commercials every hour, he added.

R. Wright

Constricting the commercial load hypothetically leads to higher commercial rates, but Mr. Wright said the network intends to limit advertiser costs. He said costs would parallel the rate of inflation over the next four years of about 5% to 6% annually.

During the Seoul Games, advertisers paid NBC as much as $300,000 per 30-second spot.

"Even if [NBC] kept the commercial load the same, and the rights are up roughly 30%, and NBC had priced [Seoul] out at as much as $330,000 [per :30], then it seems they'd have to get at least $400,000 a :30," said Lou Schultz, exec VP at Lintas:USA.

During the 1988 Summer Games, NBC ran about 9 minutes an hour of commercials during the Olympics, or 2 minutes more than the typical prime-time load.

Grey Advertising estimated there may have been as much as 15 minutes per hour of "non-program" time, which includes promos, local ads, news bumpers and network commercials.

Critics contended the clutter, among other factors, contributed to lower ratings. NBC averaged just over a 17 rating from A.C. Nielsen Co., or 4 rating points below estimates.

Even with a lower commercial load, NBC won't be forced to pass on the entire cost of its record bid to advertisers. Because of the structure of the deal, Mr. Wright said, he expected affiliates to help shoulder the cost of the telecast, though details haven't been worked out.

In addition, he said cable TV would be part of the deal. NBC is expected to sell broadcast rights of some events to cable networks, while other events would be shown on CNBC, NBC's new cable network.

Steve Leff, vice chairman of Backer Spielvogel Bates, said that both NBC and CBS, broadcaster of the 1992 Winter Games, will try to clean up their broadcasts and "sell them on a higher plane. They can dress them up, provide all sorts of promotional opportunities to advertisers and reduce the appearance of clutter."#

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USAir directs Piedmont ads to land at EPB

By JANET MEYERS

A year after acquiring Piedmont Airlines, USAir has awarded the combined $60 million ad account to Earle Palmer Brown Cos., bidding farewell to longtime Piedmont shop McKinney & Silver.

By next June, the Piedmont name will also be grounded as that carrier is fully merged into USAir.

Last week, the company ran the first joint ad for USAir and Piedmont. Appearing in the *Washington Post*, it touted the flights both Piedmont and USAir offered to the Midwest. Bethesda, Md.-based EPB created the ad.

USAir's advertising philosophy is radically different from Piedmont's.

Ed Colodny, USAir chairman, favors price-oriented rather than image ads, while Piedmont traditionally spent almost twice as much on advertising as USAir and stressed both image and price.

Piedmont's account last year was close to $40 million, but that has dropped to about $30 million this year because the airline has discontinued image campaigns in the wake of its sale to USAir.

Former "M*A*S*H" TV series star McLean Stevenson is Piedmont's celebrity spokesman.

McKinney President Bob Doherty said Piedmont now represents about 25% of the Raleigh, N.C., agency's billings of $120 million. It landed the Southern carrier in 1979, when it was spending only $6 million on advertising.

McKinney will continue to do

(Continued on Page 66)

PSA group linked to founder of 'est'

By SCOTT HUME

CHICAGO—The Chicago chapter of Ad*Net, a national group that develops public service advertising for non-profit organizations, is said to have strong but hidden ties with the founder of "est" self-help seminars.

Two board members have resigned, and one member of a separate "advisory" board, Rance Crain, editor in chief of ADVERTISING AGE, also resigned last week.

In a column in *Crain's Chicago Business*, a sister publication of AD AGE, Mr. Crain said he resigned after members complained they have been heavily recruited by other Ad*Net members to attend The Forum, a for-profit organization run by Werner Erhard & Associates (best known for the "est" seminars).

Mr. Crain said that Ad*Net—which also has chapters in New York and Detroit—has "done several worthwhile projects."

But he said he learned from Ad*Net insiders that "at least two recent prospective not-for-profit clients of Ad*Net—the Chicago Hunger Campaign and Youth-at-Risk—are Erhard enterprises."

In one letter of resignation, an Ad*Net board member wrote, "It is a disservice to the entire membership when our group is being used as a source for new 'participants.' Though I hope it is not true, it appears that Ad*Net Chicago's first agenda is to sell Werner Erhard & Associates." The board member declined to be identified.

In another resignation letter, a board member wrote, "I feel that an [Ad*Net] orientation toward any for-profit group is a conflict of interest with Ad*Net's not-for-profit status. . . .

"I found it appalling that [my objection] was answered with a profane emotional outburst from the president of Ad*Net. . . . That incident finalized my decision." He also declined to be identified.

Barbara J. Carr, New York-based president of Ad*Net, confirmed that two of the seven board members for the Chicago chapter have resigned, but she said she wasn't aware of the reasons they'd given. John Davidoff, president of Ad*Net/Chicago, couldn't be reached for comment.

Mr. Crain said that Mr. Davidoff

(Continued on Page 66)

Premiums on :15s attacked

Upset marketers see trend

By VERNE GAY

NEW YORK—Major advertisers are afraid network premiums for 15-second TV spots in sports and other special programming will spread.

"We're very concerned," said Greg Lincoln, media director for Pillsbury U.S. Foods, a major user of 15-second commercials that plans to introduce two products soon via :15s.

Michael Moors, director of advertising media at K mart Corp., the No. 2 retailer, said K mart would consider dropping :15s if the prices rise too sharply. K mart is a heavy user of 15-second spots.

"I'd find it hard to understand the justification" for premiums, Mr. Moors said. K mart "will have to completely rethink [its] media execution if rates become out of line."

Mr. Moors thinks the recent moves are "part of the overall situation of network TV advertising and [the networks'] decreasing viewer ratings. They're just trying to squeeze a few more dollars out of everything they get."

While major marketers are expected to battle premiums placed on the shorter units, many believe the higher prices ultimately will hurt smaller, or single-brand, advertisers, some of which have launched entire campaigns based on :15s.

That's because these advertisers usually buy the :15s as a standalone unit, rather than as a split 30—a regular 30-second unit within which the advertisers place two short spots. Major package-goods marketers are the most frequent buyers of split 30s, using them to match brands within the unit.

In most instances, the networks charge half the cost of a :30 for a solo :15. But CBS-TV said it would start charging premiums for solo :15s in sports programs (AA, Nov. 28), while ABC has already started charging premiums for solos in "NFL Monday Night Football."

CBS said there were no plans for premiums on :15s in other dayparts.

Carnation Co., which has come to rely more heavily on :15s in recent months, said, "We would become concerned if the precedent becomes established and is carried over into other programming. If they put a premium price on the 15-second spot, it becomes less attractive than it is. If they boosted the price, we

(Continued on Page 63)

World News Roundup

LONDON—Foote, Cone & Belding and French agency group Publicis are jointly opening Media Team International in London, Paris and Zurich to handle international media placement of an estimated $20 million in billings for both agencies, which have already merged in several markets.

BARCELONA—Fasa Renault awarded its $8.8 million Renault R-5 car account to RCP/Saatchi & Saatchi effective next March. Incumbent Lintas:Espana will keep Renault's R-21, R-19, R-11 and R-9 auto models, but RCP is becoming a strong contender for the business (AA, Nov. 21).

HAMBURG—Touristik Union International chose Springer & Jacoby here for its new $8.2 million corporate image account.

ZURICH—Omega has launched Seamaster watch, said to be the first wristwatch featuring a chronometer capable of timing sports events down to 1/100th of a second. Joos & Hefermehl handles.

FRANKFURT, WEST GERMANY—McCann-Erickson won the estimated $8 million pan-European Convesco-Isuzu light commercial vehicle account, formerly with Top Media, Duesseldorf. Convesco is a joint venture of General Motors Europe and Isuzu.

DUESSELDORF—Henkel Kosmetik moved its estimated $7 million line of Fa bath cosmetics to DDB Needham Worldwide from GGK.

HONG KONG—Hyatt International Corp. switched its $2.5 million North Asia corporate account to BBDO Hong Kong from J. Walter Thompson Co.

MEXICO CITY—Pfizer affiliate Compania Distribuidora del Centro switched its $2 million shampoo and hair products account to local shop Augusto Elias from Grey Mexico.

Big shops continue to pare their ad jobs

By GARY LEVIN

NEW YORK—This year is winding up like 1987—another string of months in which total advertising job counts at the nation's 10 largest agencies dwindled.

As a group, the agencies sheared 237 jobs from their rolls in the March-to-November period, according to the latest ADVERTISING AGE employment survey. Total advertising employment at those agencies fell to 20,345, off 1.2% from last spring.

The tally counts professional and support positions directly involved in advertising activity. Recruitment, public relations and other ancillary units aren't included.

Between March and November, seven of the top 10 shops cut staffs by anywhere from 0.9% to 6.4%,

(Continued on Page 63)

Who's tightening up staff

Staffing at the top 10 U.S. advertising agencies, ranked by employment, fell 1.2% to 20,345 in November from 20,582 last March. Figures are total agency employment, excluding public relations and consulting. March ranking in parentheses. *Source:* The agencies cited.

	March 1988	Nov. 1988	Change
1. Young & Rubicam (1)	3,050	3,017	−1.1%
2. Foote, Cone & Belding (2)	2,368*	2,346	−0.9
3. Ogilvy & Mather (3)	2,398	2,286**	−4.7
4. Leo Burnett USA (4)	1,935*	2,015	4.1
5. J. Walter Thompson USA (6)	1,902	1,996	4.9
6. Grey Advertising (5)	2,009	1,927	−4.1
7. McCann-Erickson (7)	1,765	1,799	1.9
8. Saatchi & Saatchi DFS (9)	1,700	1,660	−2.4
9. DMB&B (10)	1,697	1,653	−2.6
10. BJK&E (8)	1,758***	1,646**	−6.4

*Figures for this time period were restated from those earlier reported
**As of Sept. 30, 1988 ***As of Feb. 1, 1988

Santa Claus looks like his old familiar self in a 1932 ad for Coca-Cola (top). But by 1985, the Galleria mall had him pretty punked out (bottom l.)—and now we've got Crazy Eddie's infamous spokesman, Jerry Carroll, doing a baldfaced impersonation.

Claus celeb

The clever elves of adland make Santa top pitchman

By BETSY SPETHMANN

He may be the most popular spokesman ever, despite his weight problem and limited wardrobe.

"If you're going to use Santa, you'd better do it well. It's such a cliche, it had better be different," said Nick Gisonde, exec VP and co-creative director at Backer Spielvogel Bates, New York.

The standard has been set by Coca-Cola Co., featuring the old guy in Christmas advertising since the 1930s. In 1931, it commissioned artist Haddon Sundblom to paint his first portrait of Santa. His paintings of St. Nick in different poses, often with children, dominated the company's holiday advertising for more than three decades.

This year, Coca-Cola Co. and Rich's department stores in Atlanta are selling a stuffed doll modeled after the Santa Mr. Sundblom created (AA, Nov. 28).

Fat and full-size—much bigger than the elf suggested in Clement Moore's 1822 poem, " 'Twas the Night Before Christmas"—the Sundblom Santa formed Americans' perception of the big guy.

Since the 1960s, however, Santa has strayed from drinking Coke—he sipped Schweppes soft drinks in 1981, 7UP in 1984 and hot cocoa with NutraSweet in 1986.

Still, he can't slake his thirst with just anything, especially in Ohio, where state liquor laws prohibit Santa from appearing in beer ads.

Holiday retail sales starting to move up—P. 64

Last year, Anheuser-Busch got coal in its stocking for in-store displays that featured Bud Lite spokesdog Spuds MacKenzie in a Santa-like cap and jacket; the state banned the displays.

The state's adamance shows how seriously consumers (and most advertisers) take Santa's image, one perpetuated by age-old legends. Consider how advertising furthers these favorite Santa Claus myths:

• Santa is the patron saint of children.

Eastman Kodak Co., Mars Inc., McDonald's Corp., Nabisco Brands, Sony Corp. of America and others

(Continued on Page 64)

Special Report

Top worldwide research companies

Ranking of global marketing/advertising/public opinion research industry shows domination by merger and acquisition activity

By Jack J. Honomichl

At the ESOMAR Congress in Lisbon last September, Philip Barnard, chairman of Research International-UK, the Ogilvy Group subsidiary, presented an update on the estimated size of the world market for marketing/advertising/public opinion research which, for 1987, he put at $4.7 billion.

Given all the merger and acquisition activity in recent years, it should be no surprise to learn there now is a concentration of ownership in the industry; the 25 largest worldwide research organizations alone, profiled here for the first time, have 1987 revenues of $2.564 billion, or about 54.6% of the world total.

These companies—with headquarters from London to Lincoln, Neb., from Tokyo to Liechtenstein—through acquisitions, joint ventures, less-than-majority equity interests and licensing agreements, have woven a truly international industry which is mingling more and more as time goes on.

The Top 25 company profiles document these sprawling organizations, their ownership, relationships with other research companies and major services—as well as major moves to date.

Today, if there is a research capital of the world, it is London. The dominant player on the world is Dun & Bradstreet Corp., New York, which has about a 22.6% of the world market through acquisition of the A.C. Nielsen Co. and IMS International. (Runner-up is Control Data Corp., Minneapolis, with a 6.9% share.)

Of the Top 25's aggregate revenues of $2.564 billion, 74% are controlled by 12 organizations, which in turn are subsidiaries of large non-research corporations including WPP Group, the Ogilvy Group, Maritz Inc., Daily Mail and General Trust, Equifax and Addison Consultancy Group—in addition, of course, to D&B and Control Data.

Only four of the Top 25 are still privately held, and they account for just 6% of the $2.564 billion. But be cautioned: Hard data are hard to come by for several reasons.

One is that the financials of 12 of the Top 25 are buried in the revenues of their non-research corporate parents. Another is currency relationships, which have fluctuated significantly over the past 18 months, especially the relationship of the U.S. dollar to foreign currencies including the British pound, German deutschmark and Japanese yen.

Jack J. Honomichl covers the research industry and writes a monthly column for ADVERTISING AGE.

©1987 The Stock Market/Meg Shea

When worldwide revenues are put onto a common U.S. dollar basis, as has been done here, these variations make precise conversions difficult. For this report, average conversion rates for 1987 are used. But overall, the declining value of the American dollar has tended to make foreign research companies loom relatively large, and U.S.-only organizations to shrink in relative size and ranking. If we used today's conversion rates, it would make a significant difference in revenues for some companies.

However, through various sources—such as the ESOMAR Directory of member companies; the public reports of the Association of Market Survey Organizations (AMSO) in the U.K.; the SOGO Reports in Japan and the writings of Thomas Marcotty in West Germany; plus much-appreciated assists from Mr. Barnard of Research International; William "Jay" Wilson, president of Starch INRA Hooper and Masanobu Ishikawa, president of Video Research—profiles and revenue estimates for the Top 25 have been developed with workable accuracy.

(If a Top 25 company made a 1988 acquisition, 1987 revenues of the acquired company were added to its revenues.)

Still, there is one possible omission of consequence: the SEMA Metra Group in France, a public company that owns, among many other things, SOFRES, the third-largest research company (after Nielsen and SECODIP) in France, with annual revenues estimated at $22 million. In addition, SEMA has equity interests in Sobemap in Belgium and SOFEMAS in Spain. Documenting the research revenues of the three SEMA companies is the problem, and they could exceed $24.5 million and justify a place on the Top 25 list.

The 25 largest marketing/advertising/public opinion research organizations in the world, per 1987 revenues (plus acquisitions in 1988), follow:

5 Arbitron Ratings Co.

This New York-based organization, acquired by Control Data Corp., Minneapolis, in 1967, has 1,670 full-time employees and in 1987 had revenues estimated at $155 million. (This does not include the estimated $32 million revenues of Broadcast Advertiser Reports, the largest TV commercial monitoring service, and Radio-TV Reports, which Arbitron acquired in 1987.)

The main business of Arbitron is local market TV, cable and radio audience measurement services, which are syndicated. For radio, 259 markets are measured periodically and 79 year-round, via mail diaries. For TV, Arbitron measures 213 markets (ADIs), 13 of which are measured by a combination of meter panels and diaries. The Denver market was measured by a people meter panel, ScanAmerica, which also ob-

(Continued on Page S-11)

Largest world networks

In addition to the large multinational companies on the Top 25 listing, there are international networks, or associations, comprised of a mix of affiliates and/or wholly-owned or partially-owned subsidiaries. Using central offices, clients can place survey projects around the world through these networks. The largest such networks are listed below.

Research network	No. of countries
Gallup International, London	42
International Research Associates (INRA), a division of Starch INRA Hooper, Mamaroneck, N.Y.	28
Burke International Research, New York. Jointly owned by SAMI/Burke and Infratest	20
Research International, London	20

Research companies

(Continued from Page S-1)
tains electronic measurements (via a hand-held wand) of UPC barcodes on packaged goods brought into the home. In 1988, Arbitron announced plans to roll out the ScanAmerica system nationally, with a five-market Phase II expansion to be completed by 1989.

President of Arbitron and a vp of Control Data is Anthony J. Aurichio, 51.

21 Audits & Surveys Inc.

This privately-held corporation, headquartered in New York City, was founded in 1953. Revenues are estimated at $28.5 million.

A&S is organized as follows: (1) Survey Division—ad hoc sample surveys for consumer and business-to-business, specializing in media audience studies; (2) Test Audit Division—custom audits of product movement at retail, controlled store tests and in-store observation distribution checks; (3) National Total Market Audit—syndicated audit programs including all types of retail outlets (e.g., mass merchandiser, hardware stores, gas stations) relevant to the distribution of the product class being measured, plus an annual sample census of 40,000 retail outlets in the U.S. to establish national projections by type (e.g., barber shops and restaurants) and the extent to which these outlets stock various consumer products; (4) CTIS (Central Telephone Interviewing System)—central telephone interviewing centers in New York, Philadelphia, Chicago and Toronto, equipped with computer-assisted telephone interviewing (CATI) software systems developed by A&S for field and tab work and (5) in Princeton, N.J., a unit specializing in surveys for government agencies.

Overseas, A&S has close links to IPSA S.A. Audits & Surveys Latinamerica, headquartered in Buenos Aires, which does syndicated store audit programs and survey work in South America through subsidiaries in Brazil, Chile, Peru and Uruguay. A&S owns from 30% to 50% equity in each of the IPSA companies. Recently, A&S also established a joint venture program with MRS in Japan, and is just starting a 20-country (Europe and Pacific Basin) program for Coca-Cola to produce tracking studies on soft drink consumption. A&S founder, chairman and CEO is Solomon Dutka, 65.

14 Cecodis S.A.

This corporation, founded in 1963 and headquartered in Chambourcy, near Paris, had revenues of $45 million in 1987. About one-half of its shares are owned by large marketers; 13% is owned by top management and 22% is owned by Pergamon/AGB Research (No. 3).

Secodip, the Cecodis trading company in France, is the second largest marketing/advertising research organization in France (after Nielsen). Its activities include consumer mail purchase panels, retail store audits to track product movement nationally and locally, panels of households with meters (now national but starting to go into local markets) to measure TV viewing, ad hoc surveys and a measurement of ad expenditures similar to BAR in the U.S.

Cecodis has an 85% ownership in Dympanel, a mail purchase diary panel in Spain. Cecodis and Dympanel are currently starting Autoteste, a panel company in Portugal, in which they will have a 36% interest. President of Secodip is Bernard Pinet, 52.

20 Elrick & Lavidge Inc.

Chicago-based Elrick & Lavidge, founded in 1951, is a wholly-owned subsidiary of Equifax Inc., Atlanta, a public company with annual revenues of $738 million.

E&L has annual revenues of $28.8 million, $12 million of that from Quick Test Opinion Centers, Philadelphia, the second-largest data collection network in the U.S. with 21 mall sites (19 with focus group facilities), 6 telephone interviewing centers and 112 full-time employees.

E&L, through a network of seven full-service offices in the U.S., conducts general ad hoc market research in the areas of business-to-business, financial, health care, telecommunications, utilities and litigation.

E&L president is J. Edward Shrawder, 51.

7 GfK Group

This multinational organization, founded in 1934, is an association—GfK Nuremberg E.V.—chartered by the city of Nuremberg, West Germany.

About 700 member companies (manufacturers including Nestle) pay an annual fee to belong to the association, and GfK is charged with being responsive to their marketing information needs, either by building services or making acquisitions. The member companies are not obligated to put research projects through GfK, but are likely to do so. Nonmember companies can use GfK for research.

The operating company, GfK GmbH, headquartered in Nuremberg, has 12 wholly-owned subsidiaries: five in Germany and seven in other countries. GfK also has majority interest in research organizations in ten countries and less-than-majority interest in four others (two headquartered in New York), the latest being IHA (No. 24) in which GfK recently acquired 5% with an option to acquire an additional 20% ownership.

GfK has annual revenues estimated at $102 million, of which 73.4% is from Germany, where there are about 800 GfK employees.

A main activity of the group is the operation of diary-type household purchase panels to

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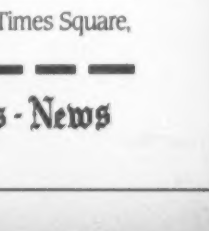

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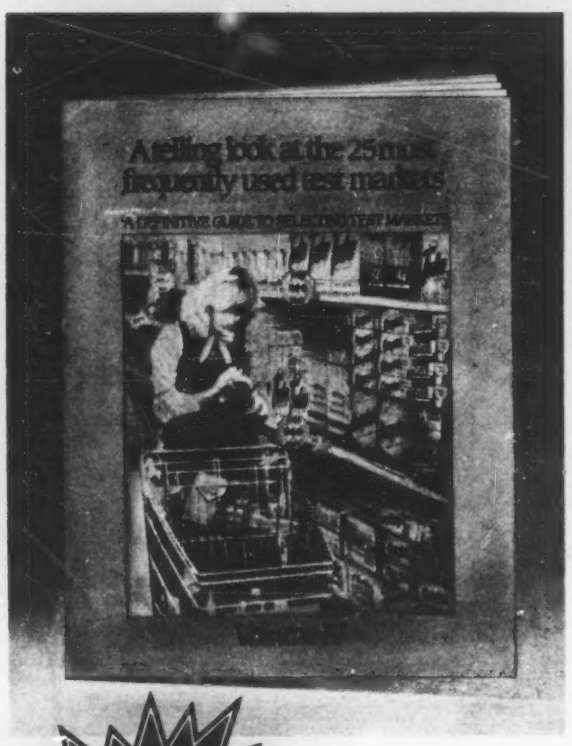

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Research companies

(Continued from Page S-11)
track market size, share and acceptance of new products. GfK subsidiary companies operate such panels in Austria, Belgium, Sweden and in Germany through its independent subsidiary company, G+I Forschungsgemeinschaft fur Marketing.

Other GfK activities include TV audience measurements via panels of metered households, analysis of census data, automotive research, business-to-business research, communications research and general ad hoc marketing research. One unit publishes syndicated analysis reports based on market dimension data from European countries: for instance, a pharmaceutical market analysis for 17 European countries.

GfK has a joint venture with Information Resources Inc. (No. 6) to operate a single-source test marketing facility (a la BehaviorScan) in Germany, and an "agreement to agree" with IRI to set up a separate joint venture organization to build single-source test market systems and syndicated market tracking systems, similar to IRI's InfoScan, in several European countries.

This agreement has not been finalized to date. In addition, GfK is the German market licensee for the ACT TV copy testing methodology of McCollum/Spielman Research, Great Neck, N.Y. Also, GfK has two joint venture projects, NGA and Intelec, with The NPD Group (No. 23) to produce syndicated measures of sporting goods and consumer electronic products in the U.S. and Europe.

CEO of GfK is Werner Ott, 64.

24 IHA Group

IHA (Institute for Household Analysis) with headquarters in Hergiswil, Switzerland, near Lucerne, was founded in 1959 and has revenues of $25.4 million, about 35% of all marketing/advertising/public opinion research expenditures in Switzerland. GfK GmbH Nuremberg (No. 7) owns 5% of IHA with an option to acquire an additional 20%.

Technically, IHA is a corporation, partly employee-owned, which is controlled by the Dr. Manfred Hoessly Foundation for the welfare of employees of Allgemeine Treuhand A.G. (ATAG), a public accounting firm.

IHA Institute for Market Research, the main operating company, has activities organized by (1) household diary purchase panels for consumer packaged goods; (2) medical/pharmaceutical research through panels of drug stores, hospitals, dentists and physicians; (3) panels of retail outlets to collect purchase data on film, consumer electronic products and sporting goods; (4) Invesdata, specializing in data collection, including phone interviewing via computer-assisted telephone interviewing (CATI) systems and; (5) new in 1987, a separate sales service unit that does direct marketing and telemarketing for clients. In addition, IHA, in cooperation with the Swiss Broadcasting Corp. (SRG), operates a system called Telecontrol, which provides electronic measurement of TV viewing from a panel of households.

In 1987, IHA began using in-home, hand-held scanners in panel households to record purchase of packaged goods via scanning of EAN (UPC) barcodes. Also, IHA collects purchase data from panels of EAN scanner-equipped stores for promotion testing.

The GfM Research Institute of the Swiss Marketing Society, founded in 1943, was integrated into IHA in 1975; it specializes in survey research, both consumer and business-to-business. About 31% of IHA revenues are attributable to GfM.

General director and president of IHA's board is Elmer Wohlgensinger, 49.

2 IMS International

This conglomerate, with dual headquarters in London and New York, generated research-only revenues of $297.6 million in 1987, and in 1988 was acquired by Dun & Bradstreet, New York.

Founded in 1954, IMS is a conglomerate with subsidiaries in 64 countries and about 3,600 employees working in its Marketing Research Division, which specializes in pharmaceutical work. Its main clients are nearly 50 drug companies, including Sandoz, Merck & Co., Beiersdorf A.G., Hoffman-LaRoche, Baxter Travenol, Hoechst A.G., G. D. Searle & Co., SmithKline Beckman and Eli Lilly. The North American subsidiary, which accounts for about one-half of the Marketing Research Division revenues, is headquartered in Ambler, Pa.

Syndicated services include ongoing reports on movement of ethical pharmaceuticals, over-the-counter (OTC) pharmaceuticals, medical diagnoses and treatments, medical promotional efforts, hospital laboratory supplies, animal health products and personal care (HBA) products. These systems measure market size and trends, user characteristics, acceptance of new products and impact of promotional efforts.

IMS collects data from panels of physicians (estimated at 100,000), pharmacies, drug wholesalers (estimated at 7,000), hospitals, veterinarians, hatcheries and laboratories. One of its largest services is a territorial analysis for pharmaceutical company sales management.

In addition to the 64 countries where it has subsidiaries, IMS produces data reports on pharmaceutical product movement in an additional 33 countries.

President-CEO of IMS is Serge Okun, 42.

6 Information Resources Inc.

This Chicago-based public company, founded in 1978, has a range of services including: BehaviorScan, a network of nine small communities with single-source date collection systems for advertising, new product and promotion test marketing; InfoScan, a nationwide single-source system for tracking of product movement and share of market that integrates purchase panel data from more than 70,000 households with sales, feature ad, coupon, display and price data from more than 2,400 supermarkets in 44 major metropolitan areas, plus panels from the rest of the U.S.; ASSESSOR simulated test market service and custom research through a subsidiary, the Data Group, Inc., Philadelphia.

In 1987, IRI acquired ABA Groups and IRI/ABA Inc., as it now is called, markets Apollo, a shelf-space management systems that enables retailers and manufacturers to measure and manage the profit performance of retail shelf space.

IRI has a joint venture agreement with GfK (No. 8) to operate a BehaviorScan single-source testing facility in Ludwigshafen, West Germany. Also, IRI has an "agreement to agree" with GfK to set up a new entity to build and market InfoScan and BehaviorScan systems in several European countries. Details have not been finalized. Also, IRI markets software/systems through subsidiaries in the U.K., France and Australia.

IRI has about 900 full-time salaried employees. Founder and chairman is John Malec, 43.

9 Infratest Forschung GmbH. & Co.

This multinational organization, headquartered in Munich, is a private corporation founded in 1947, whose primary business is radio audience research for Bavarian Radio.

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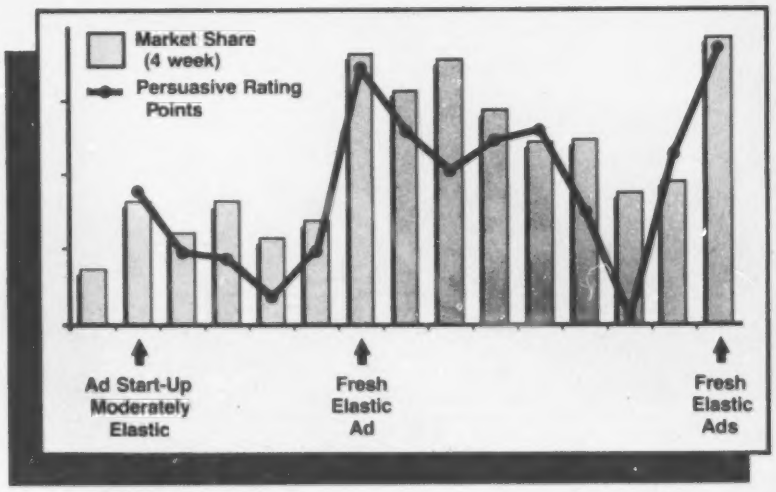

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pany includes six operating units within West Germany, one of which (FMG) in turn has four subsidiaries. In 1980 Infratest acquired, from what was then Burke Marketing Services (now SAMI/Burke, No. 4), full-service research companies in Germany, Sweden, France, the U.K. and Italy, and rights to the Burke name in Europe. In 1987, Infratest and Inter/View, a Dutch organization, formed a holding company, Burke N.V., headquartered in Amsterdam, which expanded the Burke European network to include units in The Netherlands, Belgium and Spain.

In addition, Infratest has joint ownership, along with SAMI/Burke, of Burke International Research, New York, which fields surveys through the European network plus Burke in the U.S. and Canada and other ex-Burke affiliated firms in Japan, Argentina, Taiwan, Australia, Brazil and Venezuela.

Operations in West Germany, which accounted for about 55% of total Infratest revenues of $66.8 million in 1987, include print and electronic media research; the BASES prediction model; research for manufacturers and vendors of equipment and software in the field of information processing; custom ad hoc survey research; corporate image and public opinion research; business-to-business research; and research for the pharmaceutical and automotive industries.

Founders and co-chairmen are Wolfgang Ernst, 66, and his wife, Lena-Renate Ernst.

13 M/A/R/C Inc.

A public corporation founded in 1965, M/A/R/C had total revenues of $58.2 million in the year ending March 31, of which $50.3 million was from marketing research activities. (The balance was attributable to data base management for direct marketing activities.)

M/A/R/C's custom marketing research operation provides full-service survey research, consultation, marketing sciences design and analysis, predictive modeling for new product testing and forecasting, software and facilities management and customer satisfaction measurement programs.

Data collection is via three central telephone interviewing centers totaling 235 CRT-equipped stations; Local Market Network (LMN), an on-line system that electronically ties independent mall or central location facilities, which have an additional 150 phone positions, in 33 markets to M/A/R/C's central computer center; National Neighborhood Panel service based on 38,000 households clustered around 33 LMN sites; and the National Panel, a balanced mail panel of 100,000.

M/A/R/C's automated interviewing and tabulation systems, which can be used to collect date electronically on mini-computers as well as PCs, is used via licensing agreements in eight European countries, and a Chinese language version is in use in Hong Kong.

Chairman-CEO of M/A/R/C is founder Cecil B. "Bud" Phillips, 64.

15 Maritz Marketing Research

Founded in 1973, MMRI is a wholly-owned subsidiary of Maritz, Inc., a privately-held corporation which had an estimated $1 billion in annual revenues and specializes in employee motivation packages.

MMRI, headquartered in St. Louis, has revenues of $38 million, about 41% of which comes from Quality Controlled Services (QCS), the largest U.S. data collection field service with 19 permanent mall locations (plus access to four more), 36 focus group suites and 496 central phone lines.

The full-service segment of MMRI does general marketing research through eight branch offices, the latest in Chicago via acquisition of Alpha Research Group in 1987. In addition to syndicated studies for the agricultural and automotive industries, MMRI conducts new car clinics for auto makers, and revenues from this activity alone were $12 million in 1987.

MMRI president is William H. Lewellen, 57.

16 Market Facts Inc.

This Chicago-based company had revenues of $37.4 million in 1987, including Market Facts-New York, a wholly—owned subsidiary, but excluding Market Facts of Canada, which has annual revenues estimated at U.S. $5.6 million and is 50% owned by Market Facts.

Founded in 1946, Market Facts is a public company with 500 full-time salaried employees. U.S. activities include a 250,000-household mail panel, the Marketest facilities for in-store experimentation, custom ad hoc surveys and TeleNation, an omnibus telephone survey and shopping mall facilities service. There are five full-service branch offices in the U.S.

Chairman-CEO of Market Facts is Verne B. Churchill, 55.

25 MIL Research Group PLC.

This London-based organization, with 1987 revenues of $24.5 million, includes MIL Research Group, London; MIL Research, Chicago; MIL Research Group (Deutschland) GmbH in Cologne; and Market Measures, West Orange, N.J., a company specializing in market research for the pharmaceutical industry; plus several other small research operations in the U.K.

business is in syndicated and ad hoc research for consumer products, especially automotive products; healthcare, primarily ethical pharmaceuticals and diagnostic equipment and industrial products, primarily information technology equipment.

Approximately 65% of U.K. revenues come from automobile manufacturers, and almost all the European manufacturers

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Research companies

are clients. Services include CAR Park, an annual image study of manufacturers among car owners in 12 European countries, and CAR Buyer Survey, which profiles purchasers of new cars.

Founder and chairman-CEO of MIL is Rudolph W. Goldsmith, 62.

12 MRB Group Inc.

MRB, a subsidiary of JWT Group, New York, became part of WPP Group, PLC, a London-based marketing service conglomerate, when WPP purchased JWT in 1987. MRB annual revenues of $61.1 million came from two U.S. units, Simmons Market Research Bureau, New York, and Winona Market Research Bureau, Phoenix; British Market Research Bureau, Mass-Observation and MRB International in London; Basisresearch in Frankfurt, West Germany; Hellas MRB in Athens and Japan MRB in Tokyo. During 1987, MRB divested two units, Market Behavior in London and MERAC in Bahrain.

Simmons, largest of the units, conducts an annual U.S. survey, "Study of Media & Markets in the U.S.," including exposure to media, brand usage and financial services. It also conducts syndicated and ad hoc newspaper audience research, and a custom survey division does general marketing research. Winona, with offices in Phoenix and Minneapolis, does telephone survey work and in-store studies. About 63% of MRB revenues come from the U.S.

MRB Group, with 642 full-time employees, is headquartered in New York. Chairman-CEO is Frank Stanton, 57.

1 Nielsen

Two units of what was A.C. Nielsen Co. before its acquisition by Dun & Bradstreet Corp. in 1984—Nielsen Marketing Research Group and Nielsen Media Research—had revenues estimated at $765 million in 1987, about 60% coming from subsidiaries in 26 countries outside the U.S.

(D&B also owns IMS International, ranked No. 2, and in 1987 tried to acquire Information Resources Inc. No. 6, a move blocked by the U.S. for possible restraint of trade.)

Nielsen Media Research in the U.S. operates a national panel of 4,000 households with people meters to measure TV audience size and viewing habits. It also operates local-market meter panels in 17 markets. Overseas, Nielsen Marketing Research has TV audience measurement systems in Japan, France, Canada, Finland, Colombia, Mexico and Greece.

Nielsen Marketing Research USA operates two national product movement tracking services: National Food and Drug Index, based on invoice audits of retail outlets, and Scantrack/ScantrackPlus, which operates panels of UPC scanner-equipped supermarkets in 50 markets. Also, a new unit, NPD/Nielsen (Nielsen acquired the Packaged Goods Division of NPD, No. 23, in 1987), is building a national 15,000-household Scantrack Household Panel system in which households will be metered to capture TV viewing data and purchases of packaged goods will be measured in-home via the use of a hand-held scanner wand.

Also in 1987-88, Nielsen Marketing Research closed down its ERIM single-source test marketing facilities; acquired MAJERS, an Omaha, Neb.-based company specializing in supermarket promotion measurements; acquired a research company in Finland; took an equity position in Metaphor Computer Systems, Mountain View, Calif., a company specializing in information delivery systems development, and in the U.K. acquired Syndicated Data Consultants, from NOP Market Research (No. 19) and Penarvon PLC., Gwent, Wales—both specializing in retail audits of product movement.

Nielsen Marketing Research Group subsidiaries around the world offer a mix of survey research, market tracking systems and test market facilities, with each country's lineup being unique.

Chairman-CEO is John C. Holt, 49, who also is an exec-vp of Dun & Bradstreet.

19 NOP Group

This London-based organization, founded in 1957, became a commercial market research company in 1965, a unit of Associated Newspaper Holdings, which recently was acquired by Daily Mail & General Trust.

NOP includes NOP Market Research, specializing in ad hoc and omnibus surveys, qualitative research, studies for governmental agencies and an outdoor advertising audit; Survey Research Associates, a general market research company; Fieldwork International; Burns Research Partners, a unit specializing in qualitative research; Numbers, an EDP bureau; and, in the U.S., R. H. Bruskin Associates, New Brunswick, N.J., acquired in 1986. In 1987, NOP sold a subsidiary, Syndicated Data Consultants, a store audit specializing in cosmetics and toiletries, to Nielsen (No. 1).

NOP's total revenues are $29.7 million, of which about 73% is in the U.K. Chairman is John H. Barter, 54.

23 NPD Group

This conglomerate, a privately-held corporation, had revenues of $25.7 million in 1987, 97.7% from U.S. activities.

Headquartered in Port Washington, N.Y., NPD services include syndicated market tracking services, utilizing mail diary panels and/or store audit data for industries including toys, apparel, textiles, sporting goods, jewelry, automotive products, consumer electronic products and the in-home consumption of foods/beverages and custom survey/modeling services through its 200,000-household HTI panel and telephone interviewing capability.

In 1987, NPD acquired Smart, Inc., a research company specializing in the sporting goods field, and in 1988, Marketing Network, an Atlanta-based telephone survey company.

Through GfK (No. 8), NPD has a joint venture called NGA to report the movement of sports products in the U.S. plus Europe. Another joint venture, Intelec, with Gfk and TRM in Japan, reports on the movement of consumer electronic products. NPD has a minority position in International Surveys, Toronto, the leading Canadian mail diary panel company.

President-CEO of NPD is Tod Johnson, 43.

3 Pergamon/AGB PLC

This conglomerate, founded as a survey firm in 1962 by Messrs. Audley, Gaper and Brown (hence, AGB), went public in 1970 and, through the acquisition of about 60 companies, has built a multinational (21-country) operation that had research-only revenues of $195 million in 1987, 58% of which came from U.K. operations. About 20% came from a U.S. subsidiary, NFO Research, Greenwich, Conn., which was acquired in 1982.

This year, AGB was acquired by Robert Maxwell, British printing-publishing baron, through a Maxwell operating company, Pergamon Professional & Financial Services, London, and that plan called for merging the two into a new public company, Pergamon/AGB PLC, controlled by the Maxwell Foundation, Maxwell's holding company headquartered in Liechtenstein.

In the U.K., AGB is basically a panel company, with syndicated systems measuring the purchase of consumer packaged goods and appliances and the measurement of TV audience viewing with people meters. Also, in the U.K., AGB does ad hoc survey work.

AGB has TV audience measurement systems in 13 countries from Hong Kong to Italy, some of which are meter panels, some people meter panels and some mail diary panels. (Another partly-owned U.S. unit, AGB Television Research, which was established to provide national TV audience measurement services in competition with Nielsen, is in the process of being closed down.)

Around the world, AGB owns GFM-Getas, Hamburg, the fifth-largest research company in West Germany; 22% of Cecodis S.A. (No. 14) in France and 66% of ASI Market Research in Japan. A network of subsidiaries, including AGB/SRG, has operations throughout the Pacific Basin including Singapore, Taiwan, the Philippines, Australia and New Zealand. A subsidiary in Hong Kong conducts syndicated surveys in mainland China.

Chairman-CEO of the newly-formed Pergamon/AGB PLC is Sir Bernard Audley, 64, chairman and one of the founders of AGB.

8 Research International

This custom ad hoc survey research organization, headquartered in London, was put together and owned by Unilever until 1987, when it was

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Roger Williams Mint

acquired by the Ogilvy Group, New York. Annual revenues are $93.1 million, of which about 27% is in the U.K. and 26% in the U.S.

RI operates through subsidiaries in 14 countries plus associates, who pay a management fee and can use the RI name, in five other countries. Wholly-owned subsidiaries in the U.S. are Decisions Center, New York, acquired in 1987, and Cambridge Reports, Cambridge, Mass., acquired in 1988.

RI has 1,060 full-time employees and does survey work in 35 countries. Through acquisition from Interpublic, RI owns rights to the Marplan name in Germany and the U.K. Last month, RI announced its intention to sell Marplan Ltd., the U.K. unit, to the Reflexions Group, A British qualitative research company. Chief exec of RI is Ian M. Hunt, 57.

4 SAMI/Burke INC.

This Cincinnati-based organization, created through a merger of SAMI Inc. and Burke Marketing Services, was acquired by Control Data Corp. in 1987. Revenues are estimated at $170 million for 1987.

Activities break down as follows: SAMI, whose basic business is syndicated tracking services for packaged goods, has the traditional SAMI warehouse withdrawal service furnishing 28-day reports on 54 SAMI market areas for some 500 product classes, plus the SAMSCAN service that collects data from panels of UPC scanner-equipped supermarkets in 48 markets; the BASES Group, a modeling organization to support product, promotion, advertising and competitive strategy decisions; the Test Marketing Group, which employs the four AdTel markets, controlled store testing, and—in some markets—advanced technology (i.e., TV meter households) to provide services for new product, advertising and promotion evaluation; Burke Marketing Research, which specializes in full-service surveys and field and tab projects, and the Burke Institute, which produces academic courses on a variety of research methodologies.

Along with Infratest (No. 9), Burke is part-owner of Burke International Research, New York, which coordinates ad hoc survey projects in 40 countries. SAMI/Burke owns a subsidiary, Burke International Research, Agincourt, Ont. President of SAMI/Burke is Jack E. Brown, 44.

17 Social Research Institute

This privately-held corporation based in Tokyo has among its major shareholders three Japanese banks and three insurance companies. Total revenues are estimated at $82.6 million, with about 61% derived from such things as EDP services and data base management.

The balance, estimated at $32.5 million, comes from consumer marketing research activities such as syndicated surveys; panels of drug stores which are audited to measure product movement and share of market; and mail panels, including a large household consumer panel to measure consumer packaged goods purchases.

President of SRI is Hisao Tajima, 63.

18 SRI Research Center

The parent of this Lincoln, Neb.-based company is Selection Research Inc., a privately-held corporation, which has annual revenues estimated at $45 million. The SRI Research Center, Inc. has survey research revenues estimated at $32 million, including those of Tarrance, Hill, Newport & Ryan, a political and public affairs survey research company in Houston that was acquired in 1987, and the Gallup Organization, Princeton, N.J., acquired in 1988. These two units account for about 44% of the SRI Research Center revenues.

In Lincoln, SRI has a central telephone interviewing facility with about 220 stations (part of which is now being converted to CATI), and its specialty is survey work. Also, SRI does TV copy testing, advertising image and effectiveness studies, consumer research for hospitals and financial institutions and audience research for radio/TV stations. The Gallup unit specializes in custom ad hoc and shared-cost survey work.

The parent company, Selection Research, specializes in people/organizational studies—employee morale, productivity, customer orientation, integration of new staff and internal communications. CEO of SRI Research Center is James K. Clifton.

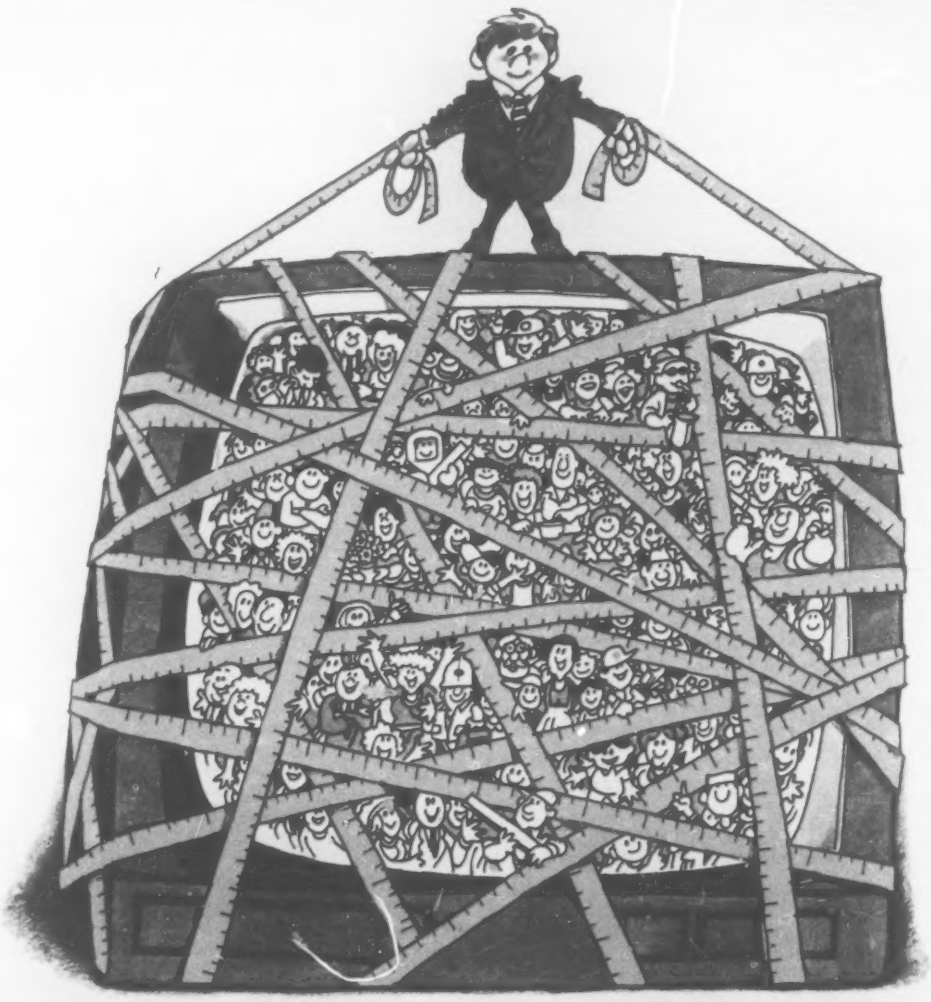
22 Taylor Nelson Group/ MaS Group

Addison Consultancy Group PLC, a London-based conglomerate consisting of advertising agencies, public relations and design companies and a marketing research division, has revenues of about $142 million.

The marketing research units are Taylor Nelson Research (acquired in 1986); MaS Group; Vepro in France and NOVA Research, a San Francisco-based group specializing in package design research, which was acquired when Addison acquired AIDCOM. In total, these units have annual revenues of $28 million.

Taylor Nelson Research, headquartered in Epson, Surrey, U.K., operates the Family Food Panel, an ongoing study of in-home food/beverage preparation/consumption; DataPlus, a field and tab operation; syndicated omnibus surveys in the financial community; media studies; a Personal Care Panel that reports on usage of products for hair, skin and teeth; a unit specializing in medical/healthcare research; and package design. MaS, based in London, is a full-service survey company with omnibus surveys.

Elizabeth Nelson, 57, one of the founders of Taylor Nelson,



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Top 25 research companies worldwide

Rank	Organization, Location	Research only revenues* ($ mill.)	Number of countries (subsid.)	Chief executive	Parent company, location
1	**Nielsen,** Northbrook, Ill.	$765.0	27	John C. Holt	Dun & Bradstreet, New York
2	**IMS International,** New York & London	297.6	64	Sergio Ghini	Pen & Bradstreet, New York
3	**Pergamon/AGB,** London	195.0	21	Sir Bernard Audley	Maxwell Foundation, Liechtenstein
4	**SAMI/Burke,** Cincinnati	170.0	2	Jack Brown	Control Data Corp., Minneapolis
5	**Arbitron Ratings Co.,** New York	155.0	1	Anthony J. Aurichio	Control Data Corp., Minneapolis
6	**Information Resources,** Chicago	105.5	1	John Malec	Public company, Chicago
7	**GfK Group,** Nuremberg	102.0	11	Werner Ott	Public association, Nuremberg, W. Germany
8	**Research International,** London	93.1	14	Ian Hunt	The Ogilvy Group, New York
9	**Infratest,** Munich	66.8	6	Lena-Renate Ernst, Wolfgang Ernst	Privately-held corporation, Munich, W. Germany
10	**Video Research,** Tokyo	65.8	1	Masamoto Ishikawa	Public company, Tokyo
11	**WESTAT,** Rockville, Md.	61.3	1	Joseph A. Hunt	Employee-owned, Rockville, Md.
12	**MRB Group,** New York	61.1	5	Frank Stanton	WPP Group, London
13	**M/A/R/C,** Irving, Texas	50.3	1	Cecil B. Phillips	Public company, Irving, Texas
14	**Cecodis,** Chambourcy, France	45.0	2	Bernard Pinet	Closely-held corporation, Chambourcy, France
15	**Maritz Marketing Research,** St. Louis	38.0	1	William H. Lewellen	Maritz Inc., St. Louis
16	**Market Facts,** Chicago	37.4	2	Verne P. Churchill	Public company, Chicago
17	**Social Research Institute,** Tokyo	32.5	1	Hisao Tajima	Privately-held corporation, Tokyo
18	**SRI Research Center,** Lincoln, Neb.	32.0	1	James K. Clifton	Selection Research, Lincoln, Neb.
19	**NOP Market Research,** London	29.7	2	John Barter	Daily Mail & General Trust, London
20	**Elrick & Lavidge,** Chicago	28.8	1	J. Edward Snowden	Equifax, Atlanta
21	**Audit & Surveys,** New York	28.5	1	Solomon Dutka	Privately-held corporation, New York
22	**Taylor Nelson/MaS Group,** Epsom, Surrey	28.0	2	Elizabeth Nelson	Addison Consultancy Group, Epsom, Surrey, U.K.
23	**The NPD Group,** Port Washington, N.Y.	25.7	1	Tod Johnson	Privately-held corporation, Port Washington, N.Y.
24	**IHA Group,** Hergiswil, Switzerland	25.4	1	Elmar Wolfgensinger	M. Hoomly Foundation, Hergiswil, Switzerland
25	**MIL Research Group,** London	24.5	3	Rudolph W. Goldsmith	Public company, London

Source: Jack Honomichl survey for Advertising Age. Notes: *Revenues. These are, as best can be determined, 1987 research-only revenues (turnover) for calendar 1987 plus revenues for any organizations made during 1988 so far. Some of these organizations have higher total revenues when non-research activities are included, as is explained in the company profiles. Because of currency fluctuations during 1987, some foreign-based companies' figures are approximations.

Research companies

serves as chairman of the Taylor Nelson Group and as one of three directors on the Addison board. She is a native of New Hampshire.

10 Video Research

This company, which started in 1962 as a TV audience measurement service, now has a variety of research services and annual revenues of $65.8 million, all in Japan.

Originally funded by Dentsu Inc., the giant Japanese advertising agency that still owns 36% of VR's stock, VR has 24 corporate stockholders, mostly broadcasting companies and ad agencies, plus Toshiba Inc. (In addition to its stake in VR, Dentsu also owns Dentsu Research, the fourth-largest Japanese research company, with annual revenues of about $120 million.)

Today VR, in addition to TV meter panels for audience ratings, conducts radio audience research, public opinion surveys, new product development studies, ad effectiveness and creativity studies, company image surveys and sales promotion effectiveness studies. Most clients are advertising agencies and TV stations.

VR operates a single-source test marketing system, VR homeScan, which relates TV viewing to product purchasing with a UPC scanner used in-home to record product purchases.

VR has seven branch offices in Japan and 264 employees. President is Masanobu Ishikawa, 61.

11 WESTAT Inc.

This organization, which is headquartered in Rockville, Md., is an employee-owned corporation with almost all of its 520 full-time employees holding shares.

WESTAT, founded in 1961, is unique in that almost all its survey work is for agencies of the federal government, and in a given year there are about 320 projects, some of which span two or more years. (For instance, a current project is the National Medical Expenditures Survey sponsored by the Department of Health & Human Services on which WESTAT is prime contractor.)

Revenues in 1987 were $61.3 million, including those of a subsidiary, Crossley Surveys, New York, which WESTAT acquired in 1983.

Data collection is through a central telephone interviewing facility (104 stations) in Rockville, plus door-to-door, most of which moves through WESTAT's 12 field supervisor offices and an interviewing staff of 270, most of whom work only for WESTAT.

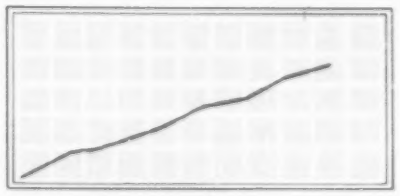
President-CEO is Joseph A. Hunt, 52, and Edward C. Bryant, 72, a founder of the company, is chairman emeritus.

Executive editor-Features/Special Report Robert Goldsborough coordinated this report on Marketing/Advertising Research.

Coming

Next week ADVERTISING AGE's Special Report will focus on **Packaging.**

MARKETING RESEARCH



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Dow Spiffits cleaners court working women

By LAURIE FREEMAN

DowBrands is betting $18 million on a new product aimed at making next year's spring cleaning chores easier.

The division of Dow Chemical Co., formerly known as Texize, will introduce nationally Spiffits, five household-cleaning products that combine cleaners with disposable cloth towels.

"The core of the concept is one-step cleaning," said Susan Crow, group product development manager. "It's particularly relevant for today's working women who have less time to clean and are willing to pay a premium for convenience."

In the $18 million campaign, created by Henderson Advertising, Greenville, S.C., a 45-second umbrella spot introduces the entire family of Spiffits: a soft scouring cleanser, glass cleaner, furniture polish/cleaner, multipurpose cleaner, and bathroom cleaner.

Five 15-second spots each feature a different Spiffits variety.

The national TV campaign, which breaks in May, will be supported through the summer by print ads, couponing and sampling. Spiffits will ship to retailers in March.

While "convenience cleaning" has been a buzz word among household-cleaning product marketers for most of the 1980s, few new products have met consumers' desire to give the house a quick once-over.

Trade materials say Spiffits, priced at about $2.50, will single-handedly create a $100 million cleaning category for moist towels.

Working women, who comprise more than 53% of the nation's work force, have less time to spend cleaning and each year appear less inclined to devote leisure time to clean the house (AA, April 4).

As a result, sales of household cleaners have declined. The category posted sales of $581 million last year, down 0.3% from 1985, while volume dropped 5% to 460 million units, according to SAMI/Burke.

The closest competitor to Spiffits is Once Overs, a disposable bathroom cleaning towel that Kimberly-Clark Corp. has been testing since October 1987 (AA, Oct. 5, *et seq.*).#

Julie Liesse Erickson in Chicago contributed to this story.

Ad jobs

(Continued from Page 3)

while three others increased their head counts by 1.9% to 4.9%.

In two previous surveys, covering the November 1987-to-March 1988 period and the January 1987-to-November 1987 period, seven of the top 10 also reported cutbacks. While gains came mainly from new business, cutbacks tended to stem from belt-tightening measures, not merely lost accounts.

The new results mark a continuation of the slow downward trend of the past two years. From November 1987 to last March, the count dropped 3%.

Rankings compared with those compiled in March showed J. Walter Thompson USA moving to fifth place from sixth in total advertising employment, switching spots with Grey Advertising, on the strength of 92 jobs added from several new-business gains during 1988. That brought JWT's total to 1,996.

The new JWT figure, representing the largest single hiring increase among the top shops in the March-to-November period, still remains lower than the agency's job count of 2,200 in January 1987, when JWT still handled the $200 million Burger King Corp. account. The Burger King loss prompted a series of layoffs at the agency.

The only other gainers among the 10 largest employers were No. 4 Leo Burnett USA, up 4.1% on the strength of new-business wins, and No. 7 McCann-Erickson Worldwide, up 1.9%. Both Burnett and McCann reported gains in the November 1987-to-March survey periods as well.

Bozell, Jacobs, Kenyon & Eckhardt, following cost-cutting measures imposed with its leveraged buyout this year from Lorimar Telepictures Corp., dropped from eighth to 10th place, losing 112 jobs, or 6.4% of its work force. That was the biggest change among the top 10 agencies.

As a result, Saatchi & Saatchi Advertising and D'Arcy Masius Benton & Bowles moved up a notch, to eighth and ninth place, respectively. Saatchi's employee total was down due to the loss of $80 million in RJR Nabisco business, much of which went to No. 2 Foote, Cone & Belding. That agency nonetheless reported a 0.9% employment drop.

Young & Rubicam stayed on top despite a 1.1% employment drop, while Ogilvy & Mather remained No. 3.#

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For the Record

JOS. E. SEAGRAM & SONS' elimination of half of its product line probably won't affect its ad agency lineup, a company spokesman said. Seagram's agencies are Ogilvy & Mather; DDB Needham Worldwide; Wells, Rich, Greene; and Pedone & Partners, all New York. Seagram last week announced that it's stopping production of two brands, giving up marketing rights to four brands, and will sell 18 others. The move is part of a larger industry trend to concentrate on premium spirits with high margins. Industry observers speculate a smaller company specializing in price brands or a foreign concern might buy some of the largely unadvertised brands.

KIDDER, PEABODY & CO., New York, is reviewing seven agencies for its consolidated $5 million corporate and national sales accounts. Doremus & Co., which currently handles corporate, and Margeotes/Fertitta & Weiss, which does national sales, are in the review. Ammirati & Puris; Grace & Rothschild; Jordan, McGrath, Case & Taylor; Hill, Holliday, Connors, Cosmopulos; and Lord Einstein O'Neill & Partners also will take part.

MFI FURNITURE GROUP, London, added **Geers Gross** to its agency roster. Geers Gross will handle TV, color print media buying and Hygena furniture. Incumbent Brunning Group, which previously had handled MFI's entire $14 million account, will keep b&w print advertising.

THE CHICKEN WARS are still cooking. A. Copeland Enterprises, parent of Popeyes Famous Fried Chicken & Biscuits, extended until Dec. 16 its $8-a-share tender offer for Church's Fried Chicken. As of Nov. 30, 40% of Church's 36.6 million outstanding shares had been tendered. Church's says it's begun discussions with unnamed third parties. Separately, Holly Farms Corp. said its board will meet to consider a cash tender offer of $54 per share from Tyson Foods. The Tyson offer expires Dec. 16. Holly Farms already has agreed to be bought by ConAgra in a friendly stock swap that's valued at between $55 and $58 a share, or about $995 million. Tyson is challenging the Holly Farms-ConAgra deal in court.

THE U.S.S.R. CHAMBER OF COMMERCE & INDUSTRY is spending $600,000 for three weeks of print ads for the first Soviet Export Goods Exhibition, to be held Dec. 8 to 20 in New York. V/O Vneshtorgreklama, Moscow, created the ads.

CONTINENTAL AIRLINES last week set off a limited round of fare wars aimed at leisure travelers to Florida. A $2 million print and TV campaign from N W Ayer, Houston and New York, is themed "Hot fun in the wintertime."

NEW CAMPAIGNS: **Eastman Kodak Co.** on Dec. 3 broke three new 30-second network TV spots featuring Bill Cosby for its Colorwatch film processing system. Print supports. J. Walter Thompson USA, New York, handles. . . . **Barton Beers** and **Gambrinus Importing Co.** have kicked off the first holiday TV commercial for Corona Extra beer, via Campbell-Mithun-Esty, Chicago. . . . **Procter & Gamble Co.** has begun a TV campaign for Crest tartar-control toothpaste, featuring celebrity spokeswoman Lena Horne. D'Arcy Masius Benton & Bowles, New York, is the agency.

ACCOUNT ACTIVITY: **Washington Dairy Products Commission**, Seattle, narrowed contenders for its $4.2 million account to incumbent Ehrig & Associates and Elgin Syferd. . . . **First Bank System**, Minneapolis, is reviewing agencies for its estimated $2 million Twin Cities consumer banks account, sources say. Carmichael Lynch resigned the account in September and declined to join the review. . . . **Zebco**, Tulsa, Okla., to **Carmichael Lynch**, Minneapolis, from Ackerman, Hood & McQueen, Tulsa, for its $5 million-plus fishing equipment account.

WORTH NOTING: **Omnicom Group**, New York, bought the Schechter Group, a design company that will become part of Omnicom's Diversified Agency Services unit. . . . **Ramey Communications** and **Ruud & Partners**, both Los Angeles, will merge Jan. 1 to create Ramey Ruud & Partners. . . . **Heublein** added Dennis Miller of NBC-TV's "Saturday Night Live" to its Jose Cuervo tequila campaign via Young & Rubicam, New York. . . . **Maserati Automobiles** is sponsoring the launch of the paperback novel "Power City" by BethAnn Herman, which extols the Italian import's virtues in an expose about the Hollywood public relations business. The Martin Agency, Richmond, Va., handles Maserati. . . . **Eveready Battery Co.** will buy COFINEA, France's top battery marketer.

Premiums for :15s may fight clutter

(Continued from Page 3)

would have to make our search for alternative media even more accelerated [than it already is]. Network prices have gone up so much more . . . than food prices; we can't sustain further price increases."

"It will be an uphill battle" for the networks, said Chuck Lanphear, media director of Heinz USA. Nearly 40% of his company's commercial units are :15s.

"With ratings declines, the networks are not selling the most attractive vehicle," he said. "Although advertiser demand is still relatively strong, so they've still got a card to play."

Mr. Lanphear added that unless "all three networks ask for a premium at the same time, it's not likely to happen."

Nevertheless, Mr. Lanphear and others believe some form of premium is inevitable.

"The real question is where it will all net out," he said. "This is strictly a guess, but I think premiums will be modest—maybe 55% the cost of a :30—although the networks will start out asking 70% because many people judge the effectiveness of :15s" to be 70% that of a :30.

Ace Hardware Corp. is likely to feel particularly pinched by CBS' decision. Its latest campaign—again featuring John Madden—will break at Christmas, and all the spots are :15s scheduled mostly for sports.

"If [networks] put a premium price on the 15-second spot, it becomes less attractive. . . ."

So far, the company hasn't assessed the impact of the price increases. Art Pierson, principal and creative director for Ace's agency, Pierson & Flynn, Chicago, said it's "just too early to tell" what the impact will be.

Other advertisers said the move to premiums, while of concern, was secondary to the problem of increased clutter that :15s have posed. Commercial cluster "overload" is of greater concern to advertisers than a price increase, said a media director for a major package-goods company who asked not to be identified.

"The amount of minutes devoted to commercials hasn't increased, but it seems like it has when you're running more and more :15s within a pod," he said. "Everyone's concerned about pod overload. This will come back to haunt everybody."

He said he wasn't convinced higher prices for :15s will do much to solve clutter.

Jay Kuhnie, national ad manager for Chrysler Corp.'s Dodge, said the :15s have "added to the clutter and have helped push consumers into zapping" past commercials.

Robert Bolte, director of media services at Clorox Co., said the move to charge premiums for :15s "doesn't surprise me whatsoever."

Because the networks are limiting the supply of available 15-second slots—there's a limit of five commercial messages per pod—and because advertiser demand is strong, the networks can charge a premium and get it, he said.

"It's expected," he said. "We don't like it, but it's a free marketplace."

If the economy remains strong, Mr. Bolte said, and if demand for the :15s remains high while network and agency concern about clutter continues, then premiums will become a part of doing business.#

Contributing to this story were Scott Hume in Chicago, Raymond Serafin and Patricia Strnad in Detroit, Laurie Freeman in Washington and Ruth Stroud in Los Angeles.

12/21/88 C2710-1

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December 12, 1988

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

100 OF THE BEST AND BRIGHTEST WOMEN IN ADVERTISING/ MARKETING

Louise McNamee, president-chief operating officer of Della Femina, McNamee WCRS, saw her name added to the agency's title during 1988.

By Merle Kingman and Pat Sloan

Women have come a long way in the advertising business, but many realize how much farther as a group they have to go.

Louise McNamee got her name on the door at Jerry Della Femina's agency, now Della Femina, McNamee WCRS; Marcella Rosen earned a seat on the board of N W Ayer. Jane Newman stepped into the president's shoes at Chiat/Day, New York, while Mary Moore left Boston and what was HBM/Creamer to join Wells, Rich, Greene as vice-chairman.

"I think women are gaining the critical mass in advertising," says agency executive Laurel Cutler, but just wait. "Women are going to be just as strong in five to 10 years as men are now," she ventures.

As vice-chairman/director of marketing planning at FCB/Leber Katz Partners, New York, Ms. Cutler made news this year by adding the title of VP-consumer affairs at Chrysler Corp.

An accredited reader of tea leaves, Ms. Cutler also is among ADVERTISING AGE's 100 Best and Brightest Women. The Top 100 include 23 agency presidents, ceos, chairs, vice-chairs, co-founders or board members.

Some observers even go beyond Ms. Cutler's prediction and hold that women will not only achieve parity but will dominate the ad industry.

In "The Best Companies for Women," published this year by Simon & Schuster, Grey Advertising VP Jan Dorbis observed that women in their mid-30s are "ready to roll" and that "the real drama is going to come in the next 10 years."

Still, Ms. Dorbis wonders: "Are women actually going to be promoted to the highest levels?"

Barbara Kurka, Grey's director of personnel planning, is certain of the answer. "Ten years from now, advertising will be run by women," she states in the book.

Not all of AD AGE's 100 Best would agree with that. They generally took the view that power will be more evenly distributed, though not without a great deal of effort.

Beryl Seidenberg, senior VP-media, Smith/Green-

(Continued on Page 29)

Inside:

McElligott leaving Fallon—P. 1
More changes at 'TV Guide'—P. 3
New season burns networks—P. 6
Coke takes theme worldwide—P. 64

ADVERTISING HALL of FAME

Industry pays honor to 3 giants

By STEVEN W. COLFORD

Sidney R. Bernstein, former editor and publisher of ADVERTISING AGE; the late Robert V. Goldstein, VP-advertising, Procter & Gamble Co.; and the late Ray Kroc, founder of McDonald's Corp., were elected last week to the Advertising Hall of Fame. The Hall of Fame, administered by the American Advertising Federation, is an all-industry honor for those people whose career contributions are especially significant.

The hall's 36-member Council of Judges initially chose 44 nominees; 22 judges made the final selections from a list of 20.

RAY KROC

SID BERNSTEIN

ROBERT GOLDSTEIN

For Mr. Bernstein, the honor represents the capstone to a 65-year career in which he continually emphasized the importance of advertising to the U.S. economy.

Mr. Bernstein has been with AA since its birth in 1930. He became managing editor in 1932 and editor in 1938, where he remained until 1957 when he moved to editorial director and subsequently publisher.

Currently, he's chairman of the executive committee of Crain Communications Inc., publisher of AA.

Rance Crain, president of Crain Communications and editor in chief of AD AGE, praised the selection as a fitting tribute to an industry legend.

"I can't think of a guy who's

(Continued on Page 66)

NEWSPAPER

December 12, 1988

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Fallon loses McElligott

By BOB GEIGER

Tom McElligott's decision to leave Fallon McElligott appears to be a severe, but not fatal, blow to one of the hottest agencies of the 1980s.

Mr. McElligott announced last week he was leaving the agency after a dispute over "the management of the agency regarding its creative direction."

There is, however, a meeting scheduled this week with Marvin Sloves, chairman-ceo of Scali, McCabe, Sloves, New York, to discuss the exact terms of Mr. McElligott's departure. Scali owns 80% of Minneapolis-based Fallon.

Mr. McElligott also admitted publicly last week that he's a recovering alcoholic but said it hadn't affected his work at the agency or his decision to leave *(see story at right)*.

"It's the most major blow [Fallon] could have," said Nancy Rice, partner at Rice & Rice and one of the original founders in 1981 (as executive art director) of Fallon McElligott Rice. She resigned in July 1985 when she left to form Rice & Rice with her husband, Nick.

But Fallon's clients, who'd fueled the agency's meteoric rise to $142 million in billings in the seven years since it opened its doors, said they plan to stick with the agency, though they regret losing Mr. McElligott's input as the agency's VP-creative director.

Just last Friday, Minnetonka Inc.'s Fragrance Marketing Group awarded the agency its estimated $3 million Vitabath bath-specialties account. The agency already handles the company's Foltene haircare line and Claire Burke home fragrances.

News of Mr. McElligott's substance abuse "was not surprising news to us," said Michael Steidle, general manager of FMG. "All our dealings with the agency have been with Pat Fallon. . . . Tom hasn't been involved with our account." Della Femina, McNamee

(Continued on Page 67)

McElligott confronts alcoholism

By BOB GEIGER

Tom McElligott had a side to his life that colleagues and clients never saw. Away from the crowd of Clios that made him one of the best-known and most respected creators of advertising during this decade, Mr. McElligott is an alcoholic.

In early August, when he entered Hazelden Foundation's treatment facility in Center City, Minn., rumors flooded the Twin Cities about what had caused this high priest of creativity, this son of an Episcopal minister, to seek help.

Whispers tabbed Mr. McElligott as "shattered" by the charges of sexism and bad taste in the so-called "Dinka" episode and able to make few decisions, and unsure of the ones he made.

And when news hit the street last week that he planned to leave Fallon McElligott for "personal reasons," many immediately and erroneously guessed that he'd been a drug abuser.

But Mr. McElligott said he's an "advertising junkie," and a recovering alcoholic who reached for help after alcohol began harming his personal—not professional—life in July, shortly after he finished a cam-

(Continued on Page 67)

Tom McElligott in the living room of his St. Paul, Minn., home.

Last Minute News

LBS readies media service

NEW YORK—LBS Communications is forming Montaigne Media Services, a division that initially will handle media planning and some print buying for Playtex. George Montaigne, former VP-media services at Playtex, will be president-ceo of the unit. Grey Advertising continues to handle TV buying for Playtex, which spent about $24 million last year on TV and about $5 million on print, according to Leading National Advertisers.

Nabisco schedules TV effort

EAST HANOVER, N.J.—Nabisco Brands plans to launch a multimillion-dollar corporate TV campaign. The longstanding plans for this campaign haven't yet been changed by the pending buyout of parent RJR Nabisco by Kohlberg Kravis Roberts & Co. Sources said Lowe Marschalk, New York,

(Continued on Page 8)

New 'network'

Independent TV outlets may unite for ads

By VERNE GAY

NEW YORK—Independent TV stations could band together as early as next year to create a mammoth commercial TV "network," attract national ad dollars and steer money away from the Big 3 networks and barter syndication.

The network would involve commercial time but not programming. Members would contribute a number of commercial units per evening, which then would be sold as part of a network buy.

The unnamed, unborn network is the brainchild of John Serrao, chairman of the Association of Independent Television Stations, and Preston Padden, president of INTV.

The effort represents the first such attempt by the independents to attract national money.

Messrs. Serrao and Padden hope to lure many of the nation's 245 independent TV stations to its ranks and to start operations as early as next summer, in time for the upfront TV buying season.

Details of the new network will be unveiled next month at the major trade convention for independent stations in Los Angeles.

The network will be a cooperative effort owned by the independents but operated by an outside party, its organizers said.

At least two major factors are fueling the new network idea.

First, Nielsen Media Research in May began to break out total viewing to independent TV stations in its network TV ratings reports.

> *"We don't like to have another party reselling our time. It goes against our grain."*
> **—INTV's Serrao**

That's the first time buyers could directly compare viewing of the independents nationally to the Big 3 networks and Fox Broadcasting Co., the organizers said.

Second, organizers of the new network hope to capitalize on a trend that has accelerated in recent months: the creation of "unwired" networks among independent TV stations by third parties.

With an unwired network, a third party buys commercial time on independent TV stations nationwide, then resells the time to advertisers at a markup.

There are now at least seven such networks. The biggest practitioner is the New York-based Independent Television Network, which controls most of the market.

"We don't like to have another party reselling our time," said Mr. Serrao, who also is VP-general manager at WATL, Atlanta. "It goes against our grain."

But not everyone is enamored of the unwired network trend. "We've looked at the unwired networks and have made a decision that they don't seem to work for us at the moment," said Bill Lynn, VP-corporate media director, Coca-Cola Co.

"They do give an advantage in pricing, but it doesn't seem to be any better than we do in spot," he said. "Yes, it may be an easier way to do business for some advertisers, but for us it's not."

Details such as billing and organization of the new group have yet to be resolved. If the organizers get a commitment from member stations next month, a third party to run the cooperative network will be sought, Mr. Serrao said.#

Burger King shifts could benefit Ayer

By SCOTT HUME and GARY LEVIN

Burger King Corp.'s latest marketing shuffle could be good news for N W Ayer, but the chain's franchisees still want to break up the $200 million ad account.

D. Dempsey

A. Lavely

Last week, Burger King announced the dismissal of Exec VP-Marketing Anthony M. Lavely, 45, and named C. Donald Dempsey, 42, to succeed him.

Mr. Dempsey has been serving as exec VP for Burger King's Northeastern division and previously served as the company's marketing chief.

Insiders had earlier reported that Mr. Lavely was on his way out (AA, Dec. 5).

A Burger King spokeswoman said the move didn't signal a change in the company's desire to consider "the option of another agency developing our new creative" (AA, Nov. 21).

Mr. Lavely reportedly had discussed the account with Foote, Cone & Belding, Chicago, an agency with which he'd worked previously, and was said to be considering FCB for the account (AA, Nov. 28).

But Mr. Lavely's troubles predated his apparent interest in switching agencies, sources said. Many franchisees considered him "unresponsive" and said they'd been wary of his lack of experience with hamburger marketing.

Mr. Lavely has worked for Kentucky Fried Chicken Corp., Jerrico's Long John Silver's Seafood Shoppes chain and Pillsbury Co.'s Quik Wok during his career.

The failure of Burger King's "Triple Jump Checkers" promotional campaign (AA, Sept. 19) was "the last nail in the coffin,"

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A-B shuffle puts heat on D'Arcy

By IRA TEINOWITZ

Anheuser-Busch is putting more pressure on D'Arcy Masius Benton & Bowles to improve creativity on the $110 million Budweiser account, following a brand management shake-up at the company.

The nation's largest brewer is shifting its successful Bud Light manager to its flagship Budweiser brand and importing an executive from DDB Needham Worldwide, Chicago, to take over Bud Light.

The moves strengthen A-B's ties to DDB Needham, which already handles Bud Light, Busch and the Michelob line, with billings last year of $110 million.

In the changes effective Dec. 13, Robert Gunthner, currently Budweiser senior brand manager, becomes VP, A-B International Corp., a new post; Joseph Corcoran, senior brand manager for Bud Light, becomes senior brand manager for Budweiser; and Robert Lachky, former management representative at DDB Needham on Busch and Bud Light, becomes senior brand manager for Bud Light.

A-B said the changes reflect its growing commitment to international sales. But beer industry sources suggested the concern really is with Budweiser, which represents two-thirds of A-B sales but which has seen its growth slow.

Budweiser this year is expected to grow about 2% in volume from an industry-leading 50.4 million barrels last year. That exceeds industry growth levels of 1% this year, but it falls short of Budweiser's 3% growth in 1987.

"One percent may not sound like much, but at that level, it is half a million barrels," said Manny Goldman, a beer industry analyst with PaineWebber.

Industry sources say A-B believes DMB&B shoulders some of the blame for the slowdown and has told the agency it wants fresher creative concepts on the $110

(Continued on Page 66)

Ad Age wants the 'Best'

CHICAGO—Wanted: this year's best TV, print and radio advertising for inclusion in the ADVERTISING AGE Best of 1988 advertising competition.

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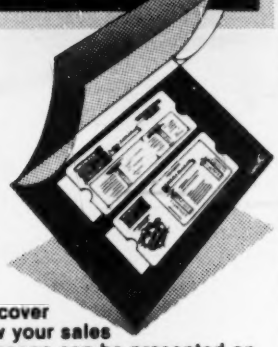

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TV networks feel early chill

By VERNE GAY

NEW YORK—Unit prices charged by the networks for commercials took a beating in October, and the biggest reason is the Writers Guild of America strike, which ended in August.

During October, the average network prime-time 30-second unit price was $95,970, a 24% drop from the record $125,400 average registered in October 1987. This drop helped push the networks' prime-time revenue down by $100 million for the month.

The softness of October prices apparently is a reflection of advertisers' unwillingness to support the mishmash of repeats and originals that filled schedules during the strike.

Virtually every show on the networks' October schedules suffered substantially lower unit prices, according to data recently turned over to Broadcast Advertiser Reports.

"The Cosby Show," the highest-priced program in October 1987 at $369,500 per :30, saw its rate fall 29%. The show had original episodes all month.

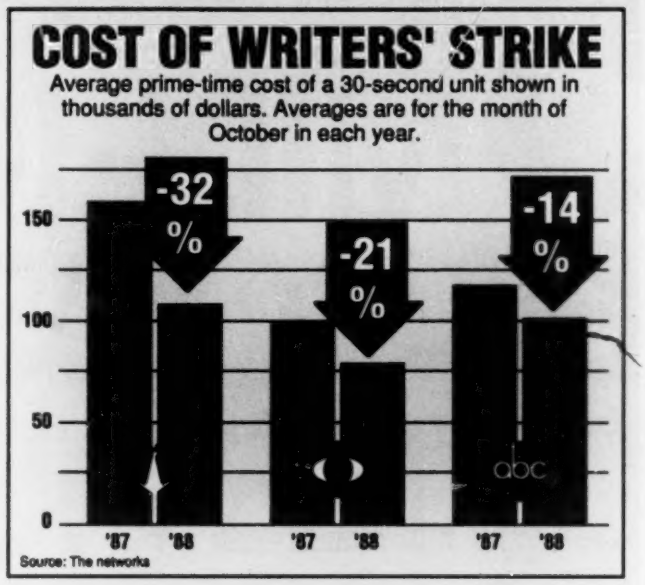
Among NBC's top shows only "ALF," at $161,000 a :30, had an increase. It went up 8%.

But the surprising loser on NBC's October books was Geraldo Rivera. His high-rated "Devil Worship" on Oct. 25 could muster only a $26,000 unit price. Many advertisers were spooked by the subject matter.

All three networks took a beating in the revenue column. Total prime-time ad sales for the month fell 23% to $325.2 million.

However, October's sales performance won't be representative of the entire year. Pricing has climbed as more original programs arrived.

Also, the networks enjoyed a record upfront sales period, soaking up more than $3.3 billion in total sales for the year. In addition, scatter—or short-term—sales have been relatively healthy.



JOHN HEILAND

But the effects of the 22-week strike were still being felt last month. During the November sweeps, the Big 3 networks had an average prime-time rating of 13.8 and a 23 share, according to final Nielsen Media Research figures released last week. The three-network average a year ago was a 14.4 rating and 24 share.

Other segments of the industry made gains in November. Fox Broadcasting Co. had a 6.8 average rating and 10 share on Sundays, up from a 5.9 rating and 10 share.

Independent TV stations had a 13.2 prime-time rating on about 245 stations, compared with a 12 rating.

NBC sold about $107 million in prime-time commercials in October, not including the final two days of the Summer Olympics or the World Series, according to BAR data. It sold $161.1 million for the same period in 1987. The drop this year was 34%.

NBC's average prime-time October :30 was $108,249, down 32%.

ABC sold $112.4 million in time, including "NFL Monday Night Football." That program accounted for more than a third of the total, which was down 16% from a year earlier.

The network's average :30 was $101,000, down 14%.

At CBS, gross prime-time sales were $105.8 million, an 18% drop. The network's average unit went for $78,700, down 21%.

Across the board, network shows clocked significantly lower unit costs, though NBC's experience was perhaps most dramatic.

"Cheers," which had only one episode in October, went for $300,000 a :30, down 2%. Other top shows included "The Golden Girls," $139,500 (down 24%); "L.A. Law," $205,500 (even); "Family Ties," $194,500 (down 11%); and "227," $89,000 (down 20%). Except for "L.A. Law" and "Family Ties," the shows were original for most of the month.

The top-priced CBS show for the month was "Knots Landing," which had its first original episode Oct. 27. A :30 went for $146,500, up 15%. Other shows: "60 Minutes," $144,620 (down 10%); "Dallas," $124,110 (down 11%); "Newhart," $113,250 (down 24%); and "Murder, She Wrote," $92,850 (down 34%). Except for "60 Minutes," these shows were all repeats in October.

ABC's big winner for the month was "Who's the Boss?" at $173,014 per :30, down 12%. The show premiered Oct. 18. Other shows: "Roseanne" ($162,129) (new program); "Head of the Class," $145,554 (down 9%); "Growing Pains," $137,514 (down 40%); and "Wonder Years," $121,945 (new program). Except for "Wonder Years," these shows all bowed in the middle of October.#

New cereal takes comic twist

By JULIE LIESSE ERICKSON

Ralston Purina Co. is introducing a children's cereal that literally takes a page from the newspaper comics.

Called Morning Funnies, the cereal features comics on a box-length flap on the back of the package. It opens to reveal two more pages of cartoons—a total of eight on each package.

Ralston has signed creators of 10 leading strips to produce comics especially for Morning Funnies. The featured strips are "Beetle Bailey," "Dennis the Menace," "Family Circle," "Funky Winkerbean," "Hagar the Horrible," "Hi & Lois," "Luann," "Marvin," "Tiger" and "What a Guy."

New strips will be rotated into the mix on a regular basis.

The presweetened cereal is shaped in small discs with smiling or laughing faces. The pieces come in blackberry, cherry, orange and peach flavors.

Ralston will support the introduction with a $15 million marketing program; about half of that will go to media advertising.

Morning Funnies will be shipped to some markets later this month; coupons break in those markets in early January, followed by TV and print in February.

Initial markets are believed to be on the West Coast. Ralston expects the product to be national by the end of January.

Noble-Tennant, Chicago, is the agency for Morning Funnies, the shop's first new Ralston account since 1986, when Fruit Islands cereal was introduced.

Morning Funnies continues Ralston's pattern of gimmicky children's cereals set by such 1988 entries as Dinersaurs and Dunkin' Donuts.

Like General Mills, General Foods Corp.'s Post division and Quaker Oats Co., Ralston has struggled to keep up with the steady stream of new products and heavy ad schedules of industry leader Kellogg Co.

Ralston's share of the $5.5 billion ready-to-eat cereal market—like that of General Mills, Quaker and Post—has dropped, to 5.3% from 5.8% for the 12 months ended July 31, said Timothy Ramey, an analyst for County Securities. Kellogg has continued to gain.#

Gary Levin in New York contributed to this story.

CORRECTIONS & CLARIFICATIONS

- The photos of Don Davidson and Norm Pattiz were inadvertently switched in two stories featuring their perspectives on outdoor and radio, respectively (AA, Nov. 28, S-13 and S-16).
- Morris Saffer, chairman of Saffer Advertising, Toronto, who was profiled in AA (Oct. 31, P. 52), is 48 years old, not 58.
- A data bank chart on the top 20 magazines in single-copy sales (AA, Oct. 24, P. S-32) should show *Vogue* as No. 19 with single-copy sales of 781,319 and *Soap Opera Digest* as No. 20 with 756,703.
- Lisa P. Foster joined Trendata as VP, from SAMI/Burke (AA, Oct. 17, P. 48.#

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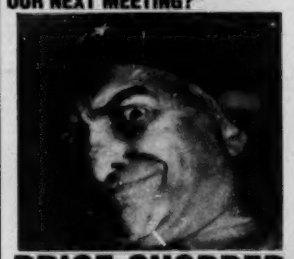

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Last Minute News

AmEx review winding down?

NEW YORK—American Express narrowed the review for its $20 million Gold Card account to incumbent McCann-Erickson and Wunderman Worldwide, and possibly one other contender: Ammirati & Puris; Chiat/Day; Hill, Holliday, Connors, Cosmopulos; or Hal Riney & Partners, sources said. AmEx said no decision has been made.

Pan Am closes in on shuttle shop

NEW YORK—Pan Am's review for its $10 million shuttle account has been pared to Grey Advertising and Lord, Geller, Federico, Einstein. Presentations for the $55 million main account were made last week by D'Arcy Masius Benton & Bowles; Della Femina, McNamee/WCRS; and Ogilvy & Mather. Wells, Rich, Greene, which had handled the entire account, chose not to participate in the review.

Pillsbury loses 'poison pill'

MINNEAPOLIS—Pillsbury Co.'s "poison pill" takeover defense was invalidated Dec. 16 by a Delaware Chancery Court judge, clearing the way for Grand Metropolitan's $5.49 billion acquisition of the company. Also, the Delaware court and a U.S. District Court in Hennepin County, Minn., ruled in favor of dissident Pillsbury shareholders' move to keep Pillsbury from spinning off Burger King (AA, Nov. 14). Ian Martin, chief executive for Grand Met's

(Continued on Page 8)

Miller to bench longtime theme

By IRA TEINOWITZ

Miller Brewing Co. will phase out the use of ex-athletes and sports-related celebrities for its top-selling Miller Lite beer, curtailing its longtime "Tastes great, less filling" slogan.

Next March, Miller will break a totally new campaign for Lite that repositions the brew as the only light beer that's not a "watered-down version" of a regular beer.

The new creative features the "Lite Brigade," a quintet of oddball characters, as pitchmen for Miller Lite.

Miller wholesalers say they've been told the new campaign, sharing little more than tongue-in-cheek humor with the current effort, will be the mainstay of Lite's $75 million media advertising program by the end of next year.

Miller also is expected to retain secondary campaigns like the young-adult-oriented, late-night TV effort that made its debut recently (AA, Dec. 12) and may still use the 15-year-old "Tastes great, less filling" slogan (minus the retired athletes) in a small portion of spots.

The new creative work from Backer Spielvogel Bates, New York, may have been what convinced Miller to keep the agency on Lite this fall after a review with other Miller agencies (AA, Sept. 26).

The Lite Brigade commercials, obtained by ADVERTISING AGE, feature five humorous characters but also a somewhat harder sell than the "Tastes great, less filling" campaign.

The characters are: Dude, "a surfer so mellow he surfs on swimming pools"; Mongo, "the toughest psychic in the

Martino leaves Miller after sentencing—P. 8

world"; Coyote, "smart as a whip and almost as fast"; Johnny Tornado, "who broke more men's fists with his face than anyone alive"; and Linnell, "the renegade furnace repairman helping people in need."

The voice-over states, "No one knows where they came from, but they came just in time," in a 60-second spot introducing the campaign.

Other spots feature the five in comic situations—sometimes together, sometimes individually.

In a sharp break from past Lite advertising, the campaign takes clear aim at other light beers. Others are "watered-down versions" of regular beers, while Lite is the only light beer "brewed from the ground up."

Lite, the No. 2 beer in U.S. sales and by far the best-selling light with a 42% segment share, has seen Anheuser-Busch's Bud Light and Adolph Coors Co.'s Coors Light make inroads in the field it pioneered.

In one spot, the Lite Brigade enters a lounge with a neon sign saying "Watered Down Bar & Grill," where a bartender tells them he has watered-down versions of a steak, a lounge singer and a regular beer. So the brigade gladly provides Miller Lite beer.

In another spot, a camper at a survival camp calls Mongo to ask for a beer that isn't watered down, and the brigade comes to the rescue. As part of the commercial, the group hacks its way through a "jungle." "Not even furious ferns could keep the Lite Brigade from saving the day," says the announcer, in an apparent slap at fern bars.

All the commercials end with the tag "Join the Lite Brigade."

Miller said it remains committed to the current campaign, but declined to say whether the "Lite Brigade" campaign will become the primary creative focus.

"You will continue to see the classic Miller Lite advertising campaign," said a Miller spokesman.

"We have produced some commercial executions titled the 'Lite Brigade' that are markedly different from our classic, all-star advertising. For competitive reasons, we cannot say whether or when these spots will be aired."

The longtime "Tastes great, less filling" theme helped

(Continued on Page 45)

Miller mounts the "Lite Brigade" to halt light beers that are watered-down regular brews. One spot takes the brigade to the Watered Down Bar & Grill.

Coke plans 3-D look at Super Bowl

By PATRICIA WINTERS

An odd scrimmage is shaping up between Coca-Cola USA and Pepsi-Cola Co. during NBC-TV's telecast of Super Bowl XXIII.

Coca-Cola USA will announce today that Diet Coke is teaming up with NBC Sports and the National Football League to sponsor an unprecedented 3-D program segment during the Jan. 22 game's halftime extravaganza, a source said.

The halftime segment will use Nuoptix 3-D technology, which doesn't blur the screen for viewers who aren't wearing special 3-D glasses.

The marketer had planned to use the 3-D technology ear-

Coca-Cola Co. unveils 1989 advertising plans—P. 44

lier this year during a segment on NBC's "Moonlighting." But the commercial for Coca-Cola Classic was canceled because the Writers Guild of America strike delayed programming.

Not to be sacked by its chief rival, Pepsi-Cola Co. is negotiating to sponsor a talent show using NFL players during NBC's two-hour pregame Super Bowl show, sources said.

Pepsi and NBC will coordinate a "talent search" among active NFL players, which will result in a contest pitting six players during a "shoot-out" just before the game's telecast.

But it's not athletic prowess that will be tested in the pregame show: The players will be asked to demonstrate musical or other talents.

Said one executive close to the deal, "This will not be the 'Gong Show.' If someone comes out in a red dress and sings in a falsetto voice, he won't go on. That might be funny

(Continued on Page 44)

Koop lashes admen at alcohol workshop

By STEVEN W. COLFORD

WASHINGTON—U.S. Surgeon General C. Everett Koop threw gas on a smoldering fire last Friday when he attacked by name three ad and broadcast industry executives who boycotted his workshop on drunken driving.

During that workshop, Dr. Koop accepted a set of anti-alcoholic beverage ad recommendations that drew fierce industry reaction. Then, in a surprising close, Dr. Koop accused the heads of three industry groups of trying to undermine the two-day gathering in which 10 panels put forth the proposals aimed at the heart of beer and wine advertising.

Before an audience estimated at 300 to 400 people, the surgeon general blasted Association of National Advertisers President DeWitt Helm Jr.; American Association of Advertising Agencies incoming President John O'Toole; and National Association of Broadcasters President Eddie Fritts.

Dr. Koop's outburst almost detracted from the severity of the recommendations by the workshop's advertising/promotion panel.

The panel's recommendations included:

- Eliminating most tax deductibility of advertising for alcoholic beverages.
- Banning sponsorships of sporting events by alcohol marketers.
- Ending the use of celebrity endorsers who might appeal to youth.
- Having equal amounts of alcoholic-beverage ads and counter messages.
- Ending advertising and promotion of alcoholic beverages on college campuses.
- Inserting health warnings in alcohol ads.
- Developing a public service campaign aimed at alcohol abuse.
- Shifting federal jurisdiction over alcohol and its marketing to the Food & Drug Administration from the Bureau of Alcohol, Tobacco & Firearms.

C. Koop

What sway the recommendations might carry with Congress, federal regulatory agencies or state governments remains questionable since the surgeon general has no policy-making authority.

Based on precedent from 10 previous surgeon general's workshops, virtually all recommendations by individual panels come to represent the official position of the surgeon general's office, a Koop spokesman said.

The outburst by Dr. Koop stemmed from the complaints of the three associations over the advertising/marketing panel's composition.

At least eight of the panel's 12 members were known to favor restricting alcohol advertising and the NAB cited that imbalance when it declined an invitation to join the panel. The ANA and Four A's declined subsequent invitations for the same reason.

"I'd hardly call it a parochial group," Dr. Koop said. He accused the three groups of trying to force

(Continued on Page 45)

CBS sparks debate with baseball bid

By VERNE GAY

NEW YORK—CBS' landmark $1.1 billion deal with Major League Baseball is stirring debate among advertisers about whether the deal will mean dramatically higher advertising prices.

The contract gives CBS total network TV exclusivity for baseball over four seasons starting in 1990.

Exclusivity, however, doesn't necessarily guarantee profits.

L. Tisch

Sources said NBC and ABC executives were "baffled" by CBS' huge bid, claiming both networks came in roughly $400 million under CBS.

Even Laurence Tisch, CBS ceo, stopped short of calling the deal "profitable" at a news conference last week. Instead, he called it "a risk but a kind of risk we like to take."

Profits might not be what the troubled CBS network is seeking from the deal, at least in the short term. Two weeks ago, CBS experienced one of the worst fall prime-time weekly average ratings in its history, a 10.7.

By securing the World Series and league championship games, CBS can virtually guarantee affiliates and advertisers that it will be a competitive prime-time force for at least the first half of the 1990s.

CBS also could become the first network in history to have the rights to so many other major sporting events. Currently, it has broadcast rights for football, basketball, baseball, golf and tennis.

Still, the huge, $1.1 billion price tag is worrisome to some leading advertisers.

Joe Cronin, vice chairman of Saatchi & Saatchi DFS, Torrance, Calif., the agency for Toyota Motor Sales USA, called it "a little disturbing," adding that he expects the network to pass its costs on to sponsors.

Still, he said, it's not easy for an advertiser to pass up the World Series. "It's hard to look at it and not be interested," he said. "If I was at CBS, I'd be pretty happy. As a single thing to buy, you can't beat baseball and the World Series."

Dave Martin, VP-corporate media director, Stroh Brewery Co., said, "When you spend $1 billion, you've got to recoup it.

"I'd imagine that in the planning

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Fast-food menu: more discounts

By SCOTT HUME

The fast-food restaurant industry is preparing to meet a tough year ahead with a generous serving of coupons and discounts.

Inflation-adjusted sales growth of 2.5% in 1989 was predicted by Technomic Consultants in its annual survey for the International Foodservice Manufacturers Association. That compares with a 3.5% advance this year and 1987's 4% real growth. The association projected this year's sales at $61.7 million.

> *"We expect the first quarter to be very, very tough, with heavy and deep discounting by all, including the major chains."*

The first quarter always is the industry's slowest time, with sales 10% to 15% below the year's average. But rather than hibernate, fast-food marketers plan to battle the winter sales doldrums.

Wendy's International on Jan. 2 will set the marketing tone with a national direct-mail distribution of a couponed pop-up themed to the chain's 20th birthday.

The insert includes coupons for hamburgers, baked potatoes and Wendy's SuperBar buffet and carries the chain's newly modified ad theme, "The best burgers in the business . . . and a whole lot more."

Impact, Chicago, does Wendy's promotions; Backer Spielvogel Bates, New York, handles advertising.

This will be the first time a 3-D mail insert has been used by a restaurant chain, said Wendy's VP-Corporate Communications Dennis Lynch.

Operator co-ops are handling the 11 million-plus mailing on a market-by-market basis, but Mr. Lynch said ADVO-System, Hartford, Conn., will be a primary handler.

Because of the expense for the 3-D pop-up, franchisee sources said, the Wendy's National Advertising Program, which oversees marketing, will give each participating store $150 to subsidize the mailing (up to a maximum national subsidy of $600,000).

"The competition in the first quarter is going to be intense, and we won't be sitting on the sidelines," Mr. Lynch said. "We'll discount, but we'll be selective in our discounting. It won't be our major focus."

Franchise sources also said Wendy's will air a network TV "video coupon" during the first two weeks of February. The spot will offer Wendy's Single hamburger for 99¢ (vs. an average $1.49).

That's the sort of deeply discounted offer other chains expect to face next year. If the others follow the No. 4 fast-food chain's lead, it could lead to a reversal of the industry's move away from discounting.

During the second half of 1988, 13.7% of fast-food transactions have

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GLOBAL MARKETING and MEDIA

Top 50 marketers expend a hefty $9.57 billion outside the U.S. in 1987 as 8 companies join elite list; global periodicals a big benefactor as average CPM growth hits 5.6% per publication

GLOBAL MEDIA

International print builds rates, reach

By R. CRAIG ENDICOTT

Marketers saw their advertising consumed by a wider international audience in 1988 over the prior year, but paid more to deliver that message, according to the fourth annual Global Marketing & Media survey prepared by ADVERTISING AGE.

Composite circulation for the international newspapers and periodicals monitored in this survey grew 2.1% in 1988 to 56.8 million subscribers, which averaged out to a 2.5% growth for the 15 publications analyzed on a year-to-year basis.

Advertising costs for a b&w page, one-time insertion, however, grew an average 7.6%, helping dictate an average cost-per-thousand growth of 5.6% per publication. Ad costs will continue to rise in 1989. A spot check of the publishers indicated the average hike will be 6%.

Only three of the publications—*National Geographic*, *WorldPaper* and *Fortune*—reported year-to-year declines in circulation, although each compensated for the decline with increased ad costs.

The Atlantic region, encompassing Europe, the Middle East and Africa, grew 4.5% in circulation to a composite 9.7 million to claim the largest percentage increase among the five regions monitored. By sheer numbers, North America dominated circulation with a composite 42.2 million, up 1.8% from the prior year.

Latin America/West Indies circulation grew to 1.7 million, a modest 1.6% increase, while Asia/Pacific slipped to 3.1 million, down 1% from 1987.

The dailies category was most favorable for publishers. All publications registered increases in circulation, ad rates and CPM (per b&w page). Among the dailies, *USA Today* gained the most circulation, up 6.9%. Its 8.3% b&w ad rate increase gave it a modest global CPM growth of 4.5%. The *Financial Times* proved most costly to advertisers on average. Its ad rates grew 16.6% and CPM 14.8%, while circulation registered a modest 2.5% growth.

From the advertiser's point of view, the weeklies category proved the overall good buy, because two of the five publications had lower b&w ad rates from the prior year and three offered lower CPMs, while each weekly showed circulation increases.

Among the weeklies, *Newsweek* and the *Guardian Weekly* lowered their rates 0.2% and 1.7%, respectively, which translated into 3.5% and 2.7% declines in CPMs when folding in narrow circulation gains for both. *Business Week* hiked its b&w ad rate 1.9%. When combined with a 3.5% growth in circulation, *BW's* global CPM fell 2.3%. The weeklies' reached 11.3 million subscribers.

Monthlies continue to reach the widest global customer base by far. As a group they claimed 1988 circulation of 41.2 million, up 1.8%. *Reader's Digest* alone accounted for 69% of the total circulation of monthlies, a category that became increasingly expensive during the year. *RD* was typical of the group, registering a 9.9% increase in b&w page rate, which when combined with a 2.8% growth in circulation, elevated its global CPM 6.9%. Only *Scientific American* ran counter to the group mentality by maintaining its b&w rate from the previous year that produced a 1.2% decline in global CPM when combined with a 1.3% gain in circulation.

Among the publications that provided a complete report on year-to-year movement in ad revenues, rates and pages *(See chart on Page 27)*, all but *Time* had greater increases in ad rates than in ad pages when the publication recorded a growth in ad revenues. *Time* charted an 8% ad page growth for the fiscal year ended June 1988 from the comparable prior-year period, while boosting advertising rates only 3.4%. This is likely to continue at *Time* in 1989, because the magazine is cutting ad rates for its huge U.S. edition. *Scientific American* ad revenues declined during the period as its percentage increase in ad rates dipped even below its percentage growth in ad pages.

Advertising in global media continues to be the province of major consumer ad categories, particularly airlines, financial services, communications, automobiles and tobacco. Only the more industrial aircraft industry broke into the ranks of this consumer-dominated ad domain.

Among the top five advertisers supplied by each publication, airlines drew 15 mentions with Lufthansa leading the pack with four mentions. However, AT&T's six mentions led all advertisers, followed by IBM with five and

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GLOBAL MARKETERS

Unilever top spender outside U.S.

By NANCY GIGES

The Anglo-Dutch conglomerate Unilever retained its No. 1 ranking as the top advertiser in ADVERTISING AGE's second ranking of the top 50 leading advertisers in spending outside the U.S.

Unilever invested $731.7 million in 1987 in non-U.S. ad spending.

Unilever is followed by Cincinnati-based Procter & Gamble Co.; Nestle S.A., Vevey, Switzerland; Nissan Motor Corp., Tokyo; and Kao Corp., Tokyo.

Eight companies joined the list. They are Nippon Telegraph & Telephone, Tokyo; Asahi Breweries, Tokyo; Sapporo Breweries, Tokyo; Takeda Chemical Industries, Osaka; Citroen S.A., Paris; Mitsubishi Motors Corp., Tokyo; McDonald's Corp., Oak Brook, Ill., and Marui Co., Tokyo.

They replaced Siemens, Munich, West Germany; Peugeot, Paris; Suzuki Motor Corp., Hamanagun, Japan; Cadbury Schweppes, London; House Food Ind. Co., Osaka, Japan; Hanson Trust PLC, London; Barilla Pasta, Parma, Italy, and Rowntree Mackintosh, York, U.K.

When U.S. spending is included, P&G grabs the No. 1 spot due to the company's heavy investment in advertising in the U.S.

Procter & Gamble's total worldwide spending is estimated at $2.11 billion, with $724.0 million coming from outside the U.S. Unilever's total worldwide expenditures are estimated at $1.31 billion, putting it in the No. 3 spot worldwide.

On a worldwide basis, Philip Morris Cos. pulled up to the No. 2 spot, also because of its hefty U.S. spending. When U.S. spending is excluded, Philip Morris falls to No. 22.

Worldwide, Unilever is trailed by General Motors as No. 4, which ranked No. 13 in non-U.S. spending, and Ford Motor Co. as No. 5, which ranked No. 9 in non-U.S. ad spending.

The top 50 in non-U.S. spending invested $9.57 billion outside the U.S. in 1987. This compares with $7.3 billion in 1986. These companies spent $19.43 billion, up from $15.1 billion in 1986.

The non-U.S. annual growth of 31% is a factor of more comprehensive reporting in 1987 over the prior year, exchange-rate fluctuations as well as growth in advertising in "real" terms.

The dollar declined an average 8% against the currencies of 10 major advertising countries, which inflates the current-year totals.

Likewise, advertiser lists supplied by the various countries ran much deeper than 1986. For example, the Unilever spending totals came from 25 countries in 1987, compared with 11 in 1986. However, of those same 11 in 1987, Unilever spending advanced 35.7% to indicate considerable "real" growth globally. Same-country comparisons for others in the top 50 chart showed similar increases. Of the top 50, 29 are based in Japan, 10 in the U.S., three in the Netherlands, and two each in France, Italy and West Germany, and one each in Switzerland and the U.K.

Among industry categories, automotive marketers led the field with 11 entries, accounting for $2.26 billion in 1987 ad spending. Eight food marketers contributed $1.6 billion; six soap and detergent marketers contributed $2.41 billion; seven electronics marketers, $1.12 billion; six retailers, $692 million; four beer companies, $539 million.

Information for ADVERTISING AGE's ranking of the top 50 spenders in non-U.S. advertising was compiled from data supplied on 43 major advertiser countries by AA's international network and sources around the world *(See "How to read this ranking" on Page 27)*.

Lists obtained from each country ran up to 100 advertisers long, the length depending on the availability of the data and its reliability. Also, some listings ranked brands rather than advertisers. These brand totals were folded into their respective parents.

The 50 advertisers ranked in this issue undoubtedly advertised in more countries than credited in this report given the varied length of the lists obtained from various countries.

However, AA did obtain lengthy lists from countries that dominate worldwide advertising expenditures.

Unilever made the top 10 lists in 20 countries. In nine —Austria, the U.K., Greece, Indonesia, the Netherlands, Portugal, South Africa, Thailand and West Germany— the company ranked No. 1; in Australia, Brazil and

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Advertising Age's global media lineup

	Title/ publisher/ headquarters	Paid North American circulation/ (% chg '87-'88)	Paid foreign circulation by region (% chg '87-'88)	Worldwide circulation/ (% chg '87-'88)	B&W pg cost/ (% chg '87-'88)/ 4/C pg cost in 1988	Global CPM for B&W pg in 1988/ (% chg '87-'88)	Top worldwide advertisers in 1988
DAILIES	***Financial Times of London*** Financial Times Ltd. London	18,733 (+12.3)	Europe: 260,591 (+0.9) Mid. East/Africa: 3,378 (+0) Asia/Pacific: 3,792 (+4.3) Latin America: 280 (−5.1)	286,774[1] (+2.5)	$34,496 (+16.6) $50,925 (4c)	$120.29 (+14.8)	British Airways Chase Manhattan Ernst & Whinney Daimler-Benz AG Vauxhall
DAILIES	***International Herald Tribune*** New York Times & Washington Post Neuilly, France	3,930 (+17.4)	Europe: 132,616 (+3.4)[2] Mid. East/Africa: 8,636 (−0.5)[2] Asia/Pacific: 29,435 (+7.9)[2] Latin America: 2,317 (+72.1)[2]	176,940[3] (+4.8)	37,524 (+5.4) 76,800 (4c)	212.17 (+0.5)	AT&T Co. Republic National Bank Trade Development Bank Lufthansa Airlines Air France
DAILIES	***USA Today*** Gannett Co. Arlington, Va.	1,650,000 (+6.5)	Europe: 34,023 (+28.6) Asia/Pacific: 12,013 (+18.6)	1,696,096 (+6.9)	45,059 (+8.3) 59,644 (4c)	26.57 (+4.5)	AT&T Co. AMR Corp. American Express Co. British Airways DHL Corp.
DAILIES	***Wall Street Journal*** Dow Jones & Co. New York	2,025,178[4] (−0.1)	Europe: 43,141 (+11.7) Asia/Pacific: 35,596 (+6.2)	2,103,915 (+0.2)	109,277 (+6.5) 4c NA	51.94 (+6.2)	American Express Co.[5] Merrill Lynch IBM Corp. Fidelity Management General Motors Corp.
WEEKLIES	***Business Week*** McGraw Hill New York	892,168 (+4.7)	Europe: 41,594 (−20.2) Mid. East/Africa: 6,430 (NA) Asia/Pacific: 23,027 (−9.1) Latin America: 19,613 (+20.7)	982,832 (+3.5)	38,965 (+1.9) 59,230 (4c)	39.65 (−2.3)	AT&T Co.[4] IBM Corp. Honeywell Inc. General Motors Corp. Siemens AG
WEEKLIES	***The Economist*** The Economist Newspaper London	142,645 (+13.8)	Europe: 145,243 (+7.4) Mid. East/Africa: 13,700 (−10.7) Asia/Pacific: 38,171 (+19.4) Latin America: 6,289 (+9.7)	349,030 (+10.3)	8,030 (+11.8) 25,600 (4c)	23.06 (+1.4)	British Aerospace British Airways Singapore Airlines Fujitsu Ltd. Barclays Bank
WEEKLIES	***Guardian Weekly*** Guardian Publications Manchester, England	25,581 (+2.1)	Europe: 18,056 (−1.4) Mid. East/Africa: 5,780 (+1.4) Asia/Pacific: 13,773 (+2.5) Latin America: 1,428 (+1.5) West Indies: 442 (−8.9)	65,060 (+1.1)	2,697[6] (−1.7) 4c NA	41.45 (−2.7)	Abbey National Standard Chartered Bank Halifax Hill Samuel Natl. Westminster Bank
WEEKLIES	***Newsweek*** Newsweek Ltd. New York	3,315,369 (+4.2)	Atlantic: 301,920 (−1.4) Asia: 207,757 (+3.3) Latin America: 54,214 (−1.8) Australia: 120,000 (−0.8)[7]	3,999,259 (+3.5)	91,365 (−0.2) 149,140 (4c)	22.85 (−3.5)	Rothmans International Rolex IBM Corp. Philip Morris Cos. KLM
WEEKLIES	***Time*** Time Inc. New York	5,093,842 (+1.2)	Atlantic: 515,548 (−2.2) Asia/Pacific: 250,885 (+6.5) Latin America: 88,738 (−8.9)	5,949,013 (+1.0)	135,605 (+3.4) 212,170 (4c)	22.80 (+2.4)	Rothmans International IBM Corp. Singapore Airlines Philip Morris Corp. KLM
MONTHLIES	***Elle*** Hachette Paris	527,284 (NA)	Europe: 1,366,954 (NA) Asia/Pacific: 530,000 (NA) Latin America: 260,000 (NA)	2,874,238 (NA)	94,979 (NA) 135,309 (4c)	31.93 (NA)	Chanel Inc. Elizabeth Arden Lancome Estee Lauder Inc. Christian Dior
MONTHLIES	***National Geographic*** National Geographic Society Washington	9,298,657 (−0.3)	Atlantic: 714,489 (+3.6) Asia/Pacific: 353,619 (+1.0) Latin America: 94,809 (+0.5)	10,461,574 (−0.03)	127,720 (+5.8) 168,590 (4c)	12.21 (+5.8)	Canon Inc.[4] Iberia Lufthansa Airlines Olympus Rolex
MONTHLIES	***Reader's Digest*** Reader's Digest Assn. Pleasantville, N.Y.	18,666,878 (+2.5)	Atlantic: 7,210,160 (+5.0) Asia/Pacific: 1,638,332 (−1.3) Latin America: 1,178,640 (+0.56)	26,691,167 (+2.6)	240,370 (+9.9) 321,780 (4c)	8.41 (+6.9)	Franklin Mint Philips NV Nestle SA Unilever N Mazda Motor Corp.
MONTHLIES	***Scientific American*** Scientific American Inc. New York	524,731 (−1.6)	Europe: 71,250 (+23.5) Mid. East/Africa: 3,914 (+14.6) Asia/Pacific: 21,673 (+7.7) Latin America: 5,610 (+12.7)	627,178 (+1.3)	19,450 (+0.0) 28,600 (4c)	30.01 (−1.2)	McDonnell Douglas Corp. Hughes Aircraft General Motors Science AT&T Co. Hitachi Ltd.
MONTHLIES	***Sven*** South Publications London	6,228 (+1.0)	Europe: 11,866 (−1.0) Mid. East/Africa: 29,041 (+9.8) Asia/Pacific: 19,494 (+31.8) Latin America: 13,086 (+5.7)	79,288 (+3.0)	5,077 (+33.0) 8,519 (4c)	31.44 (+29.1)	Philips NV Boeing Co. Lufthansa Airlines Mack Trucks Saab-Scania
MONTHLIES	***WorldPaper***[8] World Times Boston	24,000 (NA)	Mid. East/Africa: 69,500 (+0.0) Asia/Pacific: 303,000 (−12.8) Latin America: 240,000 (+0.4)	636,500 (−3.0)	31,110 (+13.0) 4c NA	48.88 (+16.4)	AT&T Co. IBM Corp. Lufthansa Airlines Holiday Inns Park Ridge Corp. (Hertz)
OTHER	***Architectural Digest*** Time Inc. New York	830,387 (−1.6)	Europe: 1,295,[illegible] (−3.0) Mid. East/Africa: 9,842 (+8.1) Asia/Pacific: 84,907 (+7.3) Latin America: 12,100 (+29.0)	2,[illegible] (−0.8)	71,188 (+5.9) 42,700 (4c)	40.84 (+6.8)	Ikea Service Daewoo Group Ricoh Co. Lockheed Aircraft Saab-Scania

Notes: [1] Jan. to June 1988; [2] Average daily circulation for April/May 1987, audited by OJD, Paris; [3] March 31, 1988 ABC figure; [4] All advertisers in category are for non-U.S. editions; [5] Full page b&w figure is converted to dollars using Nov. 1988 exchange rate of $1.796 equals £1. Also, 4/C indicates four color; [6] Australian edition of Newsweek bound into The Bulletin, a local business publication; [7] B&W page cost is a composite of all editions of Elle.; [8] Distributed as a newspaper supplement.
Source: AA survey.

Unilever ranked No. 1 in non-U.S. advertising

Rank	Advertiser	Headquarters	Primary business	Countries in which spending was reported	Non-U.S. spending ($000)	U.S. spending ($000)	W'wide spending ($000)	Non-U.S. as % of w'wide
1	**Unilever NV/PLC**	Rotterdam/London	Soaps	Argentina, Australia, Austria, Bahrain, Belgium, Brazil, Britain, Canada, France, Greece, Indonesia, Italy, Japan, Malaysia, Mexico, Netherlands, New Zealand, Portugal, Puerto Rico, Qatar, South Africa, Spain, Thailand, United Arab Emirates, West Germany	$731,667	$580,700	$1,312,377	55.75
2	**Procter & Gamble Co.**	Cincinnati	Soaps	Austria, Belgium, Britain, Canada, Chile, France, Greece, Indonesia, Italy, Japan, Mexico, Netherlands, Philippines, Puerto Rico, Saudi Arabia, South Africa, Spain, United Arab Emirates, West Germany	734,007	1,386,700	2,110,707	34.30
3	**Nestle SA**	Vevey, Switzerland	Food	Argentina, Australia, Austria, Brazil, Britain, Canada, Chile, France, Greece, Hong Kong, Indonesia, Italy, Japan, Jordan, Mexico, Netherlands, New Zealand, Philippines, Portugal, Puerto Rico, South Africa, South Korea, Spain, Taiwan, Thailand, West Germany	482,966	340,800	823,766	58.63
4	**Nissan Motor Co.**	Tokyo	Automotive	Australia, Britain, Canada, Chile, Denmark, Hong Kong, Japan, Kuwait, Mexico, Netherlands, New Zealand, Norway, South Africa, Spain, Thailand, West Germany	311,830	181,400	493,230	63.22
5	**Kao Corp.**	Tokyo	Soaps	Hong Kong, Japan, Taiwan, Thailand	292,771	62*	292,833	99.98
6	**Toyota Motor Corp.**	Toyota City, Japan	Automotive	Australia, Austria, Canada, Denmark, Hong Kong, Indonesia, Japan, Kuwait, Netherlands, New Zealand, Norway, Puerto Rico, South Africa, Spain, Switzerland, Thailand, United Arab Emirates, West Germany	291,308	257,700	549,008	53.06
7	**Colgate-Palmolive Co.**	New York	Soaps	Australia, Austria, France, Greece, Hong Kong, Italy, Malaysia, Mexico, Netherlands, New Zealand, Philippines, Portugal, Puerto Rico, Qatar, Saudi Arabia, South Africa, Spain, Thailand, United Arab Emirates, West Germany	286,653	279,800	566,453	50.60
8	**Mars Inc.**	McLean, Va.	Food	Australia, Austria, Belgium, Britain, Canada, France, Japan, Netherlands, Puerto Rico, Spain, Switzerland, Thailand, West Germany	270,841	378,600	649,441	41.70
9	**Ford Motor Co.**	Dearborn, Mich.	Automotive	Australia, Belgium, Brazil, Britain, Canada, Denmark, France, Mexico, Netherlands, New Zealand, Norway, South Africa, Spain, Sweden, Switzerland, Thailand, West Germany	260,490	639,500	899,990	28.94
10	**Fiat SpA**	Turin, Italy	Automotive	Britain, France, Italy, Netherlands, Spain, West Germany	252,266	330*	252,596	99.87
11	**Renault SA**	Paris	Automotive	Argentina, Austria, Belgium, Britain, France, Italy, Netherlands, Portugal, Spain, Thailand	248,881	NA	248,881	100
12	**Matsushita Electric Ind. Co.**	Osaka, Japan	Electronics	Hong Kong, Japan, Malaysia, Taiwan, Thailand	230,440	20,353*	250,793	91.88
13	**General Motors Corp.**	Detroit	Automotive	Austria, Belgium, Britain, Canada, Denmark, France, Mexico, Netherlands, Norway, Spain, Switzerland, Thailand, West Germany	220,002	1,024,900	1,244,902	17.67
14	**Coca-Cola Co.**	Atlanta	Food	Argentina, Australia, Austria, Brazil, Britain, Canada, Chile France, Hong Kong, Israel, Japan, Mexico, Netherlands, New Zealand, Philippines, South Africa, South Korea, Spain, Thailand, West Germany	214,540	364,700	579,240	37.04
15	**Henkel KGaA**	Duesseldorf	Soaps	Austria, Belgium, France, Italy, Netherlands, Spain, West Germany	209,807	NA	209,807	100
16	**Volkswagen AG**	Wolfsburg, West Germany	Automotive	Austria, Belgium, Brazil, Canada, France, Mexico, Norway, South Africa, Spain, Switzerland, West Germany	200,725	167,300	368,025	54.54
17	**NEC Corp.**	Tokyo	Electronics	Japan, Spain, Thailand, West Germany	190,741	54,548	245,289	77.76
18	**Suntory Ltd.**	Tokyo	Beer	Japan	188,470	813*	189,283	99.57
19	**Mazda Motor Corp.**	Hiroshima	Automotive	Canada, Indonesia, Japan, Kuwait, South Africa, Thailand, West Germany	183,517	151,900	335,417	54.71
20	**Hitachi Ltd.**	Tokyo	Electronics	France, Hong Kong, Japan, Spain, Thailand	172,480	7,863*	180,343	95.64
21	**Lion Corp.**	Tokyo	Soaps	Japan	167,234	NA	167,234	100
22	**Philip Morris Cos.**	New York	Food	Australia, Bahrain, Britain, Canada, Hong Kong, Indonesia, Japan, Kuwait, Malaysia, Netherlands, Saudi Arabia, South Korea, Spain, Switzerland, Thailand, West Germany	159,676	1,557,800	1,717,476	9.30
23	**Shiseido Co.**	Tokyo	Cosmetics	Japan, Thailand	158,652	1,643*	160,295	98.98
24	**Toshiba Corp.**	Tokyo	Electronics	Hong Kong, Indonesia, Japan, Spain, Thailand	148,802	14,858*	163,660	90.91
25	**Philips NV**	Eindhoven, The Netherlands	Electronics	Argentina, Austria, Brazil, Chile, France, Hong Kong, Italy, Mexico, Netherlands, Portugal, South Africa, Spain, Thailand, West Germany	143,814	107,200	251,014	57.29
26	**Daiei Inc.**	Kobe, Japan	Retail	Japan	140,826	NA	140,826	100
27	**C&A Brenninkmeyer**	Amsterdam	Retail	Brazil, Netherlands, West Germany	139,671	NA	139,671	100
28	**British Government**	London	Government	Britain	138,884	8,700*	147,584	94.10
29	**Kellogg Co.**	Battle Creek, Mich.	Food	Australia, Austria, Britain, Canada, Mexico, Puerto Rico, South Africa, Spain, West Germany	134,362	524,900	659,262	20.38
30	**NTT Co.**	Tokyo	Telecommunications	Japan	129,766	NA	129,766	100
31	**Sony Corp.**	Tokyo	Electronics	France, Indonesia, Japan, Spain, Thailand, West Germany	127,744	79,669	207,413	61.59
32	**Asahi Breweries**	Tokyo	Beer	Japan	126,624	NA	126,624	100
33	**PepsiCo Inc.**	Purchase, N.Y.	Food	Argentina, Australia, Bahrain, Canada, Hong Kong, Indonesia, Japan, Jordan, Mexico, New Zealand, Philippines, Puerto Rico, Qatar, Saudi Arabia, Singapore, Venezuela	126,600	704,000	830,600	15.24
34	**Fuji Photo Film**	Tokyo	Photography	France, Hong Kong, Indonesia, Japan, Mexico, South Korea, Spain, Thailand, West Germany	125,705	14,482*	140,187	89.67
35	**Kirin Breweries**	Tokyo	Beer	Japan	123,094	52*	123,146	99.96
36	**Ajinomoto Co.**	Tokyo	Food	Japan, Thailand	116,422	NA	116,422	100
37	**Takashimaya Co.**	Osaka, Japan	Retail	Japan	115,390	NA	115,390	100
38	**Mitsukoshi Ltd.**	Tokyo	Retail	Japan	112,255	NA	112,255	100
39	**Sharp Corp.**	Osaka, Japan	Electronics	Indonesia, Japan, South Africa, Spain, Thailand	108,471	9,451*	117,922	91.99
40	**Ferrero SpA**	Perugia, Italy	Candy	Italy, West Germany	102,687	6,308	108,995	94.21
41	**Sapporo Breweries**	Tokyo	Beer	Japan	101,215	NA	101,215	100
42	**Takeda Chemical Ind.**	Osaka, Japan	Chemicals	Japan	99,741	NA	99,741	100
43	**Fujitsu Ltd.**	Tokyo	Computers	Japan, Spain, Thailand	99,367	1,986*	101,353	98.04
44	**Citroen SA**	Paris	Automotive	Belgium, France, Netherlands, Spain	98,414	NA	98,414	100
45	**Mitsubishi Motor Corp.**	Tokyo	Automotive	Australia, Hong Kong, Indonesia, Japan, Norway	97,399	48,149	145,548	66.92
46	**Honda Motor Co.**	Tokyo	Automotive	Canada, Hong Kong, Indonesia, Japan, Kuwait, Netherlands, New Zealand, Oman, Puerto Rico, Spain, Thailand	95,390	245,400	340,790	27.99
47	**Daimaru Inc.**	Osaka, Japan	Retail	Japan, Thailand	93,715	NA	93,715	100
48	**McDonald's Corp.**	Oak Brook, Ill.	Food	Australia, Britain, Canada, Hong Kong, Japan, Malaysia, Netherlands, New Zealand, Philippines, Singapore	93,307	649,500	742,807	12.56
49	**Marui Co.**	Tokyo	Retail	Japan	90,128	NA	90,128	100
50	**Nestle Saiko Co.**	Tokyo	Watches	Hong Kong, Japan, Thailand	86,073	59,260	145,366	59.21

Notes: Advertising expenditures are in thousands of U.S. dollars. In many countries, ad spending figures are estimates and/or gross figures. For example, in Mexico, many advertisers receive a discount as high as 70%. In Italy, the discount can run between 40% and 60%. **Sources:** * indicates that U.S. spending figures include measured media only as reported by BAR/LNA Multi-Media reports. All other U.S. spending figures include estimated unmeasured expenditures, taken from AA's 100 Leading National Advertisers, Sept. 28, 1988 and Second 100 Leading National Advertisers, Nov. 21, 1988. Non-US ad spending includes only countries in the column headed "Countries in which spending was reported." See notes beneath top rankings beginning on Page 28 for sources and currency exchange rates. See also "How to read this ranking," Page 27.

How to read this ranking

This special section is made up of two parts: ADVERTISING AGE's second annual ranking of the top 50 non-U.S. advertisers and AA's fourth annual Global Media lineup.

Global marketers

The advertiser ranking on Page 26 includes spending figures from 43 countries. AA correspondents compiled ad expenditures for global marketers. Depending on availability of reliable ad spending data, country lists ran from as many as 100 advertisers to only the top 10 spenders.

Reporting of local market spending in general ran much deeper than last year, making year-to-year comparisons difficult. In the main chart, the column titled "Countries in which spending was reported" illustrates the depth of coverage.

Research companies, media tracking services, marketing publications and ad agencies were various sources for the data. There is no standard procedure of monitoring ad spending worldwide, and as a result advertising data may be accumulated by brands, subsidiary or by parent. Licensing and co-op agreements further complicate data assemblage. Wherever possible, spending reported by brand or subsidiary was assigned to the parent, whose names were "Americanized" in this ranking.

Sources are listed beneath the tables titled "Top advertisers by country" beginning on Page 28. All figures are given in U.S. dollars. Source lines also include currency conversion rates for both 1987 and 1986, unless data was provided by research companies in U.S. dollars.

Some foreign ad expenditures are gross spending figures. Actual media rates may be discounted as much as 70% in some markets, but advertisers are attributed the rate card rates by local monitoring services. This process is accepted in Italy and Mexico, for example.

U.S. advertising expenditures given in the table on Page 26 are estimates and include magazine, newspaper, newspaper supplement, outdoor, network TV, spot TV, network radio and cable TV networks from BAR/LNA Multi-Media reports; spot radio from Radio Expenditure Reports; business publications from MMS-Rome Reports, farm publications from Agricultural Marketing Information Services (AGRICOM), and unmeasured ad spending (sales promotion, direct response, etc.), which is an AA estimate. U.S. spending figures marked with an (*) include only measured media from BAR/LNA Multi-Media reports. See AA's 100 Leading National Advertisers, Sept. 28, 1988, for top U.S. advertiser profiles.

Global media

Circulation data collected from publishers in this report were for June, 1988, and were compared with June, 1987. Ad rates were those in effect at the same mid-year period.

Criteria for a publication's inclusion in the chart on Page 22 are:

- Substantial mass circulation on at least three continents.
- Worldwide circulation of at least 50,000, and circulation of international editions equal to at least 10% of the domestic circulation.
- Editorial content global in scope and primarily in English.
- Advertising in all editions purchased through a central office.

Trade publications are not mass-circulation publications and are excluded from this listing.

Licensed publications also are excluded, because they lack central control on the advertising side.#

International print

(Continued from Page 21)

General Motors with three. Of these, only GM ranked among the top non-U.S. advertisers charted elsewhere in this report.

Financial institutions followed airlines with 10 mentions, although American Express, with two, was the only financial services advertiser to receive more than one nod.

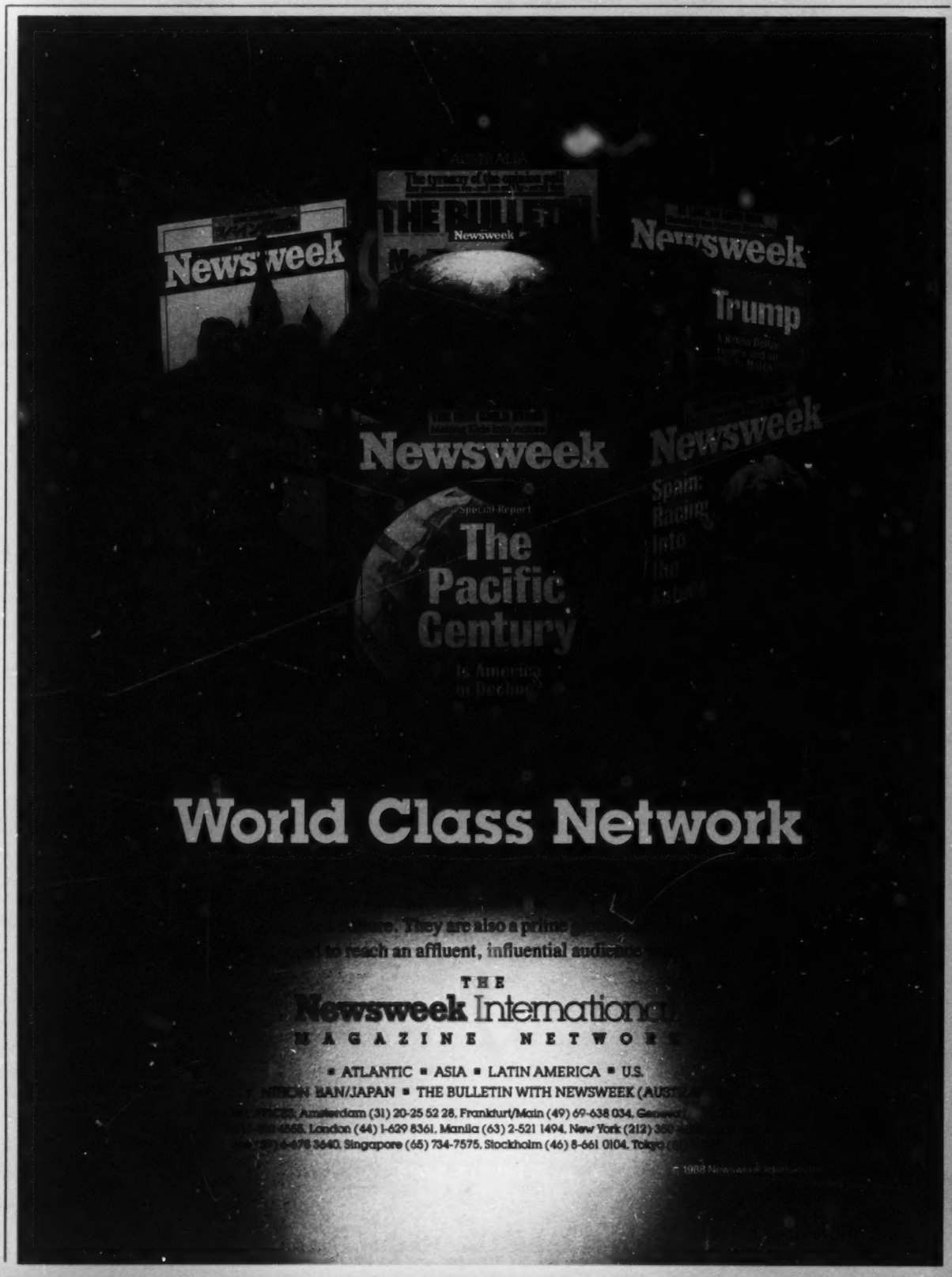
The only new entry to Global Media in 1988 was *Elle*, founded in France shortly after World War II, and growing at a breakneck pace since 1985 when it launched editions in the U.S. and U.K., both joint ventures between Hachette and Murdoch Magazines. Murdoch has since sold its interest to Hachette. AA excluded the monthly's circulation and advertising data from aggregate totals because its heavy launch activity in 1988 would have distorted any comparison between the current and prior year. *Elle* has launched in Italy, Hong Kong, Sweden, Portugal, Greece, West Germany and China since 1987—all in the local language.

In 1989, *Elle* will introduce a group buy and payment in dollars through Interdeco, an advertising clearinghouse operation with five global centers.

Advertising revenues for select global magazines

Magazine	Ad rev. 7/87-6/88 ($000s)	Ad rev. % chg. 7/86-6/87	Ad rate % chg. 87-88	Ad pages % chg. 87-88
Time	$384,972	9.1	3.4	8.0
Reader's Digest	177,589	5.6	5.7	0.9
Fortune	127,585	10.1	6.5	3.5
National Geographic	41,546	12.5	7.7	3.9
The Economist	35,574	15.6	11.8	4.2
Scientific American	10,333	2.6	-1.9	-1.3

Source: AA survey.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Trump
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MAGAZINE NETWORK
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• THE BULLETIN WITH NEWSWEEK (AUST
Amsterdam (31) 20-25 52 28, Frankfurt/Main (49) 69-638 034,
London (44) 1-629 8361, Manila (63) 2-521 1494, New York (212)
Singapore (65) 734-7575, Stockholm (46) 8-661 0104, Tokyo

Top advertisers by country

AFRICA

South Africa

Advertiser	Ad spending 1987	1986
Unilever NV	15,376	11,267
OK Bazaars	12,998	8,122
Pick N Pay Ltd	10,066	7,060
Checkers Ltd	10,042	7,141
Toyota Motor Corp	9,407	6,156
SA Breweries	7,582	6,165
United Tobacco	5,690	4,498
Nissan Motor Co	5,016	2,965
Volkswagen AG	4,583	3,449
Ford Motor Co	4,535	3,470

Notes: Dollars are in thousands and include measured media only. Conversion rate: 0.4314 dollars to the rand in 1987 and 0.4814 dollars to the rand in 1986. **Source:** Market Research Africa.

ASIA/ AUSTRALIA

Australia

Advertiser	Ad spending 1987	1986
Coles Myer	69	64
Unilever NV	30	33
Australian Gov't Adv Svc	23	19
Amatil Ltd	20	13
F.W. Woolworth Co	17	16
News Corp	17	17
Nissan Motor Co	15	13
Telecom Australia	15	17
Mars Inc	14	16
Cadbury Schweppes PLC	14	15

Notes: Dollars are in millions and include newspaper, magazine, TV and radio. Conversion rate: 0.6949 dollars to the Australian dollar in 1987 and 0.6769 dollars to the Australian dollar in 1986. **Source:** Tart Research, Brookvale.

Hong Kong

Advertiser	Ad spending 1987	1986
Philip Morris Cos	11,000	7,065
Hong Tai Travel	4,482	4,634
Matsushita Elec Industrial Co	3,778	3,643
Wing On Group	3,734	4,497
Loews Corp	3,708	3,509
Vita Drinks	3,374	3,835
Hattori Seiko Co	3,366	3,119
RJR Nabisco	3,309	3,132
Mild Seven Cigarettes	3,307	2,813
Brown-Forman Corp	3,223	NA

Notes: Dollars are in thousands and includes TV, radio, newspaper, magazine and cinema. **Source:** AGB McNair.

Indonesia

Advertiser	Ad spending 1987	1986
Unilever NV	1,849	NA
Toyota Motor Corp	856	NA
Suzuki Motor Co	842	NA
Nestle SA	764	NA
Daihatsu	689	NA
Friesche Vlag	585	NA
ABC Foods	487	NA
Philip Morris Cos	483	NA
IBM Corp	477	NA
Fuji Photo Film	431	NA

Notes: Dollars are in thousands and include print only. Conversion rate: 0.000609 dollars to the rupiah in 1987. **Source:** Survey Research Indonesia, an associate of AGB-McNair International.

Japan

Advertiser	Ad spending 1987	1986
Kao Corp	281	NA
Matsushita Electric Industrial Co	214	NA
Nissan Motor Co	207	NA
Suntory	188	NA
NEC Corp	184	NA
Toyota Motor Corp	178	NA
Hitachi Ltd	169	NA
Lion	167	NA
Shiseido Co	158	NA
Mazda Motor Corp	147	NA

Notes: Dollars are in millions. Conversion rates: 0.006699 dollars to the yen in 1987. **Source:** AA bureau reports.

Malaysia

Advertiser	Ad spending 1987	1986
B.A.T. Industries PLC	19,143	NA
Rothmans International	18,941	14,819
Nupro	17,647	7,516
Unilever NV	14,506	4,514
Colgate-Palmolive Co	10,002	4,325
RJR Nabisco	9,006	3,463
Philip Morris Cos	6,703	NA
Malaysian Brewers	4,316	1,170
Peter Stuyvesant	3,639	NA
Royal Dutch Shell	3,343	NA

Notes: Dollars are in thousands. Conversion rate: 1987 figures were reported in U.S. dollars. 0.433 dollars to the Malaysian dollar in 1986. **Source:** Survey Research Malaysia.

New Zealand

Advertiser	Ad spending 1987	1986
Lion-Nathan Group	14,493	NA
Goodman Fielder Wattie	9,739	NA
Fletcher Challenge	8,270	NA
FTC Farmers	6,736	NA
Foodstuffs Co-op	5,991	NA
Smiths City Group	4,961	NA
Unilever NV	4,379	NA
Magnum Corp	4,241	NA
Ford Motor Co	4,010	NA
RJR Nabisco	3,996	NA

Notes: Dollars are in thousands and include TV and print. Conversion rate: 0.5760 dollars to the NZ dollar in 1987. **Source:** Ad/Media magazine from AGB Research, Auckland.

Philippines

Advertiser	Ad spending 1987	1986
San Miguel Corp	17,676	NA
Philippine Refining	14,730	NA
Nestle SA	13,257	NA
Colgate-Palmolive Co	12,275	NA
Procter & Gamble Co	8,593	NA
California Manufacturing	3,192	NA
Warner-Lambert Co	2,210	NA
Coca-Cola Co	1,964	NA
PepsiCo Inc	1,571	NA
Johnson & Johnson	1,473	NA

Notes: Dollars are in thousands and include all media. Conversion rate: 0.0491 dollars to the peso in 1987 and 0.0511 dollars to the peso in 1986. **Source:** J. Walter Thompson Co., Manila.

Singapore

Advertiser	Ad spending 1987	1986
Yaohan	1,789	1,623
McDonald's Corp	1,672	1,438
PepsiCo Inc	1,273	1,113
Singapore Airlines	1,132	881
American Express Co	996	1,577
Courts Furniture	939	NA
Metro	916	881
NTUC Fairprice	690	NA
Omega Watch	690	NA
Tiger Beer	686	NA

Notes: Dollars are in thousands and include

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*SOURCE: MMR 1988

all media. Conversion rate: 0.4696 dollars to the Singapore dollar in 1987. **Source:** Survey Research Singapore.

South Korea

Advertiser	Ad spending 1987	1986
Samsung Electronics*	36,030	NA
Lucky-Goldstar Group*	30,025	NA
Hyundai Group	10,809	NA
Coca-Cola Co	2,762	NA
California Raisins	1,321	NA
IBM Corp	1,201	NA
RJR Nabisco	1,169	NA
Eastman Kodak Co	1,158	NA
Fuji Photo Film	1,146	NA
Nestle SA	1,117	NA

Notes: Dollars are in thousands. * indicates some non-S. Korean ad spending is included in company expenditures. Conversion rate: 0.001201 dollars to the won in 1987. **Source:** AA bureau reports.

Taiwan

Advertiser	Ad spending 1987	1986
President Co	15,110	NA
China Airlines	9,470	NA
Wei Chang Co	8,680	NA
Matsushita Electric Industrial Co	8,540	NA
Nestle SA	7,280	NA
Nan Chau Co	7,160	NA
Kao Corp	5,810	NA
King Car Co	5,610	NA
Tatung Co	5,090	NA
Far East Co	5,020	NA

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Asian Advertising & Marketing magazine, April 1988.

Thailand

Advertiser	Ad spending 1987	1986
Unilever NV	11,397	NA
Colgate-Palmolive Co	6,784	NA
Nestle SA	5,030	NA
Saha Pathanapibul Co	4,459	2,868
Osothsapha Co	4,250	2,975
Kao Corp	3,140	NA
T.C. Pharmaceutical Industrial Co	2,598	996
Toyota Motor Corp	2,545	NA
Boon Rawd Brewery & Co	2,543	2,144
Johnson & Johnson	2,122	2,529

Notes: Dollars are in thousands and include TV, newspaper, magazine and cinema. Conversion rate: 0.0428 dollars to the baht in 1987 and 0.0453 dollars to the baht in 1986. **Source:** Media Focus Co.

EUROPE

Austria

Advertiser	Ad spending 1987	1986
Unilever NV	28,374	NA
KGM Konsum Oesterreich Ges.m.b.H.	10,687	NA
Henkel	10,618	NA
Billa Konzern	8,055	NA
Raifeisen Verband	7,635	NA
Jacobs-Suchard	6,954	NA
Volkswagen AG	6,885	NA
Mars Inc.	6,870	NA
Kika Moebelhaus St. Poelten	6,824	NA
Meinl	6,510	NA

Notes: Dollars are in thousands. Conversion rate: 0.0765 dollars to the schilling in 1987. **Source:** Nielsen.

Belgium/Luxembourg

Advertiser	Ad spending 1987	1986
Procter & Gamble Co	12,922	7,869
BSN Group	11,076	7,160
GIB	10,738	7,224
Mars Inc.	10,478	5,633
Henkel	9,984	6,493
Ford Motor Co.	7,644	5,784
International Motor Co.	7,540	5,139
Unilever NV	7,306	5,676
Volkswagen AG	7,150	6,192
General Motors Corp.	6,500	4,709

Notes: Dollars are in thousands for ad spending in Luxembourg and Belgium, and include print, broadcast and outdoor. Conversion rate: 0.026 dollars to the Belgian franc in 1987 and 0.0215 dollars to the Belgian franc in 1986. **Source:** Advertising Marketing Services.

Britain

Advertiser	Ad spending 1987	1986
Unilever NV	164	156
HM Government	139	119
Procter & Gamble Co	91	52
Mars Inc.	83	69
Nestle SA	64	53
F.W. Woolworth Co	60	11
Kellogg Co	60	NA
Electricity Council	59	36
Allied-Lyons PLC	58	59
Dixons Group	51	22

Notes: Dollars are in millions and include TV, print and radio. Conversion rate: 1.5764 dollars to the pound in 1987 and 1.4678 dollars to the pound in 1986. **Source:** Campaign magazine, from Haymarket Publishing: The Top 100 Spenders.

Denmark

Advertiser	Ad spending 1987	1986
Magasin DeNord	9,649	NA
Ford Motor Co	2,060	NA
Bilka	1,862	NA
Toyota Motor Corp.	1,705	NA
General Motors Corp.	1,322	NA
Illom	1,165	NA
Nissan Motor Co.	1,165	NA
OBS	1,066	NA
Brogsen/ Kvicklu Corp.	1,023	NA

Notes: Dollars are in thousands and include newspaper, magazine and outdoor. Conversion rate: 0.1421 dollars to the kroner in 1987. **Source:** AA bureau reports.

France

Advertiser	Ad spending 1987	1986
Renault SA	97	92
Loterie Nationale	56	41
Nestle SA	48	47
Ford Motor Co.	47	37
Procter & Gamble Co.	42	47
Peugeot SpA	42	42
Colgate-Palmolive Co.	42	42
Citroen SpA	35	38
Intermarche Magasins	34	26
General Motors Corp.	33	26

Notes: Dollars are in millions and are estimates based on ad spending figures from several sources. Conversion rate: 0.1622 dollars to the franc in 1987 and 0.1403 dollars to the franc in 1986. **Source:** SECODIP, Paris.

Greece

Advertiser	Ad spending 1987	1986
Unilever NV	9,827	NA
Colgate-Palmolive Co.	3,431	NA
Nestle SA	3,139	NA
Papastratos	3,124	NA
Procter & Gamble Co.	2,628	NA
Sakap SA	2,380	NA
Beiersdorf AG	2,336	NA
Bravo SA	2,194	NA
Keranis SA	2,190	NA

Notes: Dollars are in thousands and include TV, radio, newspaper, magazine and outdoor. Conversion rate: 0.0073 dollars to the drachma in 1987. **Source:** Nielsen Advertising Expenditure Measurement Service.

Italy

Advertiser	Ad spending 1987	1986
Procter & Gamble Co.	201	116
Fiat SpA	132	94
Unilever NV	89	61
Barilla SpA	76	65
Sagit SpA	75	51
Colgate-Palmolive Co.	73	47

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Top advertisers

Advertiser	Ad spending 1987	1986
Mattel Inc	72	44
Alfa Lancia	64	50
Renault SA	63	56
Ferrero	58	42

Notes: Dollars are in thousands and include TV, radio and print. Conversion rate: 0.000755 dollars to the lira in 1987 and 0.000648 dollars to the lira in 1986. **Source:** AGB, Milan.

Netherlands

Advertiser	Ad spending 1987	1986
Unilever NV	16,490	10,728
Mars Inc	10,903	7,662
Rijksvoorlichtings	9,961	6,132
Philips NV	8,811	5,956
Procter & Gamble Co	7,377	4,987
Postbank	6,865	6,651
Sara Lee Corp	6,644	4,721
PTT	6,460	4,759
Heijn	6,418	513
Ned. Zuivelbureau	6,036	5,275

Notes: Dollars are in thousands and include TV, newspaper and magazine. Conversion rate: 0.4786 dollars to the guilder in 1987 and 0.3934 dollars to the guilder in 1986. **Source:** Admedia/VNH.

Norway

Advertiser	Ad spending 1987	1986
Toyota Motor Corp	7,045	5,312
Norwegian Dairy Assn	5,479	3,840
Ford Motor Co	5,346	5,433
Volkswagen AG	4,724	2,222
General Motors Corp	4,405	2,870
Mitsubishi Motor Corp	4,318	3,033
Denofa & Lilleborg Fabr	4,316	3,621
Volvo AB	4,211	2,700
State Info Service	4,195	3,709
Nissan Motor Co	3,980	3,384

Notes: Dollars are in thousands and include print and outdoor. Conversion rate: 0.1447 dollars to the kroner in 1987 and 0.1343 dollars to the kroner in 1986. **Source:** AA bureau reports.

Portugal

Advertiser	Ad spending 1987	1986
Unilever NV	7,381	4,461
Nestle SA	2,865	2,036
Renault SA	2,299	1,509
Santa Casa da Miseracordia	2,214	1,838
Fima-Fabrica de Produtos Alimentare	2,085	1,334
Central de Cervejas	2,008	2,109
S.C. Johnson & Son	1,849	1,314
Colgate-Palmolive Co	1,825	1,510
CPC International	1,513	972
Philips NV	1,453	NA

Notes: Dollars are in thousands and include TV, radio and newspaper. Conversion rate: 0.00698 dollars to the escudo in 1987 and 0.006683 dollars to the escudo in 1986. **Source:** SABATINA-Advertising Auditing Services.

Spain

Advertiser	Ad spending 1987	1986
Citroen SpA	57	26
El Corte Ingles Group	44	28
Renault SA	42	24
Volkswagen AG	37	25
Nestle SA	35	24
Unilever NV	34	24
Spanish Ministry of Economy	30	22
Ford Motor Co	24	17
Henkel	23	22
Tabacalera	20	10

Notes: Dollars are in millions. Conversion rate: 0.007855 dollars to the peseta in 1987 and 0.006980 dollars to the peseta in 1986. **Sources:** J. Walter Thompson Co., Repress/Nielsen and AA estimates.

Sweden

Advertiser	Ad spending 1987	1986
Kooperativa Forbundet	67,517	52,675
ICA AB	60,873	46,400
Ahlens AB	25,491	10,701
B&W Sormarkmad AB	11,746	11,165
Hennes & Mauritz AB	11,252	9,081
Volvo AB	10,176	5,384
Government Info Service	10,063	6,046
Kapp AHL AB	9,481	6,462
Tipstjanst AB	7,679	2,961
Ford Motor Co	7,200	5,617

Notes: Dollars are in thousands and include newspaper, magazine and cinema. Conversion rate: 0.154 dollars to the kroner in 1987 and 0.1381 dollars to the kroner in 1986. **Source:** AA bureau reports.

Switzerland

Advertiser	Ad spending 1987	1986
Migros	45,402	36,165
Co-op	32,430	26,251
Denner	12,972	10,737
Toyota Motor Corp	12,972	9,[illegible]
General Motors Corp	12,323	10,[illegible]
Ford Motor Co	9,729	NA
Mars Inc	9,729	6,763
Volkswagen AG	9,080	6,491
Maus Brothers	9,080	7,169
Philip Morris Cos	9,080	NA

Notes: Dollars are in thousands. Conversion rate: 0.6486 dollars to the franc in 1987 and 0.5371 in 1986. **Source:** AA bureau reports.

West Germany

Advertiser	Ad spending 1987	1986
Unilever NV	130	103
C&A Brenninkmeyer	128	96
Procter & Gamble Co	116	39
Henkel	90	61
Mars Inc	83	43
Nestle SA	82	35
Volkswagen AG	74	61
Jacobs-Suchard	72	37
Karstadt AG	68	47
Bundesministerium	64	39

Notes: Dollars are in millions. Conversion rate: 0.5397 dollars to the mark in 1987 and 0.4436 dollars to the mark in 1986. **Source:** Schmidt & Pohlmann, a Nielsen subsidiary.

LATIN AMERICA

Argentina

Advertiser	Ad spending 1987	1986
Massalin Particulares	6,890	7,923
Nobleza Piccardo SAICIF	6,495	7,125
Aurura SAICIF	6,442	10,606
Kenia SA	6,338	4,405
Philips NV	6,241	6,473
Bagley y Cia	5,998	3,414
Renault SA	5,970	NA
Coca-Cola Co	5,538	NA
Sevel Argentina SA	4,962	4,287
PepsiCo Inc	3,961	NA

Notes: Dollars are in thousands. Conversion rate: 2.48 australes to the dollar in 1987 and 0.963 australes to the dollar in 1986. **Source:** Feuntes SA and Argentine Advertisers Association.

Brazil

Advertiser	Ad spending 1987	1986
Grupo Pao Acucar	15,534	18,070
Unilever NV	13,369	13,520
Nestle SA	12,584	11,884
Grupo Dorsay	12,421	25,287
Mappin-Casa Anglo	10,502	NA
Grupo Fenicia	10,261	NA
Susa SA	9,408	NA
Manufatura Brinquedos Estrela	9,302	NA
Philips NV	9,048	10,220
Lundgren	8,840	10,234

Notes: Dollars are in thousands and include TV, radio, newspaper and magazine. Conversion rate: 0.0185 dollars to the cruzado in 1987 and 0.072686 dollars to the cruzado in 1986. **Source:** LEDO, a subsidiary of Nielsen.

Chile

Advertiser	Ad spending 1987	1986
Nestle SA	7,699	NA
Coca-Cola Co	3,265	NA
Philips NV	2,306	NA
Procter & Gamble Co	1,755	NA
Ciba-Geigy AG	1,392	NA
Royal Dutch Shell	1,365	NA
Atlantis	1,243	NA
Mattel Inc	1,219	NA
Nissan Motor Co	965	NA

Notes: Dollars are in thousands. Conversion rate: 0.0043 dollars to the peso in 1987 and 0.0054 dollars to the peso in 1986. **Source:** AA bureau reports.

Mexico

Advertiser	Ad spending 1987	1986
Procter & Gamble Co	98	NA
Colgate-Palmolive Co	68	38
Direccion Corporativa Impulsora	61	36
Industrias Vitivinicolas Domecq	50	44
PepsiCo Inc	47	52
Kimberly-Clark Corp	47	33
Bacardi Corp	43	35
Nestle SA	40	36
B.A.T. Industries PLC	35	NA
Unilever NV	30	24

Notes: Dollars are in millions. Conversion rate: 0.000865 dollars to the peso in 1987 and 0.001820 dollars to the peso in 1986. **Source:** Nielsen Servicios de Marketing/Ad expenditures division.

Puerto Rico

Advertiser	Ad spending 1987	1986
Colgate-Palmolive Co	10,400	8,000
Procter & Gamble Co	9,600	7,200
Commonwealth Gov't	9,500	4,900
Unilever NV	9,300	6,500
Sears, Roebuck & Co	6,900	6,700
Food & Spirits	6,200	4,700
PepsiCo Inc	5,600	4,200
American Home Products Corp	5,600	5,500
J.C. Penney Co	4,500	4,800
Banco Popular	4,300	4,300

Notes: Dollars are in thousands and include TV and print. **Source:** Publish Records Service, San Juan.

Venezuela

Advertiser	Ad spending 1987	1986
Sonografica	54,999	NA
Sonorodven	37,666	NA
Videorama	33,121	NA
Polar Maltin	28,612	NA
Petroleos de Venezuela	28,489	NA
Cartelera Conesa	23,564	NA
Cada	20,280	NA
Loteria Caracas	16,897	NA
Mercalibros	16,331	NA
Accion Democratica	15,457	NA

Notes: Dollars are in thousands. Conversion rate: 0.0389 dollars to the bolivar in 1987. **Source:** AA bureau reports.

MIDDLE EAST

Bahrain

Advertiser	Ad spending 1987	1986
Gulf Air	125	NA
Rothmans International	77	NA
Unilever NV	76	NA
Philip Morris Cos	75	NA
British Airways	67	NA
Cathay-Pacific	60	NA
Dunhill	54	NA
S.C. Johnson & Son	51	NA
Singapore Airlines	51	NA
PepsiCo Inc	51	NA

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Middle East Marketing Research, Cyprus.

Israel

Advertiser	Ad spending 1987	1986
Bank Leumi	3,100	NA
Bank Hapoalim	2,800	NA
Israel Discount Bank	2,200	NA
Elite	2,200	NA
Osem Foods	2,200	NA
Mifal Hapayis	2,100	NA
First International Bank	1,900	NA
Hamashbir	1,900	NA
Tnuva Dairy Distributors	1,300	NA
Coca-Cola Co	1,300	NA

Notes: Dollars are in thousands. **Source:** Advertisers Association of Israel.

Jordan

Advertiser	Ad spending 1987	1986
Royal Jordanian Air	222	NA
Rifco	153	NA
The Housing Bank	92	NA
Nestle SA	70	NA
Bahrain Housing Bank	66	NA
PepsiCo Inc	64	NA
Nido	60	NA
Beiersdorf AG	54	NA
Arab Bank	50	NA
Al Ghazalen	47	NA

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Middle East Marketing Research, Cyprus.

Kuwait

Advertiser	Ad spending 1987	1986
Philip Morris Cos	1,184	NA
NBK	741	NA
CBK	582	NA
Rothmans International	576	NA
Nissan Motor Co	547	NA
Mazda Motor Corp	460	NA
Honda Motor Co	401	NA
Dunhill	355	NA
BKME	348	NA
Toyota Motor Corp	337	NA

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Middle East Marketing Research, Cyprus.

Oman

Advertiser	Ad spending 1987	1986
Gulf Air	151	NA
555	78	NA
Moulinex	64	NA
Honda Motor Co	62	NA
Dunhill	57	NA
Bond Street	57	NA
Rothmans International	53	NA

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Middle East Marketing Research, Cyprus.

Qatar

Advertiser	Ad spending 1987	1986
Colgate-Palmolive Co	129	NA
Unilever NV	76	NA
Gulf Air	62	NA
PepsiCo Inc	54	NA

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Middle East Marketing Research, Cyprus.

Saudi Arabia

Advertiser	Ad spending 1987	1986
Philip Morris Cos	1,171	NA
PepsiCo Inc	1,077	NA
Saudia	1,023	NA
Rothmans International	876	NA
S.C. Johnson & Son	860	NA
Procter & Gamble Co	767	NA
Afia	716	NA
Nido	678	NA
Colgate-Palmolive Co	662	NA
Dunhill	434	NA

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Middle East Marketing Research, Cyprus.

United Arab Emirates

Advertiser	Ad spending 1987	1986
Colgate-Palmolive Co	360	NA
Emirates Air	292	NA
Toyota Motor Corp	248	NA
Gulf Air	233	NA
Unilever NV	208	NA
Masafi	205	NA
Air India	182	NA
Red Label	154	NA
Procter & Gamble Co	152	NA

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Middle East Marketing Research, Cyprus.

U.S./ CANADA

U.S.

Advertiser	Ad spending 1987	1986
Philip Morris Cos	1,558	1,451
Procter & Gamble Co	1,387	1,500
General Motors Corp	1,025	839
Sears, Roebuck & Co	887	1,105
RJR Nabisco	840	894
PepsiCo	704	642
Eastman Kodak Co	658	610
McDonald's Corp	650	592
Ford Motor Co	640	651
Anheuser-Busch Cos	635	644

Note: Dollars are in millions. **Source:** All figures are AA estimates taken from AA's 100 Leading National Advertisers, Sept. 28, 1988. See "How to read this ranking," Page 27.

Canada

Advertiser	Ad spending 1987	1986
Gov't of Canada	49	46
Procter & Gamble Co	40	37
General Motors Corp	30	20
Thomson Group	29	17
John Labatt Ltd	27	27
Unilever NV	24	23
Chrysler Corp	22	12
RJR Nabisco	22	16
Molson Cos	22	23
Ontario Gov't	21	19

Notes: Dollars are in millions and include print and broadcast. Conversion rate: 0.7475 dollars to the Canadian dollar in 1987 and 0.721 dollars to the Canadian dollar in 1986. **Source:** Media Measurement Services, Toronto.

Unilever

(Continued from Page 21)

Qatar, it ranked No. 2, and in Bahrain and Italy, Unilever ranked No. 3.

Nestle turned up in 26 countries, the most for any marketer, followed by Unilever in 25. Coca-Cola Co. and Colgate-Palmolive Co. tied for third, with spending reported in 20 countries.

Several U.S.-based companies ranked as No. 1 top spender in countries surveyed: Colgate-Palmolive in Puerto Rico, Qatar and United Arab Emirates; Philip Morris in Hong Kong, Kuwait and Saudi Arabia, and Procter & Gamble in Belgium/Luxembourg, Italy and Mexico.

Countries having the largest advertising spending totals were the U.S., where top spender Philip Morris invested $1.56 billion; Japan, where leader Kao Corp. invested $281 million, and Italy, where Procter & Gamble invested $201 million.#

Coordinating this report were Kevin Brown, Ilse Cermak, Julie A. Doherty, Craig Endicott, Nancy Giges, Leslie Gilbert and Julie Skur Hill.

November consumer magazine ad linage

	Current month 1988	Current month 1987	Year-to-date 1988	Year-to-date 1987
■ Auto/cycle/rec. vehicles				
ATV Sports	21.9	45.0	306.4	468.2
Autoweek (52X)	172.7	195.3	1,826.9	1,490.2
Car & Driver	137.5	96.2	1,146.7	1,027.0
Car Collector & Car Classics	18.8	18.5	189.3	190.6
Car Craft	74.5	75.7	907.6	940.7
Circle Track	75.6	69.4	883.8	833.3
Cycle	35.0	19.2	460.3	465.5
Cycle World	37.1	32.4	507.4	533.7
Dirt Rider	43.8	59.1	415.4	401.7
Dune Buggies & Hot VWs	70.6	72.7	811.1	835.6
Family Motor Coaching	162.9	158.6	1,912.0	1,716.6
4 Wheel & Off-Road	95.9	92.0	975.0	979.4
Four Wheeler	97.0	91.0	991.0	952.0
Hot Rod	85.6	73.4	962.7	817.7
Motorcyclist	25.8	28.0	452.4	501.5
Motor Trend	71.1	77.0	843.7	823.5
Motorhome	91.8	81.2	1,024.9	931.4
Rider	30.7	20.4	428.2	433.5
Road & Track	107.1	102.5	1,138.0	1,105.1
Trailblazer	—	—	—	—
Trailer Life	102.5	100.9	1,085.9	1,152.6
Total Group	**1,557.9**	**1,508.4**	**17,268.6**	**16,599.8**
% change	**3.3%**		**4.0%**	
■ Boating & yachting				
Boating	139.0	117.7	1,736.0	1,640.2
Chesapeake Bay	47.3	41.8	572.6	517.1
Cruising World	83.0	110.0	1,343.7	1,393.6
Lakeland Boating (11X)	73.0	69.5	882.3	785.6
Motor Boating & Sailing	138.6	147.5	1,695.2	1,780.2
Sail	106.3	80.4	1,210.2	1,176.7
Trailer Boats (11X)	35.9	40.4	664.3	571.0
Western Boatman (6X)	42.0	30.0	300.3	216.1
Yachting	135.3	143.1	1,585.8	1,568.2
Total Group	**800.3**	**780.4**	**9,990.4**	**9,648.7**
% change	**2.6%**		**3.5%**	
■ Civic/fraternal				
American Legion	38.5	34.8	402.4	375.2
Elk (10X)	16.3	20.6	171.5	196.2
Kiwanis	20.8	18.6	160.1	179.5
Lion (10X)	3.1	7.0	61.6	83.8
Rotarian	15.0	17.5	187.8	165.8
V.F.W. (11X)	28.3	33.8	317.9	290.4
Total Group	**122.0**	**132.3**	**1,301.3**	**1,290.9**
% change	**-7.8%**		**0.8%**	
■ General				
American Health (10X)	72.0	77.7	620.9	658.1
American Heritage (8X)	87.1	48.2	316.0	236.0
American West (6X)	30.3	29.7	202.6	213.5
The Atlantic A.	63.4	81.9	462.3	419.1
Bon Appetit A.	141.0	117.0	936.0	906.9
Cable Guide	35.5	43.8	353.1	260.3
Changing Times	75.3	90.9	625.9	705.0
Conde Nast's Traveler	75.9	45.0	571.2	158.0
Connoisseur	147.2	142.4	968.0	893.2
Consumers Digest (6X)	31.1	32.1	145.1	145.3
Ebony	124.1	109.7	1,108.1	1,022.1
Fifty Plus	40.5	39.9	354.7	424.0
Finance (10X)	28.0	53.1	319.0	436.6
Food & Wine	97.6	100.9	616.7	656.8
Games (6X)	9.5	15.2	74.1	82.2
Golden Years	—	—	—	—
Gourmet	159.0	182.8	1,139.7	1,159.5
Harper's Magazine A.	33.7	33.1	354.6	336.1
Harrowsmith (6X)	46.2	46.0	313.7	289.2
Islands Magazine	75.7	50.3	301.0	237.3
Let's Live	53.0	46.0	539.0	502.0
Life	119.4	64.7	662.0	512.8
Modern Maturity (6X)	—	—	182.4	228.3
Money	135.5	165.8	1,281.2	1,419.6
Money Maker	—	—	41.8	36.8
National Geographic	27.1	25.0	245.2	224.2
National Geographic Traveler (4X)	—	—	118.7	117.0
Natural History	49.4	43.6	425.6	391.5
Prevention	52.7	63.4	600.8	683.0
Psychology Today	—	—	—	—
Reader's Digest A.	123.2	174.9	1,093.9	1,059.6
Saturday Evening Post (9X)	35.3	36.4	281.7	325.8
Smithsonian	118.5	134.1	965.4	961.6
Town & Country	229.5	235.5	1,512.2	1,520.4
Travel-Holiday	59.5	45.2	608.9	576.2
Travel & Leisure	181.0	161.1	1,269.2	1,128.9
Vanity Fair	136.7	104.2	1,043.7	762.0
Writer's Digest	33.4	33.8	322.1	313.5
Yankee	90.9	104.7	842.0	895.5
Total Group	**2,817.9**	**2,778.0**	**21,818.3**	**20,897.8**
% change	**1.4%**		**4.4%**	
■ Home				
Americana (6X)	16.8	19.0	100.0	126.7
Architectural Digest A.	212.3	232.2	1,667.1	1,449.7
Better Homes & Gardens	151.1	182.3	1,312.6	1,279.5
Colonial Homes (6X)	63.2	59.3	365.1	379.7
Columbus Monthly-Homes (4X)	—	—	150.5	120.1
Cooking Light	52.5	40.9	236.2	146.5
Country Home (6X)	72.8	77.1	358.5	340.7
Country Living	119.3	108.0	1,032.6	984.1
Family Handyman (10X) A.	50.8	41.7	472.2	496.5
Florida Home & Garden	97.2	46.3	824.7	464.7
Flower & Garden (6X)	—	—	214.9	212.0
Home	55.8	60.1	670.3	592.3
Home Mechanics	58.1	60.4	587.3	646.0
The Homeowner (10X)	27.2	30.8	313.6	327.5
Horticulture	35.3	35.3	420.6	399.2
House Beautiful	88.5	97.1	802.5	811.2
House & Garden	113.7	134.3	1,026.8	1,069.4
Metropolis	68.9	62.2	626.0	585.6
Metropolitan Home	127.9	105.7	980.6	740.1
Midwest Living	71.9	48.6	329.5	229.3
1,001 Home Ideas	66.3	65.0	639.4	576.9
Organic Gardening	24.4	31.2	467.6	519.0
Phoenix Home/Garden	106.0	124.8	819.5	833.8
Practical Homeowner	24.6	39.9	357.2	426.1
San Diego Home/Garden	62.0	58.7	768.6	708.9
Southern Accents (6X)	114.0	99.6	687.8	598.0
Southern Living	160.2	164.9	1,368.7	1,348.4
Sunset Magazine A.	153.7	162.5	1,379.9	1,365.9
Workbench (6X)	42.9	54.1	235.5	281.7
Total Group	**2,237.3**	**2,242.1**	**19,215.7**	**18,069.3**
% change	**-0.2%**		**6.4%**	
■ In-flight & other passenger				
Aboard Group (6X)	50.6	41.3	226.8	176.5
Alaska Airlines	55.4	54.9	610.8	599.7
America West Airlines	80.5	58.4	702.5	558.9
American Way (24X)	186.6	183.3	1,565.0	1,272.9
East/West Network:				
Continental	79.1	—	575.4	—
Eastern Review	94.3	76.0	652.0	743.8
Northwest	56.5	53.8	454.4	522.5
Pan Am Clipper	57.0	71.7	499.1	502.8
Spirit	79.0	68.5	704.2	664.4
TWA Ambassador	79.1	63.3	532.7	558.7
Vis 'A Vis	99.0	85.8	728.8	669.6
Halsey Publication:				
Delta Sky	89.9	100.0	899.0	909.2
Pace Communications:				
Piedmont Airlines	107.7	100.0	1,068.3	1,000.0
US Air	76.7	72.3	682.1	589.5
Spirit of Aloha (6X)	24.8	34.1	229.8	345.1
Total Group	**1,216.1**	**1,063.5**	**10,130.9**	**9,113.6**
% change	**14.4%**		**11.2%**	
■ Men's				
Esquire A.	154.8	116.8	1,146.1	1,015.6
Firehouse Magazine	44.1	45.9	509.0	506.8
Gentlemen's Quarterly A.	235.2	198.7	1,963.7	1,741.1
M Magazine	65.3	74.9	850.1	832.4
Muscle & Fitness	133.5	131.0	1,357.1	1,368.4
Penthouse A.	49.4	40.3	477.6	447.0
Playboy A.	64.4	72.8	599.4	596.6
Salute (10X)	35.4	34.7	268.6	216.4
Total Group	**782.2**	**715.1**	**7,171.6**	**6,724.3**
% change	**9.4%**		**6.7%**	
■ Metropolitan				
Aloha (6X)	—	—	—	—
Atlanta	90.3	81.3	783.7	673.3
Baltimore	75.7	110.9	754.4	852.9
Boston	202.9	212.6	1,763.5	1,819.9
California	73.7	58.2	726.1	667.3
Chicago	155.5	143.6	1,272.0	1,161.8
Chicago's North Shore	109.2	108.1	1,017.4	950.6
Cincinnati	65.1	71.1	557.9	702.6
Cleveland	63.1	62.7	642.9	749.8
Coast (39X)	47.8	51.4	1,992.7	2,333.4
Columbus Monthly	69.5	76.8	785.7	801.2
Connecticut	119.3	109.7	1,157.7	1,109.6
D/Magazine	95.1	136.1	959.6	1,232.9
Denver	39.2	40.2	373.0	401.0
Detroit Monthly	110.6	191.9	950.5	882.2
Grand Rapids	63.7	56.7	458.0	472.9
Gulfshore Life (10X)	76.0	76.0	735.0	687.0
Honolulu	101.8	191.4	678.0	796.6
Houston Metropolitan Mag.	60.1	59.8	636.9	769.1
Inside Chicago	56.2	44.2	231.5	159.2
Louisiana Life	36.2	42.0	209.6	233.0
Madison	48.0	61.9	399.4	692.9
Memphis	84.3	85.0	922.2	874.1
Mid Atlantic Country	35.4	35.1	402.8	374.8
Milwaukee	72.9	83.8	626.7	688.4
Minneapolis/St. Paul	156.3	128.9	1,171.4	1,155.5
Minnesota Monthly Mag.	—	—	—	—
Nashville	60.0	50.0	492.0	439.0
New England Monthly	61.3	60.8	547.3	501.0
New Jersey Monthly	109.0	103.9	1,141.1	1,046.2
New Mexico	47.8	45.3	434.0	369.1
Ohio	61.9	70.4	637.8	678.6
Orlando	107.9	83.0	962.9	1,000.9
Palm Beach Life	80.3	83.1	596.7	604.8
Palm Springs Life	91.9	112.8	1,241.0	1,271.4
Philadelphia	185.9	189.6	1,696.3	1,651.5
Pittsburgh	82.0	91.0	771.1	765.2
Sacramento Magazine	83.0	64.0	721.0	453.0
St. Louis	40.5	72.3	480.8	667.4
San Diego	146.9	185.6	1,654.1	1,552.9
San Francisco Focus	145.0	159.9	1,120.7	1,119.7
South Florida Magazine	129.8	107.7	1,135.4	653.9
Texas Monthly	109.9	135.8	1,089.4	1,103.9
Twin Cities	80.9	79.3	856.6	777.4
The Virginian (6X)	112.0	120.0	370.1	361.1
Washington (7X)	106.0	68.0	461.7	368.0
The Washingtonian	195.5	268.5	1,719.2	1,752.3
Total Group	**4,145.2**	**4,470.5**	**38,337.8**	**38,378.2**
% change	**-7.3%**		**-0.1%**	
■ Music/entertainment				
Audio	114.2	109.5	1,148.9	1,118.6
Dance Magazine	51.1	51.1	577.0	633.4
Playbill	71.1	56.9	581.8	504.4
Video Magazine	—	—	—	—
Total Group	**236.4**	**217.5**	**2,307.7**	**2,256.3**
% change	**8.7%**		**2.3%**	
■ Outdoor & sport				
Alaska	36.0	48.9	382.0	388.9
The American Handgunner (6X)	57.0	59.0	320.0	288.0
American Hunter	17.5	23.8	274.0	245.8
American Rifleman	26.3	26.2	294.5	277.7
Bass Master (10X) A.	72.3	41.3	699.2	584.3
Bicycling (9X)	—	—	1,025.2	817.6
Ducks Unlimited (6X)	48.1	40.6	189.4	217.5
Field & Stream	80.8	84.9	933.6	954.4
Fins & Feathers A.	24.1	29.0	175.4	340.2
Fishing World (6X)	15.8	20.6	201.0	210.8
Florida Sportsman	85.5	93.1	1,339.7	1,282.3
Golf Digest	79.9	85.7	1,152.3	1,061.5
Golf Illustrated	40.0	30.3	394.6	261.4
Golf Magazine	66.8	68.8	987.7	817.7
Gun Dog (6X)	57.1	59.0	193.3	181.0
Guns	48.0	38.0	476.0	411.0
Guns & Ammo	59.9	66.5	583.9	556.8
In-Fisherman (6X)	78.7	66.5	532.0	411.7
Outdoor Life	86.3	88.4	868.3	907.2
Outside Magazine	72.3	61.3	630.0	598.6
Petersen's Hunting	71.2	70.8	607.9	610.8
Runner's World (12X)	53.5	44.7	408.7	410.5
Salt Water Sportsman	102.7	78.1	1,280.8	1,118.6
Shooting Times	45.5	38.3	441.7	418.8
Sierra (6X)	49.4	45.8	252.5	238.7
Ski (8X) A.	139.9	168.3	773.8	793.5
Skiing (7X) A.	184.7	213.0	766.8	831.3
Skin Diver	110.3	106.9	1,262.2	1,147.8
Southern Outdoors (9X)	48.1	50.8	562.0	461.0
Southern Saltwater (8X)	47.9	—	312.6	224.4
Sport Magazine	32.0	41.7	394.4	439.8
Sports Afield	60.8	49.9	796.1	899.6
Tennis	64.7	66.4	842.0	790.0
Waterski (8X)	48.5	49.5	604.1	442.0
Western Outdoors (10X)	29.1	31.5	424.8	414.5
Wildfowl (6X)	—	—	114.8	89.6
WindRider (8X)	50.5	44.5	420.4	357.3
Wing & Shot (6X)	26.2	24.5	83.8	69.1
World Tennis	32.2	26.3	604.3	362.9
Total Group	**2,249.2**	**2,182.8**	**22,605.4**	**20,934.6**
% change	**3.0%**		**8.0%**	
■ Photography				
American Photographer	28.7	52.3	349.0	422.5
Petersen's Photographic	36.7	44.2	300.9	314.5
Popular Photography	97.6	105.3	885.5	842.7
Total Group	**163.0**	**201.8**	**1,535.4**	**1,579.7**
% change	**-19.2%**		**-2.8%**	
■ Science/electronic/mech				
Discover	46.3	51.0	390.9	486.2
Home Office Computing	55.3	60.6	470.5	463.6
Omni	65.2	86.7	708.3	671.2
Personal Computing	224.2	267.1	2,362.2	1,973.3
Popular Mechanics	89.7	90.8	870.2	923.6
Popular Science	77.2	89.7	747.4	777.5
Scientific American	74.0	72.9	456.6	496.0
Spectrum	60.7	77.7	717.3	725.7
Total Group	**692.6**	**796.4**	**6,723.3**	**6,517.1**
% change	**-13.0%**		**3.2%**	
■ Woman/fashion/service				
Beauty Digest (6X)	—	—	121.8	52.3
Bride's Magazine (6X) A.	—	—	2,420.4	2,101.8
Cosmopolitan A.	219.2	237.6	2,078.0	2,100.7
Elle Magazine	217.8	223.5	2,034.9	1,905.1
Essence	86.4	83.7	808.1	798.7
Family Circle (17X) A.	248.4	137.6	1,692.4	1,455.6
Glamour	171.2	212.0	1,899.2	2,087.6
Good Housekeeping A.	195.2	172.6	1,465.6	1,547.8
Harper's Bazaar	156.7	165.5	1,339.4	1,512.4
Health	31.0	48.5	399.9	492.0
Imagen	145.0	105.0	926.0	667.0
Ladies' Home Journal	158.1	147.9	1,238.1	1,159.1
Mademoiselle	152.6	184.0	1,661.0	1,668.4
McCall's	121.7	125.1	932.3	1,044.4
Military Lifestyle (10X)	60.9	68.6	513.1	509.8
Modern Bride (6X)	262.6	177.0	1,906.9	1,721.5
Ms.	34.0	42.5	346.1	464.4
New Woman	93.3	81.4	938.9	888.1
Parents Magazine A.	177.5	176.7	1,257.5	1,250.5
Redbook	115.5	121.8	1,102.6	1,113.7
Savvy	81.0	59.9	521.9	410.7
Self	145.3	132.9	1,174.1	1,133.8
Seventeen	94.3	122.0	1,331.9	1,378.7
Shape	61.7	73.1	787.3	805.5
Soap Opera Digest (26X)	36.8	26.3	276.1	245.5
Soap Opera Update	14.0	—	110.5	—
Teen Magazine	40.3	59.7	595.3	658.9
True Story A.	60.1	61.1	546.5	546.4
Vogue	328.7	306.5	3,069.6	3,078.9
Weight Watchers	34.3	32.5	366.9	344.3
Woman (10X)	43.0	40.0	386.5	288.4
Woman's Day (15X) A.	164.4	161.8	1,510.4	1,536.6
Workbasket	25.4	37.7	253.2	328.4
Working Mother	146.3	129.1	876.1	918.7
Working Woman	132.7	141.0	1,086.1	1,075.9
Total Group	**4,055.3**	**3,894.6**	**37,974.4**	**37,291.7**
% change	**4.1%**		**1.8%**	
■ Youth				
Boys' Life	25.7	21.4	195.9	179.1
Campus Life (10X)	41.5	46.7	415.8	439.9
Total Group	**67.2**	**68.0**	**611.8**	**618.9**
% change	**-1.2%**		**-1.2%**	
■ Business/national				
Barron's	181.9	258.5	1,989.6	2,440.2
Black Enterprise	81.3	64.5	856.8	761.4
Business Month	66.6	48.0	440.4	282.2
Business Week (52X) A.	476.2	665.6	4,143.4	4,254.0
Financial World (26X)	67.0	85.1	612.4	664.9
Forbes (26X)	423.4	512.7	3,176.8	3,380.4
Fortune (26X)	333.5	307.3	2,929.6	2,766.9
Frequent Flyer	60.2	53.0	529.9	629.3
Futures	52.1	82.8	674.6	698.5
Inc. Magazine	163.3	158.5	1,122.2	1,063.4
Income Opportunities	80.5	85.9	844.7	773.0
Industry Week (25X) A.	146.4	185.0	1,035.5	988.4
Nation's Business (12X) A.	43.9	35.2	401.4	385.9
Venture	91.1	97.5	645.0	726.0
Total Group	**2,267.4**	**2,639.5**	**19,402.2**	**19,796.4**
% change	**-14.1%**		**-2.0%**	
■ Business/regional				
Advantage-Nashville's Bus. Mo.	84.0	80.0	643.0	710.0
Arizona Bus. Gazette (52X)	49.9	79.3	755.1	832.1
Baltimore Bus. Jrnl.	111.8	114.8	948.1	969.6
Boston Bus. Jrnl. (52X)	98.3	168.7	1,315.0	1,561.0
Bus. First of Buffalo	75.5	94.0	775.3	722.0
Bus. Jrnl.-Milwaukee	234.8	252.4	1,661.1	1,483.3
Bus. Jrnl.-Sacramento	90.9	104.1	937.8	762.8
Bus. North Carolina	30.0	35.5	398.0	484.9
Capital Dist. Bus. Review (52X)	118.3	109.2	992.3	902.9
Caribbean Business	128.0	164.0	1,574.0	1,604.0
Corporate Rpt. Kansas City	20.7	27.3	223.5	247.3
Corporate Rpt. Minnesota	75.0	82.0	807.5	840.0
Crain's Chicago Bus. (52X)	139.5	198.0	1,659.0	1,715.0
Crain's Cleveland Bus. (52X)	81.4	83.1	818.9	717.8
Crain's Detroit Bus. (52X)	92.4	106.1	993.0	888.1
Crain's New York Bus. (52X)	57.0	50.0	575.0	440.0
Florida Trend (13X)	59.6	75.8	673.6	839.9
Georgia Trend	41.2	62.7	606.1	739.6
Grand Rapids Bus. Jrnl.	59.7	47.5	586.9	516.4
Hawaii Business	62.0	53.3	552.2	516.8
Houston Bus. Jrnl. (52X)	78.0	80.0	784.0	696.5
Indianapolis Bus. Jrnl. (52X)	163.4	163.5	1,732.1	1,648.3
Manhattan Inc.	82.4	82.0	715.5	822.5
New England Bus. (20X) A.	57.2	97.3	621.3	761.8
New Orleans City Bus.	—	—	—	—
Pacific Bus. News (52X)	113.5	126.4	1,186.0	1,285.7
Pittsburgh Bus. Times (52X)	—	—	—	—
Providence Bus.News	82.1	88.4	946.9	7[illegible]0
Regardie's/Washington Review Publication:	131.5	183.0	1,619.0	1,519.0
Broward Review	72.1	43.3	651.4	390.6
Miami Review	82.4	53.9	718.6	535.9
Palm Beach Review	77.5	36.4	637.8	298.8
San Jose Bus. Jrnl.	85.0	—	810.0	—
St. Louis Bus. Jrnl. (52X)	115.6	169.8	1,262.1	1,459.5
Warfield Monthly Baltimore	68.3	74.3	755.9	728.1
Total Group	**2,918.8**	**3,185.9**	**29,835.7**	**28,422.2**
% change	**-8.4%**		**5.0%**	
■ National Sunday mags				
Parade (52X)	59.3	59.1	620.7	566.1
USA Weekend (52X)	46.5	53.9	519.0	445.6
Vista Magazine	25.9	16.8	209.1	143.1
Total Group	**131.7**	**129.8**	**1,348.8**	**1,154.8**
% change	**1.5%**		**16.8%**	
■ Newspaper Sunday magazine				
Boston Globe	245.0	316.0	2,026.0	2,345.0
Chicago Tribune	140.0	131.9	1,208.9	1,195.3
Cleveland Plain Dealer	99.0	116.6	754.2	738.3
Columbus Dispatch	38.0	65.0	328.3	404.5
Detroit Free Press	52.6	87.3	537.5	585.1
L.A. Times	93.0	84.6	770.5	677.5
Louisville Courier-Jrnl.	38.0	75.0	422.0	603.0
New York Times Mag.	391.8	528.4	3,776.0	3,842.4
Philadelphia Inquirer	—	—	—	—
Seattle Times	94.0	122.0	806.0	742.0
St. Louis Post Dispatch	123.0	123.7	900.4	836.0
Toledo Blade Magazine	29.8	44.4	358.9	432.6
Washington Post	167.5	119.9	1,519.6	1,367.8
Total Group	**1,511.7**	**1,814.8**	**13,408.3**	**13,769.5**
% change	**-16.7%**		**-2.6%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	148.0	145.3	1,850.5	1,516.6
Army Times Military Group:				
Air Force Times (52X)	174.9	199.2	1,813.0	1,847.9
Army Times (52X)	170.1	200.7	1,737.1	1,805.1
Navy Times (52X)	185.2	216.7	1,974.2	2,007.2
The Blood-Horse (52X)	234.6	378.7	2,977.4	3,692.7
Capper's (26X)	17.9	23.3	259.5	288.5
Commonweal (22X)	13.0	13.5	73.4	76.1
Golf World (40X)	—	—	—	—
Grit (52X) A.	23.5	31.5	316.0	312.3
National Journal (50X)	76.0	62.7	808.5	728.5
National Review (25X)	43.4	46.2	402.0	388.8
New Republic (48X)	52.5	58.5	469.0	458.0
New York Magazine (50X)	295.2	302.1	2,707.1	2,827.4
New Yorker	309.8	452.8	2,059.7	2,352.0
Newsweek (52X) A.	313.7	340.6	2,269.1	2,[illegible]80.1
People (51X)	497.7	493.0	3,377.9	3,2[illegible]4.1
Rolling Stone (25X)	182.4	256.3	1,652.1	1,578.8
Sporting News (52X)	60.6	77.2	568.8	599.7
Sports Illustrated (52X)A.	294.4	341.0	2,714.8	2,440.9
Time (52X) A.	313.9	324.1	2,290.8	2,193.8
Travelhost (52X) C.	3,280.0	3,226.0	35,756.0	35,290.0
TV Guide (52X) A.	372.8	360.8	3,170.9	3,399.8
US Magazine (26X)	64.7	57.4	590.5	546.1
U.S. News & World Report (50X) A.	196.1	216.9	1,659.5	1,525.1
Total Group	**7,320.5**	**7,824.3**	**71,497.8**	**71,509.4**
% change	**-6.4%**		**0.0%**	

NOTES: (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. All figures represented in this table are supplied by the magazines. AD AGE makes no attempt to verify them and therefore is not responsible for inconsistencies or errors.

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NEWSPAPER

December 26, 1988

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See Page 11

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What Grand Met got

Pillsbury, BK get product 'valuations'

An Advertising Age roundup

Grand Metropolitan next month is expected to apply its own "brand valuation" system to the brands it acquired in the $5.75 billion takeover of Pillsbury Co.

Grand Met "almost certainly" will include its system of brand valuations of Pillsbury and Burger King Corp. on its balance sheet, said David Geddes, spokesman for Grand Met in London.

Grand Met believes the new accounting practice of brand valuation helps assess the underlying brand assets of acquired companies. The practice reflects intangible assets not otherwise considered.

Analysts say it will find that many areas desperately need both new leadership and more aggressive marketing.

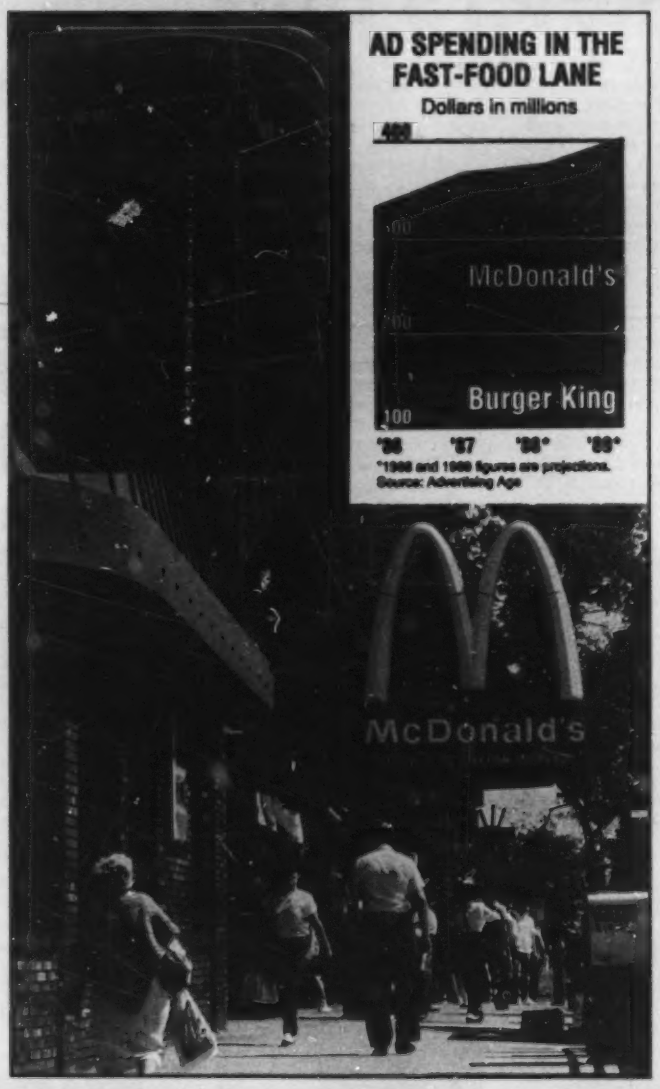
Several months ago, Grand Met was the first U.K. company to begin assessing the value of recently acquired brands and using the figure to enhance the company's worth on its balance sheet. Since then, other companies like U.K. baked-goods marketer Rank Hovis McDougall have adopted brand valuation.

Brand valuation has already been applied to major brands acquired by Grand Met in recent years. Pearle Health Services, Alpo Petfoods, Smirnoff and one or two other Heublein brands are believed to be involved.

What Grand Met's evaluation will uncover is a group of brands that have suffered as much from a lack of consistency and management focus as anything.

The takeover fight not only cost Pillsbury $21 million, but, more importantly, the time and attention of its top management. One example of what Grand Met will find is Van de Kamp's seafood products, which have seen their sales slip in recent months because of spotty ad support, sources say. And Pillsbury is taking a beating in the cutthroat

(Continued on Page 17)



AD SPENDING IN THE FAST-FOOD LANE

Dollars in millions

*1988 and 1989 figures are projections.
Source: Advertising Age

Clock's ticking in agency fight for Burger King

By SCOTT HUME

Ninety days.

That's how much time some Burger King Corp. franchisees and industry analysts suggest N W Ayer has to convince new Pillsbury owner Grand Metropolitan not to throw the $200 million account open to a review.

That 90-day period will be enough time, these observers say, for Grand Met to settle in, find a buyer for Pillsbury Co.'s S&A Restaurant Corp. (which it must divest), evaluate the fast-food chain's operations—including marketing—and decide where changes need to be made.

Undoubtedly, changes must be made if Burger King is to right itself and again be competitive with sales and ad-spending leader McDonald's Corp.

Within 90 days, too, the New York agency will have completed a successor campaign to the current "We do it like you do it" effort.

How Grand Met executives and Burger King operators respond to that creative likely will decide Ayer's fate.

Perhaps a dozen agencies will spend the next 90 days preparing for an official agency review that likely would follow if Ayer's new campaign falls flat.

Major New York agencies expected to pursue the Burger King account include Bozell, Jacobs, Kenyon & Eckhardt; D'Arcy Masius Benton & Bowles; Lintas:New York; McCann-Erickson Worldwide; and Wells, Rich, Greene. Foote, Cone & Belding, Chicago, earlier considered by some the leading contender (AA, Nov. 28), still is in a good position: Grand Met knows the agency since it handles the Pearle Vision Centers unit.

Apparently stung by extensive media coverage of Burger King's history of marketing problems, Ayer's predecessor, J. Walter Thompson USA, issued a three-page statement defending its record during its 11 years on the account. JWT blamed the restaurant

(Continued on Page 17)

Campbell, P&G plan shift in agency compensation

By JUDANN DAGNOLI and LAURIE FREEMAN

Campbell Soup Co. and Procter & Gamble Co. are planning new agency compensation systems for 1989, a year already mired in gloomy ad spending predictions.

Campbell will start testing a new system Feb. 1 with one or two agencies, rather than immediately implementing it with all Campbell shops, said Paul Mulcahy, VP-advertising.

He declined to identify the agencies or provide details of the new system.

Campbell spends $235 million annually on advertising. The company's main agencies are Backer Spielvogel Bates Worldwide, New York; FCB/Leber Katz Partners, New York; W.B. Doner & Co., Southfield, Mich.; Ogilvy & Mather, New York; and Hal Riney & Partners, San Francisco.

Agency sources said P&G will institute a new compensation system July 1 for all its agencies.

P&G's domestic spending is estimated at $1.3 billion, and its agencies include Leo Burnett USA and Tatham-Laird & Kudner, both Chicago, in addition to N W Ayer; D'Arcy Masius Benton & Bowles; Grey Advertising; Jordan, McGrath, Case & Taylor; Saatchi & Saatchi Advertising; and Wells, Rich, Greene, all New York.

Campbell's system is believed to lower the base compensation below 15% and give incremental revenue for superior creative work. Campbell now pays its agencies a straight 15% commission.

The plan has been in the works since last spring, when Campbell USA President Herb Baum said the company needed a way to improve creativity, which he said was lacking at many of Camp-

(Continued on Page 19)

Last Minute News

Scali mulls buyback options

NEW YORK—Scali, McCabe, Sloves is getting closer to acquiring a majority interest in the $700 million agency from parent Ogilvy Group, officials confirmed. As one of several options, Scali is seeking an investment bank or other financial partner that would join with the agency and its 25%-owned U.K. affiliate, Abbott Mead Vickers, London, to acquire more than two-thirds of Scali. A deal, contingent on Ogilvy approval, would likely be signed by midyear. An Ogilvy Group board meeting held last week apparently was unrelated to Scali's buyback plans *(see related story on Page 2)*.

Lipton shifts accounts

ENGLEWOOD CLIFFS, N.J.—Thomas J. Lipton Inc. is believed to be realigning its agency assignments. Among the changes, Bozell, Jacobs,

(Continued on Page 6)

Ads that made news in 1988—P. 10
The year in verse (or worse)—P. 23

Purina's animated mouse tells a cat "You want the whole Kit 'N Kaboodle" in this spot from DDB Needham Worldwide, Chicago. Pet-food marketers are sending that message to cat owners in 1989.

Cats' new popularity makes marketers purr

By JULIE LIESSE ERICKSON and MARCY MAGIERA

Faced with a declining dog population, pet-food companies are out to make 1989 the Year of the Cat with a focus on premium products.

Category leader Ralston Purina Co. is heading the new-product assault on the $2.1 billion market, but Carnation Co., Heinz Pet Products Co., Alpo Petfoods and newcomer Edward Lowe Industries aren't far behind.

Purina, on the heels of its November introductions of Kit 'N Kaboodle cat food and Whisker Lickin's treats, is readying another major new cat food and at least two relaunches for early 1989.

The marketer may overwhelm its competition with a flood of new products designed to fortify its leadership in the category.

Rolling national in January are Cat Chow Plus, a mirror image of Purina O.N.E. premium dog food, and Kitten Chow Dairy Formula, a line extension of its $32 million Kitten Chow franchise.

Avrett, Free & Ginsberg, New York, agency for Cat Chow and Kitten Chow, has been assigned both new Purina products.

Cat Chow Plus represents an attempt to lure sales from non-grocery outlets, such as pet shops and veterinarians' offices—where sales of premium-price cat foods like Iams, Hill's Science Diet and Purina's own ProPlan are booming.

Like O.N.E., Cat Chow Plus is chicken-based, in contrast to most grain-based supermarket cat foods. Purina will stress the brand's high quality, good taste and optimum digestibility in a multimedia campaign breaking in February.

Also in January, Purina will roll national with Kitten Chow Dairy Formula, which will get its own ad campaign.

The new product is a dry cat food coated with milk and cheese flavors. But the real hook is the packaging: To reinforce the brand's calcium content, Kitten Chow Dairy Formula will be sold in 12- and 18-ounce packages shaped like milk cartons.

Purina is racing to beat Carnation to market. Carnation's Friskies PetCare division will complete a national rollout of its Friskies Kitten Formula, a calcium-fortified dry food in a milk carton package, by spring.

Carnation hopes its Kitten Formula will garner a larger share of the cat-food market for its 33-year-old Friskies brand by developing cat owners' loyalty to the brand early.

The company will start national advertising and promotions in the spring. Lintas:New York is Friskies' agency.

The upcoming battle over calcium content is typical of the industry's new emphasis on products that encourage owners to pamper cats as they have dogs.

Another example of this is cat treats. Until this year, the market for cat treats was dominated quietly by Quaker Oats Co.'s Pounce and E-II Holdings' Bonkers. But Heinz launched Finicky Bits early in 1988, and Purina followed just last month with Whisker Lickin's.

Although still small, the cat-treat market represents great growth potential; sales grew

(Continued on Page 6)

Ogilvy board wrestles with stock price

By GARY LEVIN

NEW YORK—Ogilvy Group, under pressure to improve its earnings, is getting concerned about unfriendly takeover rumors.

The board of directors held an unscheduled meeting last week where it may have discussed a possible share repurchase program or dividend increase.

Still gun-shy from an aborted takeover attempt last year, rumors also persisted about a potential buyout bid from WPP Group, though none of those reports could be confirmed and there's no evidence the company is "in play."

Ogilvy officials refused to disclose the substance of the Dec. 20 meeting or how many of its directors attended.

"We do not reveal our agenda," said Kenneth Roman, chairman-ceo. "If we had decided something major, we would have announced it."

But a securities analyst who asked to remain unidentified said Ogilvy executives have inquired in recent weeks about the market's probable reaction to a dividend boost or an additional share repurchase program.

"They're disturbed that their earnings could disappoint," the analyst said. These actions would "put away a couple of acorns for the next year and make their comparisons look better."

Analysts believe Ogilvy's lackluster earnings performance in recent years makes it the most attractive

(Continued on Page 19)

Ad groups ponder response to Koop

By JANET MEYERS

WASHINGTON—Major ad, media and alcohol associations are treading carefully in their battle over the alcohol advertising restrictions favored by U.S. Surgeon General C. Everett Koop.

The proposals from Dr. Koop's workshop include inserting health warnings in alcohol ads, ending celebrity endorsements, eliminating tax deductibility of alcohol advertising and banning sponsorship of sporting events (AA, Dec. 19).

At a National Association of Broadcasters meeting Dec. 21, executives from ad, media and alcohol groups discussed how to handle Dr. Koop, who lambasted these associations for boycotting his Dec. 16 workshop on drunken driving.

"We don't know if any rational approach will be persuasive," said David Blair, government affairs representative for the National Beer Wholesalers Association, which had sued to force the workshop to be open to the public. "The only avenue available to us is to criticize the recommendations."

Most associations indicate they won't seek private meetings with Dr. Koop but will instead provide him with an artillery of facts and studies that show no links between advertising and alcohol abuse.

"Can we change his mind?" asked Wallace Snyder, senior VP for the American Advertising Federation. "We don't know."

The groups have until Jan. 31 to file comments with the surgeon gen-

(Continued on Page 17)

Yellow Pages rivals dwindle

By JUDITH GRAHAM

A major retrenchment under way in the Yellow Pages business could mean higher prices for advertisers next year.

Yellow Pages advertising rates could start rising by as much as 9% to 12%, agency experts say, compared with average annual rate increases of 4% to 5% between 1985 and 1988.

"With reduced competition in several major markets, there won't be as much control over rates," said Linda Noyes Singer, director of the Yellow Pages division of Della Femina, McNamee/WCRS, Boston.

"There is a distinct possibility that rates will rise again from the 4%-to-5% levels of the last few years to the 10%-plus level," said Robert D. Hickson, chairman of Ketchum Yellow Pages, New York, an agency subsidiary of Ketchum Advertising.

The most dramatic sign of retrenchment is the recent exit of Southwestern Bell Publications' Mast Advertising & Publishing subsidiary from New York, Chicago and St. Petersburg, Fla.

"I'm very sorry to see them go," said Lee Matthews, president of Bernard Hodes Telephone Marketing Services, the Yellow Pages agency subsidiary of Omnicom Group. "Competition is healthy for us and our clients. This gives incumbent directories too much power to do what they will to advertisers and consumers."

Other signs that publishers' competitive strategies are failing abound.

Just a month before Southwestern Bell's withdrawal, NYNEX Information Resources Co. announced it would stop publishing directories

(Continued on Page 16)

Highlights

NEWS

4 GSD&M takes on the big guys
GSD&M's win of the $10 million Chili's restaurant account proves that an agency's location isn't everything—at least when it comes to winning major accounts.

16 Whirlpool spins innovative tale
The appliance marketer is positioning itself as a leader in innovation in a new effort aimed at spotlighting its brand and attacking the perception that all major appliance brands are alike.

19 Rumblings from Down Under
Mojo MDA Group sends a message to the Australian market that its talks with international agencies could result in reorganization.

21 A clear voice above the clutter
GM's corporate ads get through to consumers amid a cacophony of messages, landing the carmaker its first appearance this year on adWatch.

Univision to debut "Ahora" magazine in June. P. 18.

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POWER CHARTS

The most important data generated in 1988 on media, agency and advertiser companies illuminates the forces that are reshaping marketing and advertising

Top 50 U.S. media cos.

Rank	Media company	Media revenues	'87-'86 % chg
1	Capital Cities/ABC	$4,256	8.0
2	Time Inc.	3,239	4.5
3	General Electric Co.	3,165	6.7
4	Gannett Co.	2,991	9.7
5	CBS Inc.	2,762	(1.6)
6	Times Mirror Co.	2,549	11.1
7	Advance Publications	2,397	9.0
8	Dun & Bradstreet Corp.	2,056	6.4
9	Knight-Ridder Newspapers	2,049	9.0
10	Hearst Corp.	1,925	25.9
11	Tribune Co.	1,886	7.0
12	New York Times Co.	1,690	8.0
13	Cox Enterprises	1,464	5.7
14	News Corp.	1,250	10.3
15	Washington Post Co.	1,240	6.7
16	Dow Jones & Co.	1,240	16.0
17	TCI	1,225	89.7
18	McGraw-Hill	1,187	9.0
19	Scripps Howard	1,129	13.4
20	Viacom International	939	9.8
21	Triangle Publications*	730	1.4
22	Media News Group	650	44.4
23	SCI Holdings	612	(5.7)
24	Ingersoll Publications	609	64.6
25	Westinghouse Electric Corp.	601	(28.4)
26	Home Shopping Network	582	263.4
27	Harte-Hanks Communications	544	(5.6)
28	International Thomson Holdings	528	27.2
29	Reader's Digest Assn.	522	7.4
30	Advo-Systems	521	13.5
31	Affiliated Publications	487	22.0
32	Opubco	466	(4.0)
33	Meredith Corp.	449	15.0
34	Thomson Newspapers	449	10.2
35	Continental Cablevision	442	12.8
36	Turner Broadcasting System	436	15.0
37	Central Newspapers	427	4.9
38	Warner Communications	425	18.1
39	Media General	423	11.6
40	Multimedia Inc.	411	10.5
41	Valassis Inserts	400	23.1
42	Freedom Newspapers	392	9.8
43	A.H. Belo Corp.	382	(3.9)
44	Pulitzer Publishing Co.	367	11.6
45	Morris Communications	359	2.9
46	Chronicle Publishing Co.	357	29.8
47	Copley Newspapers	353	7.1
48	Cahners Publishing Co.	340	27.3
49	Gillett Holdings	340	1.8
50	McClatchy Newspapers	332	6.8

Notes: AA estimates are dollars in millions for media property revenues only. * Bought by News Corp. **Source:** AA's 100 Leading Media Cos., June 27, 1988.

Top 50 U.S. agencies

Rank	Agency	Gross income	'87-'86 % chg
1	Young & Rubicam	$736	17.0
2	Saatchi & Saatchi Advertising WW	694	13.7
3	Backer Spielvogel Bates WW	601	16.1
4	BBDO Worldwide	537	20.7
5	Ogilvy & Mather Worldwide	529	15.0
6	McCann-Erickson Worldwide	513	19.8
7	J. Walter Thompson Co.	483	2.6
8	Lintas:Worldwide	418	28.7
9	D'Arcy Masius Benton & Bowles	371	11.3
10	Leo Burnett Co.	369	21.0
11	Grey Advertising	369	19.4
12	DDB Needham Worldwide	358	(4.4)
13	Foote, Cone & Belding Communications	345	6.7
14	HDM	204	30.2
15	Bozell, Jacobs, Kenyon & Eckhardt	185	8.7
16	N W Ayer	166	4.4
17	Wells, Rich, Greene	114	14.3
18	Scali, McCabe, Sloves	93	20.1
19	Ketchum Advertising	88	16.9
20	Ogilvy & Mather Direct Response	84	23.5
21	TBWA Advertising	75	13.6
22	Ross Roy Group	71	14.3
23	Campbell-Mithun*	64	11.9
24	Wunderman Worldwide	62	26.4
25	Chiat/Day	53	11.4
26	Tracy-Locke	47	2.3
27	Lowe Marschalk	46	(7.0)
28	Doremus & Co.	45	5.4
29	Hill, Holliday, Connors, Cosmopulos	43	10.3
30	McCaffrey & McCall	42	35.8
31	Laurence, Charles, Free & Lawson	42	5.3
32	HBM/Creamer	41	2.0
33	W.B. Doner & Co.	41	11.7
34	Jordan, McGrath, Case & Taylor	38	17.3
35	AC&R Advertising	37	0.3
36	Ally & Gargano	37	1.5
37	Admarketing	36	9.1
38	William Esty Co.*	36	(52.0)
39	Della Femina, McNamee/WCRS	34	13.1
40	Earle Palmer Brown Cos.	33	94.0
41	Lord, Geller, Federico, Einstein	32	8.3
42	Medicus Intercon International	32	28.9
43	Tatham-Laird & Kudner	29	1.5
44	Bernard Hodes Advertising Group	28	35.0
45	Levine, Huntley, Schmidt & Beaver	27	43.5
46	Direct Marketing Group	26	8.0
47	Ammirati & Puris	26	13.3
48	Sudler & Hennessey	24	(6.5)
49	Keller-Crescent Co.	24	15.7
50	Nationwide Advertising Service	24	53.6

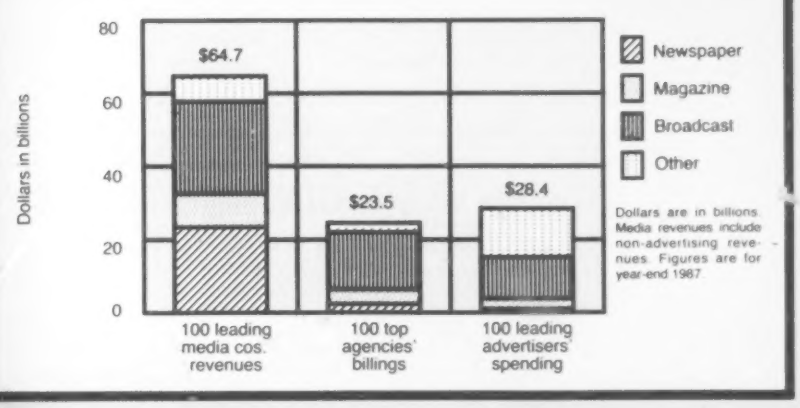
Notes: Dollars are in millions. Figures are AA estimates. * Now Campbell-Mithun-Esty. **Source:** AA's U.S. Advertising Agency Profiles, March 30, 1988.

Top 50 U.S. advertisers

Rank	Advertiser	Ad spending	'87-'86 % chg
1	Philip Morris Cos.	$1,558	7.4
2	Procter & Gamble Co.	1,387	(7.6)
3	General Motors Corp.	1,025	22.2
4	Sears, Roebuck & Co.	887	(19.8)
5	RJR Nabisco	840	(6.1)
6	PepsiCo Inc.	704	9.7
7	Eastman Kodak Co.	658	7.9
8	McDonald's Corp.	649	9.7
9	Ford Motor Co.	640	(1.7)
10	Anheuser-Busch Cos.	635	(1.4)
11	K mart Corp.	632	10.1
12	Unilever NV/PLC	581	6.9
13	General Mills	572	4.0
14	Chrysler Corp.	569	12.9
15	Warner-Lambert Co.	558	0.9
16	AT&T	531	1.6
17	Kellogg Co.	525	41.3
18	J.C. Penney Co.	513	3.5
19	Pillsbury Co.	474	(4.3)
20	Johnson & Johnson	459	11.8
21	Ralston Purina Co.	437	(8.7)
22	Kraft Inc.	401	(14.4)
23	American Home Products	390	(0.5)
24	Mars Inc.	379	19.3
25	Coca-Cola Co.	365	(1.5)
26	Bristol-Myers Co.	359	7.6
27	Quaker Oats Co.	344	12.5
28	Nestle SA	341	9.6
29	U.S. Government	311	1.4
30	Colgate-Palmolive Co.	280	7.9
31	Sara Lee Corp.	278	8.4
32	General Electric Co.	273	(5.3)
33	Toyota Motor Corp.	258	(0.8)
34	American Cyanamid	250	9.2
35	Schering-Plough Corp.	250	17.8
36	Walt Disney Co.	250	52.4
37	Honda Motor Co.	245	19.5
38	H.J. Heinz Co.	245	12.2
39	IBM Corp.	241	(18.5)
40	Grand Metropolitan PLC	232	(0.2)
41	Campbell Soup Co.	231	10.6
42	Tandy Corp.	225	2.4
43	BCI Holdings Corp.	223	(23.9)
44	American Express Co.	212	5.1
45	Time Inc.	197	3.4
46	Pfizer Inc.	182	6.0
47	Nissan Motor Co.	181	0.8
48	IC Industries*	169	4.7
49	Volkswagen AG	167	(5.2)
50	Mobil Corp.	166	(0.9)

Notes: Dollars are in millions. Figures are AA estimates. * Now Whitman Corp. **Source:** AA's 100 Leading National Advertisers, Sept. 26, 1988.

Revenues, billings & ad spending



Dollars are in billions. Media revenues include non-advertising revenues. Figures are for year-end 1987.

The story behind the Power

One of ADVERTISING AGE's editors wanted to call this four-page data section "Chart Attack."

It may be catchy, but was voted down as being a little too glib for the subject. Meanwhile, AA's number crunchers shifted into overdrive to create "Power Charts." It is almost as catchy and tells the story behind the power companies in media, agencies and advertisers.

The personnel list from the marketing department of just one of these companies filled several pages of our "100 Leading National Advertisers" issue. These companies represent the power to sell anything and the resources to spend more than $100 billion doing it, according to Robert J. Coen, senior VP, director-forecasting, McCann-Erickson.

They also represent the power to communicate. In 1988, AA's 500-agency directory represented billings of $28.8 billion. And the 100 Leading Media Companies realized gross media revenues of nearly $65 billion.

This year we also charted the power markets. They first appeared in the media issue and are reprinted on Page 13, ranked by media revenues per TV household.

"Power Charts" culls information on the leaders from the most important parts of marketing. It may be a lot of numbers, but we hope you won't feel like you're being attacked.

—Kevin Brown

MEDIA POWER

Top 10 newspaper companies

Rank	Company	Newspaper revenues 1987	'87-'86 % chg	Top newspaper by daily circulation: Newspaper	3/31/88 circulation	'88-'87 % chg
1	Gannett Co.	$2,432	12.3	USA Today	1,345,721	2.6
2	Times Mirror Co.	1,996	15.6	Los Angeles Times	1,132,920	1.3
3	Knight-Ridder	1,845	9.3	Detroit Free Press	647,763	1.3
4	Advance Publications	1,601	8.9	Newark Star-Ledger	460,117	(0.2)
5	Tribune Co.	1,476	8.2	New York Daily News	1,283,302	0.4
6	New York Times Co.	1,364	8.9	New York Times	1,078,443	2.0
7	Dow Jones & Co.	949	4.5	Wall Street Journal	2,025,176	(0.1)
8	Scripps Howard	818	8.9	Rocky Mountain News	356,891	3.2
9	Cox Enterprises	711	4.1	Atlanta Constitution	272,499	2.9
10	Hearst Corp.	650	66.7	Houston Chronicle	411,701	1.4

Notes: Dollars are in millions. Newspaper revenues are AA estimates. **Source**: AA's 100 Leading Media Companies, June 27, 1988. Daily circulation from Audit Bureau of Circulations Fas-Fax Report, March 31, 1988.

Top 10 magazine companies

Rank	Company	Magazine revenues 1987	'87-'86 % chg	Top magazine by gross ad revenues: Magazine	1987 ad revenues	'87-'86 % chg
1	Time Inc.	$1,621	2.9	Time	$329	(4.6)
2	Hearst Corp.	873	11.9	Good Housekeeping	132	(8.6)
3	Triangle Publications	653	0.8	TV Guide	331	4.1
4	Advance Publications	593	9.0	Vogue	80	6.6
5	Reader's Digest	522	7.4	Reader's Digest	107	(2.0)
6	McGraw-Hill	377	18.6	Business Week	217	30.5
7	Capital Cities/ABC	375	0.0	W	26	13.3
8	Cahners Publishing Co.	340	27.3	Restaurants & Institutions	40	5.3
9	News Corp. Ltd.	333	14.0	New York	43	5.0
10	Meredith Corp.	329	22.8	Better Homes & Gardens	142	9.5

Notes: Dollars are in millions. **Source**: Magazine revenues are AA estimates. AA's 100 Leading Media Companies, June 27, 1988. Gross revenues are from Publishers Information Bureau or magazine company sources.

Top 10 broadcast companies

Rank	Company	Broadcast revenues 1987	'87-'86 % chg	Top TV station by avg. h'holds reached: Station, affiliate	Average households	2/88 rating
1	Capital Cities/ABC	$3,213	8.2	WABC, ABC, New York	653,420	9.5
2	General Electric Co.	3,165	6.7	WNBC, NBC, New York	481,467	7.0
3	CBS Inc.	2,762	(1.6)	WCBS, CBS, New York	440,198	6.4
4	Westinghouse Electric Corp.	601	7.5	KYW, NBC, Philadelphia	185,712	7.2
5	News Corp.	577	22.0	WNYW, FOX, New York	330,149	4.8
6	Tribune Co.	410	2.8	WPIX, IND, New York	226,977	3.3
7	Gannett Co.	357	1.7	WUSA, CBS, Washington	141,823	8.8
8	Gillett Holdings	340	1.8	WJBK, CBS, Detroit	134,395	8.0
9	Cox Enterprises	328	5.8	WSB, ABC, Atlanta	132,628	10.5
10	Opubco	285	(6.6)	WTVT, CBS, Tampa	102,054	8.3

Notes: Dollars are in millions. **Source**: AA's 100 Leading Media Companies, June 27, 1988. Broadcast revenues are AA estimates and include radio. Average households reached are based on A.C. Nielsen, Feb. 1988 ratings and number of households in the top 110 markets only.

Top 10 cable companies

Rank	Company	Cable revenues 1987	'87-'86 % chg	Multiple System Operation: MSO	Basic subscribers	Date
1	Time Inc.	$1,618	6.2	ATC Corp.	3,700,000	1/88
2	TCI	1,225	89.6	Tele-Communications	6,244,666	1/88
3	Viacom International	806	8.5	Viacom Cablevision	1,058,808	1/88
4	Home Shopping Network	582	263.8			
5	Continental Cablevision	442	12.8	Continental Cablevision	2,112,000	1/88
6	Cox Enterprises	425	8.4	Cox Cable Communications	1,438,057	1/88
7	SCI Holdings	420	0.7	Storer Cable Comm.	1,459,000	2/88
8	Warner Communications	387	19.1	Warner Cable	1,410,190	2/88
9	Cablevision Systems Corp.	300	98.7	Cablevision Systems Corp.	1,021,426	2/88
10	Comcast Corp.	287	173.3	Comcast Cable	1,342,500	2/88

Notes: Dollars are in millions. Home Shopping Network revenues include some broadcast property revenues.
Source: AA's 100 Leading Media Companies, June 27, 1988. Cable revenues are AA estimates. Total basic and pay service subscribers from AA survey and Cabletelevision TV Facts, Cabletelevision Advertising Bureau.

Ten hottest media markets by gross media revenues per household in 1987

Rank	Market	Revenues per household	Gross media revenues	Households
1	Miami	$597.93	$734	1,227,400
2	San Diego	585.32	483	825,700
3	Dallas-Ft. Worth	578.92	960	1,658,700
4	Washington	559.54	916	1,637,500
5	Los Angeles	556.89	2,661	4,777,600
6	Houston	544.86	810	1,486,900
7	San Francisco	541.89	1,196	2,207,800
8	Atlanta	540.91	714	1,320,200
9	Denver	527.53	522	989,800
10	Boston	526.44	1,093	2,076,800

Notes: Total gross revenues dollars per market are in millions. Gross revenues per household by market are AA estimates.
Sources: AA's 100 Leading Media Companies, June 27, 1988.
Total TV households supplied by A.C. Nielsen Co.
Total gross media revenues by market for newspaper, radio and some TV were supplied by Jim Duncan Jr., Duncan's Radio Market Guide, 1988 edition.
Total gross media revenues by market for magazine and outdoor were supplied by Leading National Advertisers from Publishers Information Bureau, Institute of Outdoor Advertisers and Outdoor Advertising Association of America.
Some TV revenue estimates were supplied by National Association of Broadcasters.

Hottest radio stations of 100 leading media cos.

Rank	Station, market	Parent	1987 revenues
1	WGN-AM, Chicago	Tribune Co.	$31.0
2	KIIS-AM/FM, Los Angeles	Gannett	29.0
3	KABC-FM, Los Angeles	Capital Cities/ABC	24.0
4	WINS-AM, New York	Westinghouse	23.0
5	KGO, San Francisco	Capital Cities/ABC	20.0
6	WJR-FM, Detroit	Capital Cities/ABC	18.6
7	KMOX-AM, St. Louis	CBS Inc.	18.4
8	KOST-FM, Los Angeles	Cox Enterprises	18.0
8	KIRO-FM, Seattle	Bonneville Int'l	18.0
8	KRTH-AM/FM, Los Angeles	RKO General	18.0
8	WOR-AM, New York	RKO General	18.0
9	WWPR-FM, New York	Capital Cities/ABC	17.7
9	WLTW-FM, New York	Viacom	17.7
10	WCBS-AM/FM, New York	CBS Inc.	16.3
11	KNX-AM/FM, Los Angeles	CBS Inc.	15.4
12	WMAL-FM, Washington	Capital Cities/ABC	14
12	WGCI-AM/FM, Chicago	Gannett	14

Notes: Dollars are in millions. Stations listed are only those owned by the 100 Leading Media Companies. **Source:** AA's 100 Leading Media Companies, June 27, 1988. Data from Jim Duncan Jr., Jim Duncan's Radio Market Guide, 1988 edition.

Revenues by media for 100 leading media cos.

Media	Dollars in millions: 1987	1986	% chg
Media revenues	$64.7	$58.1	11.5
Total revenues	138.7	123.9	11.9
Net income	8.5	8.3	3.3
Newspaper revenues	23.2	20.8	11.8
Magazine revenues	9.3	8.5	8.6
Broadcast (radio & TV) revenues	16.1	15.4	4.6
Cable TV revenues	9.2	7.4	24.3
Outdoor & other media revenues	6.9	6.0	13.6

Notes: Media revenues of the 47 private companies among the 100 leaders are AA estimates. Total revenues includes all companies' media revenues and public companies' non-media revenues. Net income is from the 53 public companies only.

Notes to media, agency info

Media charts are reprinted from AA's 100 Leading Media Companies, June 27, 1988. Agency charts are reprinted from U.S. Advertising Agency Profiles, March 30, 1988, and Foreign Agency Income Report, May 9, 1988.

All information is compiled through surveys, public documents and AA bureau reports, unless otherwise noted.

AGENCY POWER

Top 6 agency mega-groups

Rank	Group	Worldwide gross income 1987	1986	% chg	Billings 1987	'87-'86 % chg
1	Saatchi & Saatchi PLC	$1,684.6	$1,473.2	14.3	$11,357.0	13.3
2	Interpublic Group of Cos.	992.9	822.4	20.7	6,622.7	19.3
3	Omnicom Group	895.5	820.1	9.2	6,267.6	7.8
4	WPP Group PLC	892.5	NA	NA	5,952.9	NA
5	Ogilvy Group	723.9	548.7	31.9	5,041.2	32.6
6	WCRS/Belier	230.2	184.0	25.1	1,633.7	29.7

Notes: Dollars are in millions. **Source:** AA's U.S. Advertising Agency Profiles, March 30, 1988

Top 10 U.S. brand name agencies

Rank	Brand agency	Agency group	U.S. brand billings 1987	1986	% chg
1	Saatchi & Saatchi Advertising	Saatchi & Saatchi PLC	$1,679.0	$1,448.1	15.9
2	Leo Burnett Co.		1,550.0	1,361.6	13.9
3	J. Walter Thompson Co.	WPP Group PLC	1,544.3	1,536.4	0.5
4	Foote, Cone & Belding		1,369.7	1,215.0	12.7
5	DDB Needham Worldwide	Omnicom Group	1,245.1	1,230.5	1.2
6	Young & Rubicam		1,227.3	1,073.4	14.3
7	Grey Advertising		1,164.3	1,072.0	8.6
8	Lintas:Worldwide	Interpublic Group of Cos.	1,107.9	1,004.8	10.3
9	BBDO Worldwide	Omnicom Group	1,107.8	985.2	12.4
10	Ogilvy & Mather Worldwide	Ogilvy Group	1,098.2	1,081.0	1.6

Notes: Dollars are in millions. Figures are AA estimates. An agency brand is the core unit of a multi-agency company. The brand ranking is based on billings credited to that unit, but does not include billings of the company's other subsidiaries or from the core unit's specialty operations when they operate independently from that unit. See table below for brand name agency composition. 1986 figures are historical. **Source:** AA's U.S. Advertising Agency Profiles, March 30, 1988.

Agency	Included	Excluded
Saatchi & Saatchi	S&S DFS, S&S DFS Compton	Cochrane Chase, Klemtner, McCaffrey & McCall, Rumrill-Hoyt
J. Walter Thompson Co.	JWT named shops	Brouillard Communications
Foote, Cone & Belding	FCB named shops	Albert Frank-Guenther Law, Lewis Gilman & Kynett, Vicom
DDB Needham Worldwide	DDB Needham named shops	Bernard Hodes Advertising Group, Fletcher/Mayo Associates, Kallir Philips Ross, Kresser Craig/D.I.K., Milici Valenti Park & Gabriel, Rapp & Collins USA
Young & Rubicam	Y&R named shops	Burson-Marsteller, Cato Johnson/Y&R, Chapman/Stone & Adler, Creswell, Munzell, Fultz & Zirbel, HDM (1/3 of billings), Hutchins/Y&R, Sive Associates, Sudler & Hennessey, Wunderman Worldwide
Grey Advertising	Grey named shops	Beaumont-Bennett, Grey Communications Inc., LBS Communications, Grey Direct
BBDO Worldwide	BBDO Chicago, BBDO Inc., BBDO Minneapolis, BBDO West, BDA/BBDO	Baxter Gunan & Mazzei, Blair Advertising, Caravetta Allen Kimbrough, Cargill, Wilson, Acree/Tracy-Locke, Doremus & Co., Frank J. Corbett Inc., Franklin Spier Inc., Ingalls, Quinn & Johnson, Lavey/Wolff/Swift, MARCOA DR Group, RC Communications, Tracy-Locke, Waring & LaRosa
Ogilvy & Mather Worldwide	O&M named shops	O&M Direct Response, O&M Promotions, O&M Public Relations Group, Graphic Services, Speech Dynamics, Rolf Werner Rosenthal

U.S. billings by media for AA's 500 agencies

Media	Top 500 agencies' billings 1987	1986	% chg	Top 100 1987	'87-'86 % chg
Network TV	$8,250.0	$8,312.0	(0.7)	$7,948.0	(0.7)
Spot TV	6,861.0	6,416.0	6.9	5,455.0	7.4
Magazine	4,061.0	3,998.0	1.6	3,367.0	0.8
Newspaper	2,956.0	2,707.0	9.2	2,064.0	13.0
Direct response	2,378.0	2,101.0	13.2	1,620.0	15.5
Radio	2,013.0	1,928.0	4.4	1,492.0	6.3
Outdoor	557.0	589.0	(5.4)	508.0	(5.1)
Business papers	472.0	474.0	(0.4)	223.0	1.8
Cable TV	425.0	404.0	5.1	355.0	5.2
Medical journal	409.0	365.0	12.0	206.0	14.8
Point of sale	179.0	174.0	3.0	109.0	1.9
Supplement	101.0	104.0	(3.6)	77.0	(10.8)
Farm papers	83.0	88.0	(6.1)	42.0	(3.5)
Transit ads	29.0	32.0	(9.9)	20.0	(9.2)
Special events	27.0	25.0	5.7	13.0	11.7
TOTAL	28,801.0	27,718.0	3.9	23,497.0	4.3

Notes: Dollars are in millions. **Source:** AA's U.S. Advertising Agency Profiles, March 30, 1988

Top 10 agencies worldwide in 1987

Rank	Agency	Gross income	Billings	Rank	Agency	Gross income	Billings
1	Dentsu Inc.	$885	$6,780	6	Ogilvy & Mather Worldwide	$529	$3,660
2	Young & Rubicam	736	4,910	7	McCann-Erickson Worldwide	513	3,420
3	Saatchi & Saatchi Advertising WW	694	4,610	8	J. Walter Thompson Co.	483	3,220
4	Backer Spielvogel Bates WW	601	4,070	9	Lintas:Worldwide	418	2,790
5	BBDO Worldwide	537	3,660	10	Hakuhodo International	383	2,900

Notes: Dollars are in millions. **Source:** AA's Foreign Agency Income Report, May 9, 1988

Top 10 by newspaper billings

Rank	Agency	Newspaper billings ($ in millions) 1987	1986	% chg
1	J. Walter Thompson Co.	$171.3	$178.7	(4.1)
2	Nationwide Advertising Service	133.6	86.7	54.1
3	Bernard Hodes Advertising Group	123.8	97.6	26.8
4	Bozell, Jacobs, Kenyon & Eckhardt	119.2	104.2	14.4
5	Grey Advertising	110.2	96.8	13.8
6	Young & Rubicam	100.6	82.0	22.7
7	Wells, Rich, Greene	99.5	73.2	35.9
8	Doremus & Co.	90.1	98.3	(8.3)
9	Saatchi & Saatchi Advertising	84.0	NA	NA
10	D'Arcy Masius Benton & Bowles	78.6	57.5	36.7

Top 10 by magazine billings

Rank	Agency	Magazine billings ($ in millions) 1987	1986	% chg
1	Saatchi & Saatchi Advertising	$251.9	NA	NA
2	Leo Burnett Co.	200.9	$165.9	21.1
3	Ogilvy & Mather Worldwide	196.0	193.0	1.6
4	Bozell, Jacobs, Kenyon & Eckhardt	186.8	165.1	13.1
5	J. Walter Thompson Co.	180.0	190.9	(5.7)
6	Young & Rubicam	174.4	178.7	(2.4)
7	BBDO Worldwide	155.2	165.0	(5.9)
8	Grey Advertising	155.1	187.2	(17.1)
9	DDB Needham Worldwide	143.7	199.2	(27.9)
10	N W Ayer	142.3	139.9	1.7

Top 10 by network TV billings

Rank	Agency	Network TV billings ($ in millions) 1987	1986	% chg
1	Leo Burnett Co.	$675.4	$591.9	14.1
2	Saatchi & Saatchi Advertising	638.0	NA	NA
3	Young & Rubicam	636.0	657.0	(3.2)
4	Backer Spielvogel Bates WW	598.6	NA	NA
5	J. Walter Thompson Co.	509.2	618.0	(17.6)
6	Grey Advertising	507.2	534.7	(5.1)
7	D'Arcy Masius Benton & Bowles	461.0	443.6	3.9
8	Ogilvy & Mather Worldwide	391.0	376.0	4.0
9	DDB Needham Worldwide	342.1	406.1	(15.8)
10	McCann-Erickson Worldwide	320.0	NA	NA

Top 10 by spot TV billings

Rank	Agency	Spot TV billings ($ in millions) 1987	1986	% chg
1	Saatchi & Saatchi Advertising	$520.5	NA	NA
2	Young & Rubicam	356.0	$304.9	16.8
3	J. Walter Thompson Co.	353.4	358.2	(1.3)
4	Grey Advertising	330.4	269.3	22.7
5	D'Arcy Masius Benton & Bowles	280.1	236.0	18.7
6	Backer Spielvogel Bates WW	224.5	NA	NA
7	DDB Needham Worldwide	211.6	241.2	(12.3)
8	Leo Burnett Co.	210.2	163.9	28.2
9	BBDO Worldwide	209.8	210.5	(0.3)
10	McCann-Erickson Worldwide	190.0	NA	NA

Top 10 direct response billers

Rank	Agency	Direct response billings ($ in millions) 1987	1986	% chg
1	Ogilvy & Mather Direct Response	$260.0	$240.0	8.3
2	Wunderman Worldwide	259.9	224.5	15.8
3	Foote, Cone & Belding	213.1	71.1	199.7
4	Direct Marketing Group	148.3	134.5	10.3
5	Telephone Marketing Programs	144.5	118.0	22.5
6	MARCOA DR Group	107.7	90.7	18.7
7	Rapp & Collins USA	99.4	81.8	21.5
8	Grey Advertising	92.5	55.1	67.9
9	Kobs & Draft Advertising	85.3	81.0	5.3
10	Barry Blau & Partners	64.4	51.4	25.3

ADVERTISER POWER

Total ad spending by category

Category	Category total 1987	1986	% chg
Automotive	$4,414	$3,754	17.6
Food	3,418	3,307	3.4
Business, consumer svcs	2,243	2,149	4.4
Retail	1,930	1,732	11.4
Entertainment	1,879	1,686	11.4
Travel, hotels	1,811	1,780	1.7
Toiletries & cosmetics	1,753	1,671	4.9
Beer, wine & liquor	1,341	1,414	(5.1)
Drugs & remedies	1,324	1,245	6.3
Snacks, soft drinks	1,076	1,053	2.1
Mail order	870	782	11.2
Miscellaneous	805	913	(11.9)
Apparel, footwear	732	686	6.7
Publishing & media	730	662	10.2
Insurance & real estate	721	659	9.5
Cigarettes, tobacco	621	729	(14.8)
Household supplies	580	579	0.2
Computers, office equip	564	614	(8.2)
Soaps, cleansers	525	633	(17.0)
Sporting goods, toys	489	477	2.4
Building materials	373	351	6.2
Jewelry, cameras	370	355	4.2
Electronic entertainment	286	280	2.1
Gasoline, lubricants	277	246	12.3
Household furnishings	269	236	13.8
Pet products, food	264	272	(3.1)
Horticulture & farming	219	204	7.4
Industrial materials	105	111	(5.3)
Business propositions	99	117	(15.7)
Freight	78	116	(32.7)
Aviation equipment	14	12	14.6

Notes: Dollars are in millions. Source: AA's 100 Leading National Advertisers, Sept. 28, 1988.

Ad spending by media for 100 leading advertisers

Media	Total U.S. ad spending 1987	1986	% chg
Network TV	$6,668.0	$6,403.0	4.2
Spot TV	3,355.0	3,226.0	4.0
Magazine	2,377.0	2,297.0	3.5
Newspaper	1,073.0	933.0	15.0
Spot radio	551.0	528.0	4.2
Network radio	384.0	337.0	14.0
Network cable TV	333.0	317.0	5.1
Outdoor	263.0	282.0	(7.0)
Business publication	192.0	180.0	6.8
Newspaper supplement	125.0	139.0	(10.2)
Farm publication	38.0	35.0	7.9
Subtotal measured media	15,358.0	14,676.0	4.6
Unmeasured advertising	13,036.0	12,597.0	3.5
TOTAL	28,394.0	27,273.0	4.1

Notes: Dollars are in millions. Source: AA's 100 Leading National Advertisers, Sept. 28, 1988.

Notes to advertiser charts

Charts on this page are reprinted from AA's 100 Leading National Advertisers, Sept 28, 1988.

Ad spending figures in the 100 LNA issue come from several sources. BAR/LNA Multi-Media reports supply the bulk of information, including magazine and newspaper supplement data from Publishers Information Bureau, outdoor data from Institute of Outdoor Advertisers and Outdoor Advertisers Association of America, and network TV, spot TV, cable TV networks and network radio from Broadcast Advertisers Reports. Other major spending data and their sources include newspaper from Media Records (now part of LNA), spot radio from Radio Expenditure Reports, business publication from MMS-Rome Reports and farm publications from Agricultural Marketing Information Services (AGRICOM). Spending data are combined with unmeasured ad spending figures, which are AA estimates. Unmeasured ad spending includes couponing, direct mail and sales promotion, to name a few.

Top 10 newspaper advertisers

Rank	Advertiser	Newspaper expenditures 1987	1986	% chg	as % of co.'s '87 ad total
1	General Motors Corp.	$174,889	$146,430	19.4	17.1
2	Ford Motor Co.	100,690	76,136	32.3	15.7
3	Chrysler Corp.	70,166	42,203	66.3	12.3
4	Texas Air Corp.	67,287	63,417	6.1	54.1
5	Philip Morris Cos.	49,740	57,590	(13.6)	3.2
6	AMR Corp.	36,195	25,194	43.7	23.7
7	American Telephone & Telegraph	35,920	31,106	15.5	6.8
8	UAL Corp.	29,368	26,900	9.2	21.3
9	Daimler-Benz AG	28,415	23,340	21.7	27.1
10	Toyota Motor Corp.	28,409	22,878	24.2	11.0

Note: Dollars are in thousands. Source: Media Records.

Top 10 magazine advertisers

Rank	Advertiser	Magazine expenditures 1987	1986	% chg	as % of co.'s '87 ad total
1	Philip Morris Cos.	$243,331	$225,132	8.1	15.6
2	General Motors Corp.	153,985	129,409	19.0	15.0
3	Ford Motor Co.	125,491	125,161	0.3	19.6
4	RJR Nabisco	105,674	120,281	(12.1)	12.6
5	Chrysler Corp.	100,446	95,994	4.6	17.7
6	Procter & Gamble Co.	79,611	87,105	(8.6)	5.7
7	American Telephone & Telegraph	76,270	74,015	3.0	14.4
8	Unilever NV/PLC	58,259	47,297	23.2	10.0
9	Time Inc.	51,404	50,528	1.7	26.1
10	Grand Metropolitan PLC	50,696	48,707	4.1	21.9

Notes: Dollars are in thousands. Source: Publishers Information Bureau as reported by Leading National Advertisers.

Top 10 network TV advertisers

Rank	Advertiser	Network TV expenditures 1987	1986	% chg	as % of co.'s '87 ad total
1	Procter & Gamble Co.	$377,552	$447,436	(15.6)	27.2
2	Philip Morris Cos.	330,778	342,444	(3.4)	21.2
3	General Motors Corp.	272,953	233,786	16.8	26.6
4	Kellogg Co.	237,985	166,006	43.4	45.3
5	McDonald's Corp.	216,067	193,002	12.0	33.3
6	Unilever NV/PLC	211,923	202,361	4.7	36.5
7	RJR Nabisco	209,777	155,301	35.1	25.0
8	Anheuser-Busch Cos.	186,948	177,496	5.3	29.4
9	American Home Products Corp.	182,057	183,493	(0.8)	46.6
10	Johnson & Johnson	181,999	164,322	10.8	39.6

Note: Dollars are in thousands. Source: Broadcast Advertisers Reports.

Top 10 spot TV advertisers

Rank	Advertiser	Spot TV expenditures 1987	1986	% chg	as % of co.'s '87 ad total
1	PepsiCo Inc.	$271,069	$256,521	5.7	38.5
2	Procter & Gamble Co.	238,049	233,212	2.1	17.2
3	General Mills	137,028	127,099	7.8	23.9
4	McDonald's Corp.	129,010	128,180	0.6	19.9
5	Pillsbury Co.	118,776	125,218	(5.1)	25.1
6	Philip Morris Cos.	111,888	133,724	(16.3)	7.2
7	General Motors Corp.	103,522	49,201	110.4	10.1
8	Anheuser-Busch Cos.	83,767	97,999	(14.5)	13.2
9	Chrysler Corp.	82,836	67,309	23.1	14.6
10	Hyundai Group	76,487	46,144	65.8	46.5

Note: Dollars are in thousands. Source: Broadcast Advertisers Reports.

Top 10 spot radio advertisers

Rank	Advertiser	Spot radio expenditures 1987	1986	% chg	as % of co.'s '87 ad total
1	Anheuser-Busch Cos.	$43,550	$50,420	(13.6)	6.9
2	General Motors Corp.	34,829	35,153	(0.9)	3.4
3	Philip Morris Cos.	29,489	4,502	555.0	1.9
4	Sears, Roebuck & Co.	21,211	21,928	(3.3)	2.4
5	PepsiCo Inc.	19,766	22,342	(11.5)	2.8
6	Delta Air Lines	19,671	21,708	(9.4)	18.1
7	Southland Corp.	18,317	19,962	(8.2)	21.3
8	Chrysler Corp.	17,345	21,071	(17.7)	3.0
9	Pillsbury Co.	16,366	18,178	(10.0)	3.5
10	AMR Corp.	16,106	14,390	11.9	10.6

Notes: Dollars are in thousands. Source: Radio Expenditure Reports.

GM corporate ads climb over clutter

By SCOTT HUME

Despite the bemoaning of "commercial clutter," consumers *can* spot the new and the different.

In early November, General Motors Corp. began a new TV and print corporate campaign from N W Ayer, Detroit, themed "All of GM, going all out for you." Consumers noticed it.

Despite the billions of dollars spent on automobile advertising—including the $1 billion GM alone spent last year on its Buick, Cadillac, Chevrolet, Oldsmobile and Pontiac lines—a fairly quiet corporate message got through. GM tied for ninth (with Chevrolet, no less) on the November adWatch ranking of best-recalled advertising.

This was the GM name's first appearance this year among the top 10.

Appropriately, November was the second consecutive month in which political advertising was the best recalled.

The effectiveness of GM's corporate campaign also showed up when the 1,000 adults surveyed were asked which car or truck advertising first came to mind. GM placed fifth, with 4.1% of first responses, trailing No. 1 Ford (24.4%), Chevrolet (18.5%), Toyota (6.3%) and Oldsmobile (4.3%).

Oldsmobile's showing also is worth noting. During Summer Olympics broadcasts in September, Oldsmobile broke a new campaign—themed "The new generation of Oldsmobile"—that tries to make the line more appealing to younger drivers (AA, Sept. 12). Celebrities who appear with their children in the spots include Priscilla Presley, Frankie Avalon and William Shatner.

Oldsmobile's appearance in the No. 4 slot in the car category is the first time it's ever cracked the top five. And it narrowly missed a doubly impressive debut by ranking No. 12 in overall top-of-mind recall.

Executives at Oldsmobile and agency Leo Burnett USA, Chicago, will be interested to learn that the advertising has indeed scored well with young people. Among adWatch respondents ages 25 to 34, top-of-mind awareness of Oldsmobile advertising was higher than for category leader Ford.

AdWatch is a joint project of ADVERTISING AGE and the Gallup Organization. Advertising awareness is measured by asking a nationally projectable sample to name the advertising that first comes to mind, both overall and in specific product categories. The phone survey has a margin of error of 3.1%.

Among other significant changes in the November survey:

- In September's survey, Apple Computer and IBM Corp. were neck and neck in the **computers** category; in October, Apple's awareness score moved ahead again. Last month, Apple pulled away with a 4.4 percentage-point gain, garnering 38.5% of first mentions. IBM dropped 5.3 points to a 21.4% share of first mentions.

Radio Shack was third with a 3% share.

- McDonald's Corp. in October became the first advertiser to get more than 50% of first mentions in a category with a 51.7% share in the **fast-food** category. Last month, it slipped back under the midpoint with a 49.2% share.

Burger King Corp. remained second with 12.8%; Hardee's Food Systems and Wendy's International tied for third with 5.6%.#

For more information, contact the Gallup Organization, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

AdWatch survey of advertising awareness Top 10 in November

One thousand people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Source: Gallup Organization, Lincoln, Neb.

Rank: 11/88	10/88	Advertiser	Agency
1	1	Political ads	Various
2	6	California raisins	Foote, Cone & Belding
3	5	Coca-Cola	McCann-Erickson
4	2	McDonald's	Leo Burnett USA
5	4	Miller	Backer Spielvogel Bates/J. Walter Thompson USA
6	4*	Pepsi-Cola	BBDO Worldwide
7	3	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham
7*	8	Ford	J. Walter Thompson
9	7	Chevrolet	Lintas:Campbell-Ewald
9*	—	General Motors	N W Ayer

* Indicates a tie

Reebok

(Continued from Page 3)

quick success, "U.B.U." may not be back. But another said that "when the company needs to make a fashion statement again, 'U.B.U.' will be back."

That may not be any time soon.

Reebok built its market share largely because of its fashion appeal, which made it popular with nathletic people as well as fitness buffs. But in the current athletic-shoe market, which emphasizes performance, a focus on style alone won't keep Reebok on top.

Nike's gains this year have been attributed to its continued emphasis on serious fitness with campaigns from Wieden & Kennedy, Portland, Ore.

Earlier this year, Reebok had hoped to anchor its performance message around Los Angeles Clipper Danny Manning. But after a delay in his signing with the team and the U.S. basketball team's less than stellar performance at the Summer Olympics, that plan was put on hold.

Instead, Reebok plans to use Mr. Manning and his father, former Chicago Bull Ed Manning, as part of its Legends campaign, but no spots featuring the Mannings have been shot yet, sources said.

And while Reebok is sharpening its advertising focus, it's also lining up new-product introductions for 1989, among them a performance line of shoes and "body shaping" shoes, a new type of aerobic shoe.#

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January 2, 1989

Advertising Age

Crain's International Newspaper of Marketing

ADMAN OF THE YEAR

Michael Eisner

Energetic chief executive keeps ideas flowing at Disney

By WAYNE WALLEY

Michael Eisner, who was brought in to reanimate Walt Disney Co. and has since engineered one of the most dramatic corporate turnarounds in Hollywood history, is ADVERTISING AGE's Adman of the Year for 1988.

But the modest 46-year-old downplays his role in bringing the entertainment company back into prominence. He likens his job as chairman-ceo to that of a cheerleader, albeit a well-paid one.

"We have fantastic products in all sorts of different areas and we have extremely capable advertising and marketing people," he said. "I just watch this unbelievable operation.

"I spend most of my time having one guy in one piece of our company call the other guy. The ideas are always there. It's a matter of recognizing them in the air, flicking them out like a fly and then executing them."

Whatever it is Mr. Eisner does, he's done it well, resurrecting the dreams of Walt Disney and tossing in a few of his own fantasies while building a $3.4 billion entertainment powerhouse. He's nearly tripled company revenues during his four-year tenure, while adding seven-figure bonuses and lucrative stock options to his reported $750,000 annual salary.

Name a segment of the entertainment business today and Disney likely is one of its leaders.

Even Roy E. Disney, vice chairman of the board and nephew of the company founder, has been impressed with Mr. Eisner and his new staff—and the energy they've infused into others who may have become stagnant in the two decades following Walt Disney's death in 1966.

"We've become an idea company again," Mr. Disney said recently.

Those outside the company say Mr. Eisner's arrival—and his magnet, which drew a score of executives to Disney—was the company's turning point. But Mr. Eisner believes the corporate battle for control before he was hired actually set the stage for the famed animation house's renaissance.

The time was 1984. The studio's movie division had produced a string of expensive duds. "The Wonderful World of Disney," the company's flagship TV series, was canceled. Company stock dropped in price. Corporate raiders circled and, when the dust cleared, Texas' Bass Brothers Enterprises had control.

With that change, Ron Miller, Walt Dis-

(Continued on Page 23)

Walt Disney Co. chairman-ceo Michael Eisner with two of his most famous "products," Minnie and Mickey Mouse.

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Yugo's woes could foretell shop review

By RAYMOND SERAFIN

Global Motors, beset by inner turmoil and in search of new investors, may also be searching for a new agency for its Yugo import car.

Advertising for the Yugoslavian-built car has been sharply curtailed, sales have fallen steeply, leading to questions about the viability of the franchise. Mabon, Nugent & Co., a New York investment company, bought out entrepreneur Malcolm Bricklin's 70% stake in Global Motors in April for $40 million.

Paul Lambert, president of Yugo agency Lambert/Dale, New York, said Global Motors owes "millions of dollars" on bills run up with TV networks, syndicators, publications and vendors.

"[Global Motors], as well as Mabon Nugent, has not lived up to its payment schedule," Mr. Lambert said. "There is a problem with any future broadcast placement due to delinquent bills."

About delinquent bills, a Global Motors official said, "No comment." Network executives couldn't be reached for comment.

But in an earlier interview, company officials were upbeat. Yugo has cut ad spending because it's "saving its ammunition" for two major product launches, said Anthony Ciminera, exec VP in charge of public relations and product planning at the Yugo America subsidiary of Global Motors. The first launch will be for a "dramatically upgraded" version of the company's base car going on sale in the spring, he said.

Mr. Ciminera said Lambert/Dale remains agency of record, but said some new investors may soon come on board and "they should have some voice in the decision on who should handle the advertising for 1989."

Automotive News reported that one possible new investor is Zavodi Crvena Zastava, parent company of the Yugoslavian car's builder.

Lambert/Dale's most recent ads had positioned the Yugo as "the toughest, most dependable cars a little money can buy," an attempt to overcome the negative media reports that followed the car's arrival with a $3,990 price tag in 1985.

Yugo officials had talked of doubling their ad budget to $48 million in 1988, but that never materialized. Measured media spending was $12.5 million in the first half of 1988, according to Leading National Advertisers.

In addition to cutting back ad spending, Yugo has pulled out of upcoming auto shows in Detroit, Washington and Chicago, citing unavailability of new-product prototypes and staff shortages.

Recently, William Prior, president of Global Motors, was ousted from the company, and 71 other employees at headquarters in Upper Saddle River, N.J., were laid off in a cost-cutting move.#

General Foods tries to hitch a ride on oat bran's popularity by promoting Grape-Nuts as a mix-in to oatmeal.

Riding oat craze

GF touts Grape-Nuts for hot cereals

By JUDANN DAGNOLI

General Foods Corp. hopes to capitalize on the growing popularity of oat bran and oat cereals with a $5 million effort promoting Post Grape-Nuts cereal as a mix-in for hot oatmeal.

The campaign will run during the first quarter of the year, which accounts for 40% of yearly hot cereal consumption.

If the effort is successful, General Foods will make the approach central to the brand's advertising in 1989. The marketer spends about $20 million on Grape-Nuts advertising annually.

Created by Grey Advertising, New York, the network TV spot urges consumers to "oooomph up" their oatmeal by adding "the crunchy, nutty taste" of Grape-Nuts. It shows a plain bowl of oatmeal turning bright red and revving up like a car when Grape-Nuts, made of wheat and barley, is added.

The bowl then zooms away and stops with a screech before a box of the cereal.

"People eat oatmeal because they know it's good for them," said Carolyn Carter, senior VP-management supervisor on the General Foods account at Grey. "But most people say it's dull and boring or that it tastes like wallpaper paste."

The new Grape-Nuts effort features Peggy Smithheart, the female half of the bantering Grape-Nuts team that's been promoting the cereal since mid-1986.

General Foods' Post division has no entry in the hot cereal category, where sales grew about 24% in 1987 to $606 million, and are still climbing.

Helped by ad spending of almost $100 million from Quaker Oats Co. and General Mills (AA, Aug. 15), oat bran has benefited from reports that the substance may lower cholesterol and decrease blood pressure.

"People eat oatmeal because they know it's good for them. But most people say it's dull and boring or that it tastes like wallpaper paste."

Cold cereals have also benefited from oat bran's popularity, with entries such as Kellogg Co.'s Cracklin' Oat Bran and Common Sense Oat Bran; Quaker Oat Squares; General Mills' Oatmeal Raisin Crisp; and General Foods' Post Oat Flakes.

Oat cereals in August accounted for 6.4% of the $5 billion ready-to-eat cereal category, up about 8% from August 1987.

"There are already four to six new oat bran facings in stores," said Ms. Carter, who predicted two or three more entries in 1989.

Ms. Carter declined to give sales figures but said that Post Oat Flakes, an old brand that was reintroduced in late November, "is wildly beyond our sales projections."

Oat Flakes may also help General Foods' position in the category, where the 12.2% market share for its Post division limps behind Kellogg's 42% and General Mills' 20.5%.

General Foods' share is up slightly from 1987, but the company has lagged in new-product introductions in the hotly competitive category.

Grape-Nuts held a 1.8% share of the ready-to-eat category in 1987, about even with more healthful entries such as Kellogg's Nutri-Grain, said John Maxwell, Wheat First Securities analyst.

Creative credits for the campaign at Grey go to Hy Rosen and Tony Pugliese, senior VPs-creative directors; Kate O'Hair, art director; Julia Hopkins, copywriter; and Steve Novick, exec VPs-director, broadcast production.#

Highlights

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24 New editor revamps 'Self'
In what's becoming a trend at Conde Nast Publications, the new editor of *Self* gives the book a new look.

28 Cafeteria seeks bigger slice
Furr's/Bishop Cafeterias' aggressive new ad campaign touts the No. 2 cafeteria chain's quality, variety and good old-fashioned cooking.

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Toothbrush, floss unveiled

J&J polishes up new push at kids

By LAURIE FREEMAN

Johnson & Johnson's Dental Care Co., hoping New Year's resolutions include daily toothbrushing and flossing, this month introduces two oral-care products for children.

An estimated $6 million consumer and professional ad budget backs the launch of Prevent JR tooth and gum brush, a child-size version of its Prevent adult toothbrush, and Johnson & Johnson Dental Floss for Kids, targeted to children 12 and younger.

"There are 23 million kids in the 6-to-12 ad bracket," said Bill Berry, Prevent product director-professional business. "We hope that if we get them started early enough, we can maintain brand loyalty [to J&J's oral-care line] as they get older."

Prevent JR will be positioned as being ideal for teaching kids under age 12 the 45-degree brushing technique most recommended by dentists. J&J expects the product will slightly increase Prevent toothbrush's market share.

Prevent, introduced in 1988, has almost a 3% share of the $250 million brush segment. That's far behind leaders Oral-B, from Gillette Co., and J&J's Reach, each of which has about a 23% share.

Dental Floss for Kids is pink and has a bubble gum flavor. The waxed floss is the latest addition to J&J's floss line, which already dominates the $57 million segment.

Mr. Berry said ads emphasizing proper flossing and brushing techniques will break in February.

J&J is backing the introduction with a network TV and print campaign, extensive professional advertising, a direct-mail and sampling program, and couponing.

Lowe Marschalk, New York, is handling consumer advertising for Prevent and J&J's dental floss line. Gross Townsend Frank Hoffman is Prevent's professional ad agency; KPR Infor/Media is handling professional advertising of Dental Floss For Kids.

Kids-only products are the fastest-growing segment of the $1.5 billion oral-care category. By the end of 1988, every major toothpaste marketer had launched a kids-only toothpaste variety.#

How Della Femina won Pan Am

By JON LAFAYETTE

NEW YORK—Della Femina, McNamee/WCRS, after merging its way into the top 20 U.S. agencies last year, has put itself firmly into the big leagues by landing Pan American World Airways' $55 million account over formidable competition.

"This is what the merger was all about," said agency founder Jerry Della Femina after his shop's biggest-ever win last week. "It's made us one of the agencies to be reckoned with."

Both Della Femina and Grey Advertising, which was awarded the $10 million Pan Am shuttle account, said creative work, and lots of it, did the trick. And some of the speculative work had to be done on short notice, with assignments coming in to the agencies via facsimile machines to simulate the quick turnaround often required by the airline industry.

Both accounts previously had been handled by Wells, Rich, Greene, which resigned the business rather than participate in the review (AA, Oct. 31).

Agency compensation, generally low for airline accounts, wasn't a factor, despite rumors that Pan Am intended to pay its agencies somewhere in the 9% range, sources said. Della Femina hasn't arrived at a compensation agreement; Grey said it has reached a "fair" arrangement with the airline.

J. Della Femina

Neither Della Femina nor Grey could say when they will be able to get new campaigns up and running because the company's management is preoccupied with the aftermath of the Dec. 21 crash of a Pan Am jet in Scotland.

Pan Am selected Della Femina over Ogilvy & Mather and D'Arcy Masius Benton & Bowles. It chose Grey in a review that also included the Bloom Agency, Ketchum/Hicks & Greist and Lord, Geller, Federico, Einstein. Ogilvy and Lord Geller were the finalists in their respective fields.

"We showed them a lot of advertising," said Edward Tedeschi, general manager of Della Femina, adding that "culturally we were very different from Ogilvy or D'Arcy. That was good.

"Our strategy was [to win the account] with ideas, not an organization chart. We didn't say, 'We're a big agency. We can do the job. Trust us.' We gave them a lot of different campaigns. We felt they hadn't seen a lot of stuff from Wells."

Grey Senior VP Robert Ravitz, who will head the agency team on the Pan Am shuttle account, said Grey's pitch also offered a number of campaigns.

"We must have presented eight different creative ideas," Mr. Ravitz said. The ideas represented "a range of responses to the current environment and the anticipated Trump environment." Real estate mogul Donald Trump has agreed to buy rival Eastern Air Lines' Air Shuttle.

Some of Pan Am's simulated assignments, sent via Della Femina's fax machines, ruined a few weekends. But the agency said the last-minute assignments, which involved

(Continued on Page 28)

Last Minute News

Braniff flies with McKinney

DALLAS—Braniff named McKinney & Silver, Raleigh, N.C., to succeed Saunders, Lubinski & White on its $16 million account. McKinney has handled Piedmont Airlines, which is merging into USAir. USAir is handled by Earle Palmer Brown Cos., Bethesda, Md. Braniff represented half of Saunders' billings; 18 of the shop's 43 staffers were laid off last week.

Lipton moves $10 million to Y&R

ENGLEWOOD CLIFFS, N.J.—Thomas J. Lipton Inc. moved about $10 million in spending to Young & Rubicam, New York, sources said. Y&R picks up side dishes previously handled by Bozell, Jacobs, Kenyon & Eckhardt, New York, and Wish-Bone salad dressing. Wish-Bone's last agency was FCB/Leber Katz Partners, New York. Earlier, Lipton moved dry soups to Lintas:New York from Y&R (AA, Dec. 26). Sources said Lipton was also re-evaluating its agency compensation system. Lipton executives didn't return phone calls.

AT&T launches product effort

NEW YORK—AT&T this week breaks the first of several network TV spots in a major new consumer campaign promoting its varied line of products.

(Continued on Page 8)

"World News Roundup" will return next week.

Bayer shifts tactics

By PATRICIA WINTERS

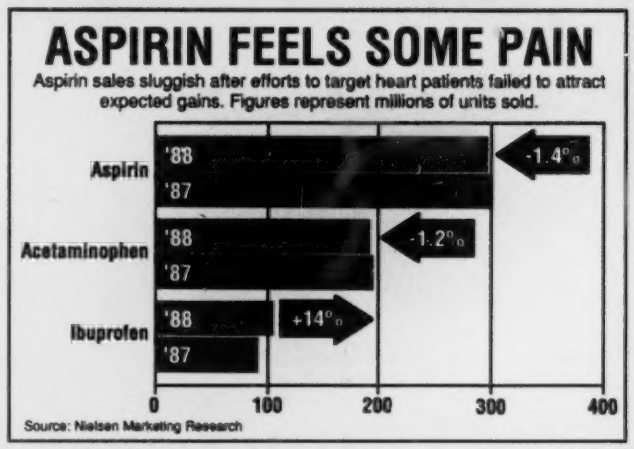
Aspirin marketers are once again emphasizing pain relief in their ads, as an expected sales boost from publicity on heart-attack prevention failed to materialize.

Sterling Drug's Bayer, a name synonymous with aspirin, has launched new ads that stress its general pain relief benefits.

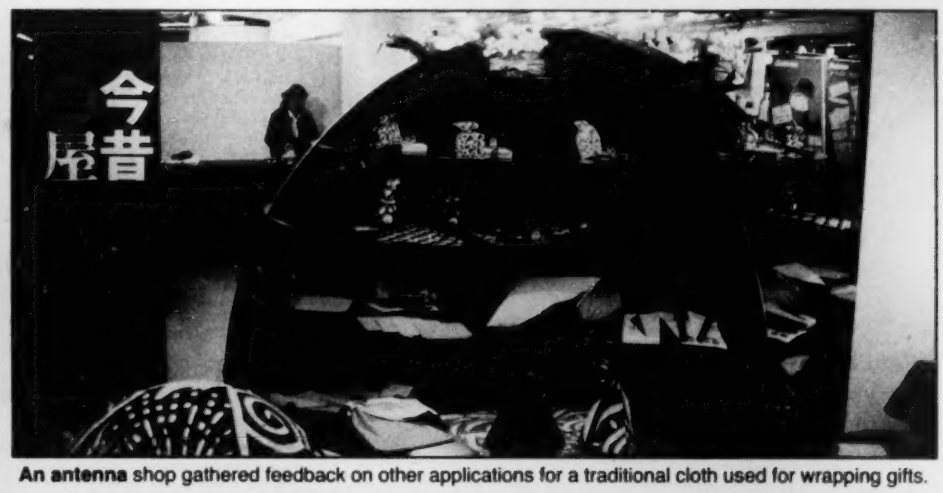
Although Sterling, a unit of Eastman Kodak Co., never abandoned pain relief, in recent years it had advertised heavily that aspirin could help prevent second heart attacks.

Many industry executives expected aspirin to benefit greatly from the much-publicized study last winter showing that men who used aspirin regularly could reduce the

(Continued on Page 30)



JOHN HALL



An antenna shop gathered feedback on other applications for a traditional cloth used for wrapping gifts.

Putting out feelers

Japanese 'antenna shops' aid research

By DAVID KILBURN

TOKYO—Japanese marketers, always looking for new ideas, have come up with a creative solution to supplement traditional new-product research.

Rather than hiring a research company to send white-coated workers out to stores to ask questions, several big-name Japanese marketers are opening their own stores to learn what consumers think about new-product ideas.

Companies like Sony Corp., Nissan Motor Co., Fuji Film, Shiseido and Kao Corp. have opened such stores, called "antenna shops" because they, figuratively speaking, "broadcast" ideas to consumers.

Matsushita Electric Industrial Co.'s antenna, called Works, is filled with audio-visual gear and electrical appliances. Unlike most antenna stores, nothing is sold in this one. Instead, product ideas are discussed with customers.

So far, this antenna has helped develop Musica, a telephone with a built-in answering machine and alarm clock, marketed under the Panasonic name.

Musica, which costs about $300, also is built so that a personal portable stereo can be plugged into it, allowing music to enhance phone conversations.

Matsushita is also collecting information on its concept for a 21st century living room, which could

(Continued on Page 25)

Toyota teases with first Lexus consumer ads

By CLEVELAND HORTON

Like a timed road rally, Toyota Motor Sales USA's Lexus division plans to pace its ads leading to the sales introduction of its luxury cars next fall.

"It's much like a striptease," said David Wagger, president of Saatchi & Saatchi Team One, Torrance, Calif., Lexus' agency. "We don't want so much exposure that when we introduce [the cars] it becomes a ho-hum thing."

The first consumer ads for Lexus will break Jan. 6 in conjunction with the Detroit and Los Angeles auto shows, if a trademark lawsuit challenging the division's name is settled in time (AA, Dec. 19).

In the initial ads, Lexus will show only small portions of its two new cars, such as a close-up of a fender.

"This look makes the car appear like a piece of art," Mr. Wagger said. "It's a clear, uncluttered, upscale look."

The message is intentionally brief. "We don't want to talk about the phenomenally smooth ride, for example, nine months before the cars are driveable," said Scott Gilbert, S&S Team One senior VP-management supervisor.

The first ads will run nationally as spreads in *The Wall Street Journal* and *USA Today* and locally as page ads in the *Los Angeles Times* and *Detroit Free Press*. All the ads will carry the headline: "See a car ahead of its time. Ahead of its time."

The copy begins: "The much-anticipated official world debut of the automobiles known as Lexus won't take place in showrooms until September 1989. But you can see one much sooner. Because today, and over the next few months, Lexus will be unveiled at auto shows in 11 cities across the U.S."

Lexus will place newspaper ads in conjunction with each of the auto shows.

Beginning in early spring, Lexus plans to run a series of ads highlighting the technology and design of the vehicles in most of the automotive buff books.

Consumers can call a toll-free number to get an eight-page brochure on the cars. The brochure says Toyota approached the design of the Lexus vehicles as a blank piece of paper, allowing designers to create "a new class of car." Unlike the ads, the brochure offers sketches of the top-of-the-line LS400 sedan and the smaller ES250.

Lexus and its agency are working

(Continued on Page 26)

Have holiday sales lost punch?

An Advertising Age roundup

Christmas shopping may be losing its glitter.

While holiday sales remain crucial to retailers, some merchants and consultants are asking whether this period is missing the strong kick of previous years.

"We're not going to see Christmas have the same effect as it used to," said Carol Farmer, president of Carol Farmer Associates, her own retail marketing consultancy in New York. "The commercial formulas just aren't working anymore."

Although final figures aren't yet available, analysts estimate merchants racked up average sales gains of about 5% to 7% for fourth-quarter 1988 compared with a year earlier. But the 1987 period included the October stock market tumble, which skewed it downward.

In fact, fourth-quarter general merchandise, apparel and furniture sales, a measure of Christmas pizazz, have declined steadily since a 12.5% gain in 1983, falling to 7.8% in 1984, 7% in 1985, 6.7% in 1986 and 5.5% in 1987, according to the National Retail Merchants Association.

Ms. Farmer said the breakup of family structure and time pressures have made the holidays a stressful time.

"To hinge the year on Christmas just doesn't make much sense anymore for retailers," she said.

Another problem may be that retailers' holiday marketing ideas are looking stale. Even the last new promotional idea—the "purchase-with-purchase" tactic that allows consumers who spend a certain amount to buy another item at a discount—has lost its steam.

"A lot of this stuff is getting pretty tired," said Richard Padulo, president of Padulo & Associates, a Canadian retail agency, referring to the U.S.

But many merchants, which have traditionally depended on holiday sales for as much as 50% of their yearly profits, disagree.

They point to this holiday period as evidence the season is still merry.

"We're very pleased," said Julian Taub, senior VP, Bloomingdale's, noting that the chain achieved a 30%-plus increase in the week before Christmas, as expected. However, he admitted Bloomies has more inventory than it wanted, and will be "very adequately covered" for post-Christmas and New Year's clearance sales.

"We're just where we projected: about a 6% increase during the Christmas selling season" said Michael Wellman, VP-marketing, K mart Corp. He called the chain's "Christmas in America" theme "very successful" and said K mart would use it again in 1989.

"What makes it nice . . . is the fact that we'll do more planning, maybe have some products or other events to tie into it," Mr. Wellman said.

In Minneapolis, Dayton Hudson Department Store Co. expected "to end December on a high note," said Cindy Schlosser, director of public relations. She added that the chain achieved a double-digit gain for the month.

While Dayton Hudson's inventory isn't "picked to the bone, consumers won't see full January sales racks like they did" a year ago, she said.

In Chicago, Sears, Roebuck & Co. said sales exceeded expectations, and gave credit to its massive holiday ad campaign via Ogilvy & Mather, Chicago.

"Christmas continues to be a great sales period for us, year after year," said Ernest Arms, news director for Sears Merchandise Group, adding that women's apparel, large appliances, big-screen TVs, video camcorders and merchandise tied to the Walt Disney Co. movie "Oliver & Co." performed well.

Across town, Marshall Field's reported double-digit sales increases, an improvement from Christmas 1987's single-digit increases.

Kassie Davis, VP-public affairs, attributed strong sales to Field's renovation of its flagship Chicago stores, a pickup in business at Texas stores and a "somewhat stronger" print advertising program, including more double-truck run-of-press ads than usual and heavy advertising in the *Chicago Tribune's* Sunday magazine.

In Texas, J.C. Penney Co. was encouraged by a pickup in business the week before Christmas, but still wasn't sure it had met its goal of a 4% sales gain.

As customers returned to the stores after the holidays, they could expect to find clearance sales, but less merchandise than they did at sales a year ago. That's because in-

(Continued on Page 30)

Catalog sales fill the bill

By ALISON FAHEY

While retailers grappled with relatively lackluster sales this holiday season, many major catalogers had a merrier Christmas.

Their winning combination: convenience and strong customer service, designed to appeal to customers tired of crowded stores.

"This is probably the best Christmas we've ever had," said Rob Longendyke, public relations manager at Spiegel, where sales were up about 10% from the 1987 holiday season.

"Business has come around very nicely since Thanksgiving. . . . We've seen a trend throughout the past few years that Christmas [ordering] keeps getting pushed back farther," he said.

To accommodate late shoppers and compete with stores at the season's crucial close, several catalogers introduced new and quicker delivery programs in association with overnight carriers.

For its last-minute shoppers, Spiegel added a quick delivery feature for its catalog customers. For no extra charge, the company guaranteed orders taken by 5 p.m. (ET) on Dec. 20 would arrive before Christmas.

The promotion paid off. "A surge in last-minute orders [peaking on Dec. 19] fueled a lot of our strong results," said Bill Ligas, corporate communications specialist.

Spiegel mailed its major Christmas book to nearly 5 million households on Sept. 1. A smaller book, themed "Great Ideas Gift Catalog," followed in October to a more selective group of customers.

At J.C. Penney Co., "the catalog business, in terms of percentages of sales, is doing better than the stores," said Duncan Muir, public relations manager.

The company, which mails its Christmas catalog in late August, reaped "double-digit sales gains" this holiday season, Mr. Muir said.

The company attributed the sales gains to improved customer service stemming from technological advances in phone ordering and 48-hour delivery service.

Despite management turnover during the year at Bloomingdale's by Mail, "sales were excellent," said Glen Senk, senior VP.

Bloomingdale's mailed its major Christmas catalog in late September to 4 million households, followed by three holiday-related books devoted to single merchandise categories.

In some instances, specialty catalogers fared even better than general merchandisers.

Cooking and serving equipment cataloger Williams-Sonoma, San Francisco, expected holiday sales to increase about 20%, said Patrick Connolly, VP-mail order.

"This year we were concerned [about sales] until November," when business really turned around, he said.

At toy retailer FAO Schwarz, "the catalog is the biggest surprise of all. . . . It has held up longer and been strong longer than any of us imagined," said President Peter Harris. He declined to disclose sales figures.

Sales for FAO Schwarz's Christmas catalog, resurrected in 1987 after a hiatus of several years, peaked just after Thanksgiving, more than two months after its September mailing.#

CORRECTIONS & CLARIFICATIONS

- The top 50 non-U.S. advertisers incorrectly included South Africa on the Procter & Gamble Co. roster (AA, Dec. 19, P. 26). The company doesn't advertise or have operations in that country, a P&G spokesperson said.
- Burrell Advertising, Chicago, continues as agency for Martell cognac, marketed in the U.S. by Brown-Forman Corp. under a distribution contract that doesn't end until 1991 (AA, Dec. 5, P. 8).
- In the "October Consumer Magazine Ad Linage" report (AA, Nov. 21, P. 34), *Audio* incorrectly stated its ad pages for that month. The correct figures should be 302.51 pages for 1988, 307.09 pages for 1987. The magazine's year-to-date cumulative ad pages are 1,034.69 for 1988, 1,009.06 for 1987.#

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Cafeteria lineup

New Furr's ads push quality, value

By CHRISTY FISHER

Furr's/Bishop's Cafeterias hopes its new ad campaign will take at least a small bite out of the national restaurant market.

The No. 2 chain in the cafeteria category early this year will air 10 15-second TV spots in all 47 of its markets. Some of the spots broke last month in nine Southwestern locations.

The commercials, paired together as split :30s, emphasize the cafeteria's quality, variety and value by pointing out competitors' shortcomings.

In at least two spots, Furr's/Bishop's boasts that it doesn't use microwave ovens to cook food, and all the commercials conclude with the new tagline: "Food this good takes all day."

Levenson, Levenson & Hill, Irving, Texas, handles the estimated $7 million account.

"This is the most full-blown multifaceted attack plan we have taken to date under the new ownership," said Rich Lahvic, Furr's/Bishop's marketing director. "We're looking at expanding our share in the restaurant market, with the cafeteria market as a subobjective."

Picking up even a fraction of a percentage of the national restaurant market would have "a tremendous effect on sales," he said.

The National Restaurant Association estimates the total national restaurant market at $213.5 billion and the cafeteria category at $4 billion.

Furr's/Bishop's sales in 1988 were expected to total $271 million, up 5.9% from 1987.

The company's strategy also involves new products to lure young adults and families away from fast-food restaurants.

The chain has implemented all-you-can-eat specials and a specially priced children's menu. It's testing carryout and plans to offer drive-through carryout windows for convenience.

"We're looking to expand our guest base to attract the younger-than-45 heads of household while maintaining our market share with the 45-plus market," Mr. Lahvic said.

Since the company was purchased by Michael Levenson in a leveraged buyout from K mart Corp. in December 1986 and subsequently taken public in a partnership, management has sought new ways to approach what some say is a stodgy business stuck in its ways.

"Cafeterias don't tend to be big advertisers," said John Hunt, an analyst with Smith Barney. "In the past, they have not had to be. Competition has not been as tough."

Analysts and cafeteria operators believe Furr's/Bishop's aggressive positioning will spur competitors to respond.

"We're not as aggressive as we should be. But we are now making strides to be more aggressive," said Bill Cotterill, marketing director of family dining for Morrison Inc., whose Morrison's Family Dining is the U.S.' No. 1 cafeteria chain with fiscal 1988 sales of $291.1 million (including seven Sady's buffet units).

"This is somewhat in response to Furr's. . . . With the heavier competition, I think we'll see more aggressive advertising efforts. The whole midscale family-dining segment has gotten so large and competitive, [restaurateurs] have to find ways to keep top of mind with consumers."

A. Richard Johnson, Nashville, Tenn., is Morrison's agency.

Luby's Cafeterias, the third-largest chain with fiscal 1988 sales of $254.3 million, plans to stick with local sponsorships and word-of-mouth advertising. Print ads support new store openings. Anderson Advertising, San Antonio, Texas, is the agency.

"We try to do things better and improve our own operations," said Bud Schrader, Luby's VP-marketing. "We find that the best way to fight competition."

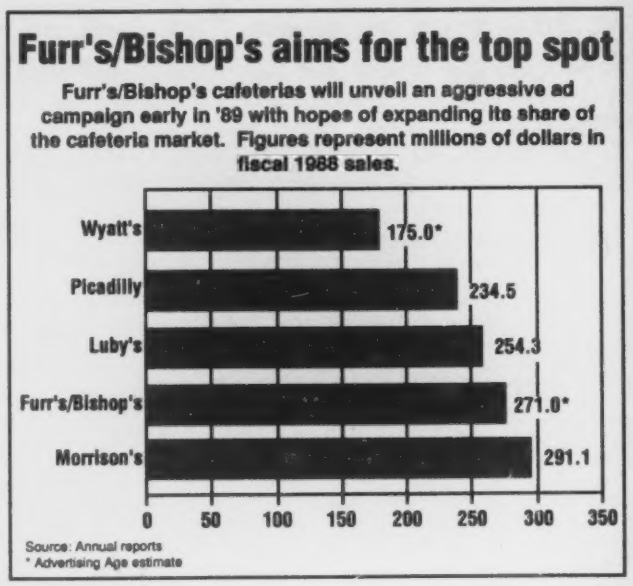
Picadilly Cafeterias, the No. 4 chain, spends $2 million to $3 million a year on advertising. Creative is handled in-house. Bauerlein Inc., New Orleans, handles media.

"Marketing is critical but there is more to marketing than just spending more money on advertising," said Brian Von Gruben, Picadilly exec VP-director of administrative services.

He indicated that location, product quality and word-of-mouth advertising still are strong traffic builders. The company's fiscal 1988 sales totaled $234.5 million.

Wyatt Cafeterias, the fifth-largest cafeteria chain, plans to increase 1989 ad spending, said Debra Hand, marketing director. Wyatt's is handled in-house. She declined to reveal budget figures.

Sales for 1988 are estimated at $175 million.#



JOHN HALL

Church's maps out turnaround

By CHRISTY FISHER

While fending off a hostile tender offer, Ernest Renaud is forging ahead with his plan to rejuvenate Church's Fried Chicken.

In an interview with ADVERTISING AGE, Mr. Renaud, Church's 61-year-old president-ceo, outlined his marketing strategy to reverse declines in revenues and profits.

The most pressing challenge he faces is convincing shareholders and franchisees that they will benefit by keeping the company independent.

Mr. Renaud is fighting what he is calling an "inadequate" $8-a-share bid from A. Copeland Enterprises, corporate parent of No. 3 Popeyes Famous Fried Chicken & Biscuits.

In the past 52 weeks, Church's stock has traded as high as $8.50 and as low as $5.63.

Currently, the stock is trading at about $7.60, but Mr. Renaud, who joined the company in late June, hopes to convince shareholders that they can get more for their shares by sticking with the company.

The No. 2 chicken chain is negotiating with third parties and studying other alternatives to maximize shareholder value.

Mr. Renaud expects 1988 company sales to fall below $400 million. But his goal is to boost sales to $420 million in 1989 and $500 million to $600 million in the next five or six years.

Mr. Renaud wouldn't make a projection on systemwide sales, which include franchise revenues, but they were $533.8 million in 1987.

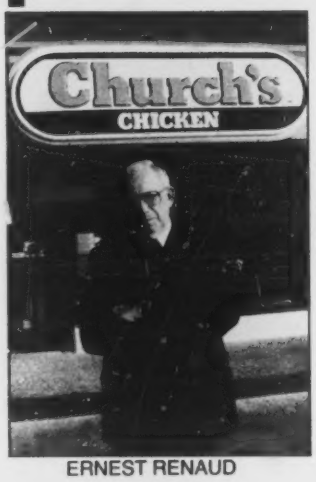
He said he plans to increase per-store average sales 5% to 7% annually during the next four years. In 1987, systemwide sales per unit averaged $357,000, compared with average per-unit sales of about $725,000 at Popeyes.

For the first nine months of last year, Church's posted earnings of $2.1 million, down 73% from the same period in 1987. Sales rose 4% to $290.7 million.

In addition to shuttering 120 of its 1,475 restaurants, a move disclosed last month, Mr. Renaud plans to open 30 to 40 company-owned stores and 60 to 80 franchises a year, and remodel existing restaurants. This year, he plans to spend about $45 million on capital spending and in-store improvements.

Improved product quality and customer service will be a priority, as will new-product development. The company also will hike its ad budget by about 54%.

Under Mr. Renaud's plan, franchisees would make up about 45% of the store base, instead of their current 22% portion.



ERNEST RENAUD

"From my background, franchises are very, very important," said Mr. Renaud, who most recently spent 2½ years leading a holding company for both Golden Corral Corp. and 29 Church's franchises.

For 13 years before that, he was president-ceo of Long John Silver's Seafood Shoppes' corporate parent, Jerrico.

Church's also plans to be more aggressive about expanding into suburban areas, from its traditional inner-city base.

Church's menu also will be freshened up, said Mr. Renaud, who plans to add one new product a year. He's also going to add 400 new fryers to help improve product quality.

"I plan to keep a tight menu," he said. "But I think a restaurant should keep customers' expectations alive by doing something a little different every year."

Whether Mr. Renaud gets a chance to implement these changes depends on the shareholders and the courts.

Church's is challenging Copeland Enterprises' tender offer on antitrust grounds and on grounds that information used to make the bid allegedly was obtained from former Church's executives who now work at Popeyes.

Copeland has filed a suit challenging the legality of Church's shareholders rights plan that's designed to foil the Copeland takeover. Hearings for both cases will be held this month.

Copeland has extended the deadline on its tender offer until Jan. 5, but a court has ordered that no action be taken on the offer until at least Jan. 12.

To date, 14.9 million, or 41%, of Church's 36.6 million outstanding shares have been tendered.

Meanwhile, Mr. Renaud and his management team are trying to rally shareholders and franchisees around the new game plan.

"I think it [a turnaround] can be done, but I need time," Mr. Renaud said. "I do not believe in knee-jerk. I promised the board that by the middle of next year they will see heavy progress."

Mr. Renaud plans to support stores with an enlarged marketing field staff and an extensive ad campaign. He has increased the ad budget to 5% of sales from 2.8% and plans to spend about $20 million in measured media in 1989—a 54% increase from 1988.

Church's intends to keep its low-cost positioning and its "Big pieces. Little prices" tagline, created by the Bloom Agency, Dallas.

Bloom and Church's parted this fall (AA, Oct. 31). Church's now "boutiques out" its creative work, Mr. Renaud said. Its media is handled by Western International Media.

Joseph J. Doyle, an analyst with Smith Barney, Harris Upham & Co., said Mr. Renaud's strategy "looks like a good generic plan. But it's the execution of the plan, not the development of it, that is the more difficult thing to do."#

Della Femina

(Continued from Page 3)

rate changes and asked for reactions to new-product offerings by the competition, simulated real-life situations.

Della Femina began wooing Pan Am after the agency was formed in the June merger of Della Femina, Travisano & Partners and HBM/Creamer. Both agencies were bought in 1986 by London-based WCRS Group.

"Now we're going to get looked at by every large account because we've got the size and we've got the people," Mr. Della Femina said.

The win is also important for WCRS, which has been under pressure to prove that its network was perceived as viable by multinational advertisers.

"WCRS hasn't seemed to have a lot of friends lately, and it's been very quiet on the new-business front," said Sue Bailey, an analyst at Warburg Securities in London, where WCRS' finances have been questioned. "This should actually be quite a good boost for it. It could be that what [WCRS] has said, that you've got to be in the top 20 in billings, is paying off."

Staffers from WCRS in London and Belier/WCRS in Europe participated in the pitch.

Also involved were Jim Durfee, vice chairman-director of corporate creative services at Della Femina, and Jamie Seltzer, exec VP-creative director of the New York office. Both joined the agency in 1988 and had worked on Pan Am at Carl Ally Inc.

It's unclear when the carrier will resume its marketing activities following the explosion and crash that killed all 259 people on board the Dec. 21 flight.

One of the ad challenges facing Della Femina is that Pan Am's overall service isn't at the world-class standards of Air France, British Airways and Lufthansa, said Edward Starkman, airline analyst at PaineWebber.

"The big problem is not to oversell service on coach class," he said. "Advertising will have to make clear what Pan Am does, and that is take people across the North Atlantic. Ads should be destination-based rather than promoting getting feet rubbed and crystal chandeliers on the plane. If customers expect that, they will be disappointed."

Mr. Starkman said that Pan Am, the No. 1 North Atlantic carrier in terms of revenue passenger miles, is showing some improvement financially, after years of decline.#

Jennifer Lawrence in Houston contributed to this story.

Benefiting from buyback

Scali's move could also help out its parent, Ogilvy

By GARY LEVIN

NEW YORK—A plan by Scali, McCabe, Sloves to regain majority control of the agency from Ogilvy Group has observers wondering which organization will gain the most from a potential deal.

About 28 Scali managers already own 20% of the shop, as part of a buyback plan begun in 1986, and are expected to exercise an option to buy another 10% early this year.

But the agency is hungry for more, and in this case, its goals appear to mesh with those of its parent.

In the most likely of several options being explored, Scali and Ogilvy will seek a financial partner to buy 40% of the agency, subject to approval by Ogilvy's board (AA, Dec. 26).

The shares already owned by Scali managers would then be acquired by Abbott Mead Vickers/SMS, a London-based affiliate that is 25%-owned by Scali, which in turn may issue a public offering on London's stock exchange.

If no suitable partner is found or Scali decides not to pursue a public offering, it may simply continue the process of acquiring small shares in the agency, leaving Ogilvy as the majority owner.

Kenneth Roman, Ogilvy chairman-ceo, was vacationing last week and unavailable for comment on Scali buyback plans. Marvin Sloves, Scali chairman, also couldn't be reached. Earlier, he confirmed basic details of the talks but declined to elaborate.

Acquired by Ogilvy in 1977, Scali is seeking independence apparently because it wants greater financial flexibility to acquire and build a global network at a time when its parent faces severe earnings pressures and resulting cost control measures.

For Ogilvy, the sale of a greater stake in Scali fits its strategy of winnowing smaller agencies from its ranks while focusing on direct-marketing, research and other marketing-services companies.

From a financial standpoint, analysts say an investment partner or future U.K. public offering of Scali would enable Ogilvy to give Scali executives their independence without lending them the cost of the buyback or losing money on the deal.

And a cash infusion would help stem profit pressures at Ogilvy Group, whose estimated 8% profit margin in 1988 falls below the industry average.

Those pressures appear to be causing the group's board concern about unfriendly takeover rumors (AA, Dec. 26).

Ogilvy loaned $3.3 million in 1986 to SMS Management Investment Co., a limited partnership formed by the 28 managers who used the money to buy 15% of Scali. That loan is due in 1992, and Scali has since acquired another 5%.

"The trend toward Ogilvy deconsolidating, or selling pieces that don't fit, wouldn't be that surprising in light of what's taken place already," said Andrew Wallach, analyst at Drexel Burnham Lambert.

He noted that Ogilvy has already sold back interests in the Ball Partnership and Ogilvy & Mather's San Francisco office, which became Hal Riney & Partners after Mr. Riney virtually threatened to leave the agency if he couldn't buy it.

"Hal Riney put egg on Ogilvy's face," said Emma Hill of Wertheim, Schroder & Co., adding that Ogilvy got less than the true market value of the office. "They would argue that they had no choice, but [the sale] was not a good deal for public shareholders."

The expansion of Scali's own operations has proved only partly successful. The agency opened offices in Canada and Australia and acquired interests in the London agency and others in Mexico, West Germany, France, Spain and the Netherlands.

It bought majority control of two agencies widely considered creative success stories, Fallon McElligott in Minneapolis and the Martin Agency in Richmond, Va. But a top executive from each of these shops resigned in recent months, raising questions about their future, despite recent new-business gains.

Two domestic offices under the Scali banner —in Atlanta and Los Angeles—were shuttered less than two years after they opened, leading Mr. Sloves to seek out other "creative boutiques," particularly those on the West Coast.

Scali, whose largest clients include Hertz Corp. and Perdue Farms, earned gross income of $93.1 million in 1987, a 20.1% gain, on worldwide billings of $653.2 million, up 17.2% from 1986.

Billings for 1988 are expected to exceed $750 million, and the agency's relatively low overhead, with fewer offices, is believed to make it more profitable than similarly sized shops.#

MAXWELL'S MARKET SHARES

Cigarette sales decline in '88

By JOHN C. MAXWELL JR.

Philip Morris USA was the only cigarette company to show unit sales gains in 1988, according to preliminary estimates.

Industry shipments as a whole were expected to be off about 2.4% for the year.

Philip Morris' sales were expected to be up about 1.6%, increasing its industry share to 39.3%. The Marlboro brand (which added Marlboro Lights menthol in 1988) now accounts for close to 25% of industry sales.

The company also showed gains for Virginia Slims Ultra Lights and Cambridge.

The R.J. Reynolds Tobacco Co. unit of RJR Nabisco, the No. 2 cigarette marketer, suffered its first market share decline in five years, dipping 0.7%.

Winston and Salem, Nos. 2 and 3 among individual brands, both were expected to record lower unit sales.

Among the top 10 brands, Newport and Camel moved up a notch from 1987, to fifth and sixth place, as Benson & Hedges slipped to seventh. Doral moved from 10th to ninth, ahead of Virginia Slims.#

Mr. Maxwell is an industry analyst with Wheat First Securities, Richmond, Va.

Top ten brands

	1987 Billions of units	1987 Share	1988 Billions of units	1988 Share	% change
Marlboro (PM)	134.57	23.6%	137.70	24.7%	2.3
Winston (RJR)	63.28	11.1	60.20	10.8	-4.9
Salem (RJR)	43.80	7.7	41.03	7.4	-6.3
Kool* (B&W)	34.33	6.0	32.29	5.8	-5.9
Newport (Lorillard)	24.23	4.2	25.50	4.6	5.2
Camel* (RJR)	24.18	4.2	23.36	4.2	-3.4
Benson & Hedges (PM)	24.36	4.3	22.58	4.1	-7.3
Merit (PM)	22.17	3.9	21.60	3.9	-2.6
Doral (RJR)	17.22	3.0	18.50	3.3	7.4
Virginia Slims (PM)	17.51	3.1	17.17	3.1	-1.9
Total top ten	405.65	71.1%	399.93	71.8%	-1.4

*Includes filter and non-filter.
Source: Estimates by John C. Maxwell Jr., Wheat First Securities.

Company sales and market shares

	Volume* 1987	Volume* 1988	Volume* % change	Market share 1987	Market share 1988	Market share Share change
Philip Morris	215.56	219.00	+1.6%	37.8%	39.3%	+1.5%
R.J. Reynolds	185.39	177.00	-4.5	32.5	31.8	-0.7
Brown & Williamson	62.74	61.12	-2.6	11.0	11.0	—
Lorillard	46.97	46.10	-1.9	8.2	8.3	+0.1
American Brands	39.44	38.31	-2.9	6.9	6.9	—
Liggett	20.28	15.25	-24.8	3.6	2.7	-0.9
Total	570.38	556.78	-2.4	100.0	100.0	—

* billions of units.
Source: Estimates by John C. Maxwell Jr., Wheat First Securities.

'FC' revamps car award

NEW YORK—*Family Circle* is revising its "Family Car of the Year" competition for 1989.

This year's competition will use polls to determine the top 10 consumer choices with a follow-up survey on customer satisfaction to determine the grand award.

A combination of consumers and a panel of experts was used in 1988.

The program is part of women's magazines' concerted efforts to create a better environment for auto advertising.#

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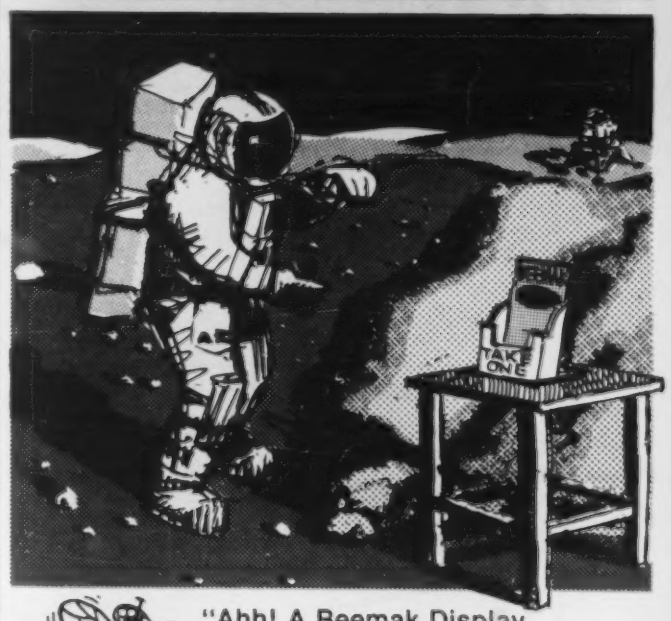

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Publishers venture south

Magazines test Latin waters

By LESLIE GILBERT

Latin America is a distribution nightmare that's kept many foreign magazine publishers from diving in, but some are getting serious about it now.

Dow Jones & Co., which several years ago considered and dropped the idea of publishing a separate Latin American edition of *The Wall Street Journal*, now has expanded its *America Economia's* reach into Mexico.

The magazine, a joint venture with two private individuals in Chile, is available in 10 Latin American nations.

Last October, the U.K.'s EuroMoney Publications Group introduced *LatinFinance*, a slick, Miami-based magazine published 10 times a year for those emerging from the 1982 Latin American debt crisis.

Early this year, *Time* will upgrade to glossy paper stock and color printing for its Latin American editions.

Sister publication *Fortune* is currently negotiating a joint venture in Spain with Hachette and could take that project to Latin America.

Circulation of *Fortune's* English-language international edition in Latin America is estimated at 12,460. And International Advertising Director Michael Dudler said that "a Spanish-language edition for Spain would probably have applications ... for the Spanish-speaking market in South America."

As Latin American nations have rebuilt dying economies, the business community has grown stronger and more sophisticated, said Nels Strandberg, publisher of *America Economia*.

Dow Jones entered the market in mid-1987 with the Spanish-language business magazine, started by Mr. Strandberg and Elias Selman, a Chilean market researcher.

Circulation for the Santiago-based magazine is estimated at 40,000, with 7,000 paid, Mr. Strandberg said.

Despite the expansion, Bob Paradise, VP of Dow Jones' magazine group, cautioned, "*America Economia* is not a test market for *The Wall Street Journal*. They are too dissimilar."

One of the region's problems is that distribution is expensive.

"Traditionally, it's been a very costly market to develop circulation. We do very well when we promote [to gain circulation], but it's just a question of priorities," said Dee Fernandes, VP-The Americas for South Publications. English-language *South*, a monthly magazine, is targeted at executives doing business in developing countries.

One publication that does well in Latin America is *Time*.

Its Latin American edition is published in English, and executives estimate circulation at 90,000—all paid—with about one-third of its readership in Brazil.

But *Time* has no plans to introduce a Spanish-language edition. "English is a self-selecting targeting tool," said Kevin Weafer, managing director of the Americas.

U.S. and European publishers seem willing to leave many readers to *Vision*, a 200,000-plus circulation Spanish-language news magazine published every other week in Mexico.#

Several magazine publishers are concentrating on the Latin American market, including Dow Jones & Co.'s *America Economia*.

AA seeking best '88 ads

CHICAGO—Wanted: this year's best TV, print and radio advertising for ADVERTISING AGE's Best of 1988 contest.

Ads may be entered by advertisers, agencies or production houses. For entry forms and information, write AD AGE's Best of 1988, 740 Rush St., Chicago 60611, or call 800-233-3435. In New York state, call (212) 210-0209.

There's no entry fee. Entries must be postmarked no later than Jan. 6.#

Aspirin marketers push pain relief

(Continued from Page 3)

risk of heart attacks.

Companies were forbidden from advertising the first-attack study, but industry analysts and even government officials expected aspirin would get a rub-off effect from the second heart attack ads.

Instead, Bayer sales slipped, and the overall aspirin market actually declined 1.4% to 296 million units for the 12 months ended October 1988, according to Nielsen Marketing Research Group. Only dollar sales increased, by 6% to $839 million.

"I think there will be more focus on [pain relief] advertising," said Elliot Dorfman, senior VP-management supervisor at Lintas:New York, Bayer's agency.

"From a strategic point of view, general pain usage represents greater potential for the brand," he said. "The heart attack message is important, but in terms of usage, general pain relief is where the volume still exists."

The new drive uses Bayer's longtime "The wonder drug that works wonders" theme. The TV spot that began airing in December features explorer Andrew Harvard, who says he includes Bayer on his list of expedition essentials.

Bayer was the first to jump on the second heart attack angle and was instrumental in gaining government approval for that claim in 1985.

Bristol-Myers Co.'s Bufferin and SmithKline Beckman Corp.'s Ecotrin also advertised for the prevention of second heart attacks.

The other big player in the market, American Home Products Corp.'s Anacin, never did, maintaining its pain relief claim.

Painkillers containing ibuprofen, such as American Home's Advil and Bristol-Myer's Nuprin, continued to be the thorn in aspirin's side.

Nielsen figures show that ibuprofen continued its meteoric rise through October, gaining 20% in sales to $402 million, with units expanding 14% to 102 million.

Ibuprofen's share of the total $2.4 billion retail analgesic market has risen to 21%, from 19%; aspirin is at 42%, from 44%; and acetominophen, such as Johnson & Johnson's Tylenol, remains at about 36%.

"The winner continues to be ibuprofen," said Neil Sweig, drug industry analyst for Prudential-Bache Research.

Further complicating aspirin's future growth is the general consensus that the Food & Drug Administration probably won't allow consumer advertising of the first-attack claim.

The FDA has been examining the National Institutes of Health study for nearly a year now, and industry executives said the agency probably will allow the claim only to doctors in professional journals.

Analysts say the FDA is unlikely to allow unhindered consumer advertising of aspirin as a heart attack preventative because of the risk of side effects, such as stomach problems.

Others say the FDA might allow aspirin to be promoted in general consumer "health information" ads that suggest a doctor's visit if concerned about heart health.

"The FDA is not comfortable with what the [direct consumer] ads are supposed to read, and they've not been good and ready" to announce a position, Mr. Sweig said. "But now, as many months have gone by, aspirin marketers have come to understand that it [the NIH study] may turn out to be a moderate positive. ...

"The key [to real growth] is to prevent first heart attacks."

He predicted the FDA will approve some sort of first heart attack claim for aspirin this year, but consumer advertising would only be allowed with caveats.

"There's too many potential side effects for daily use," he said. "I don't see as bright a future for aspirin sales" as for competitors.#

Holiday

(Continued from Page 4)

ventory levels were leaner to begin with, said J. Duncan Muir, public relations program manager.

On the West Coast, Mervyn's, a 213-store chain, experienced sales only slightly above a year ago, but a spokesman declined to give specifics. On Christmas Eve the chain opened at 7 a.m. and ran a three-hour promotion featuring an additional 10% off jewelry already discounted 20%.

In San Francisco, Emporium Capwell Co. said Christmas sales improved by more than 6%. The chain stuck to its promotional calendar, but its discounts weren't as steep as a year ago, said Alice MacNaughton, VP-sales promotion.

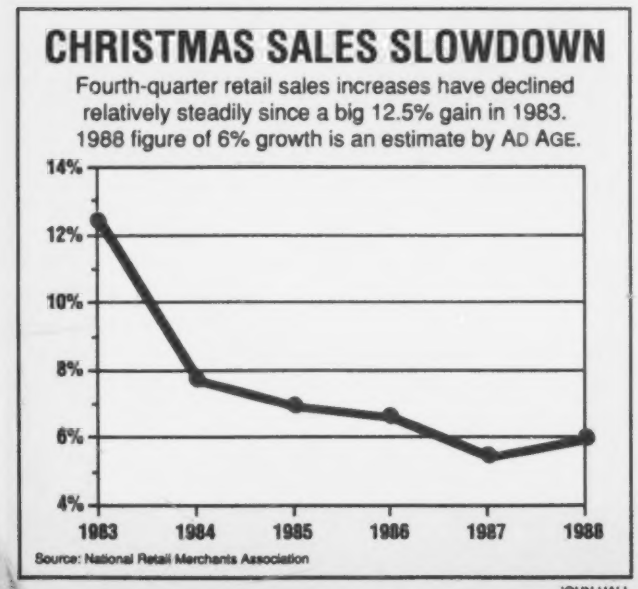
Consultants see a tough year ahead.

"The plain truth is the honeymoon [for retailers] is over," said William Ress, president of C.W. Ress & Co., a retail consultancy. "With few exceptions, retail has become a flat business and will be for the rest of this century."

The key factors driving the long-term growth of the retail industry—population growth, the rise of the two-income family and the credit-card explosion—have trailed off and no new expansionary forces have replaced them, Mr. Ress said.

In contrast with the self-indulgence of the mid-1980s, "consumers are buying only things they truly need and want and believe have value," said Kurt Barnard, retail consultant and publisher, *Retail Marketing Report*.

"It's not that consumers expect to spend less overall, it's that they're trying to get the most value for their dollar," said Leo Shapiro, chairman of Leo J. Shapiro & Associates.#



JOHN HALL

This story was written with reports from Judith Graham in New York, Christy Fisher in Dallas, Kate Fitzgerald in Chicago, Patricia Strnad in Detroit and Alice Z. Cuneo in San Francisco.

By Bob Garfield

Ad Review

Garfield's "Ad Review" will return next week.

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NEWSPAPER

January 9, 1989

Advertising Age

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Last Minute News

Mojo plans major linkup soon

SYDNEY—Mojo MDA Group told the Australian Stock Exchange last week that it's close to finalizing a linkup with a major agency. Chiat/Day, Venice, Calif., is considered the most likely candidate, followed by Japan's Dentsu and its HDM Worldwide venture with Young & Rubicam and France's Havas. HDM and Chiat/Day have denied deals with Mojo (AA, Dec. 26). Dentsu couldn't be reached for comment.

Ayer offers new BK creative

NEW YORK—N W Ayer this week will present new creative to Burger King Marketing Director Don Dempsey at the agency's offices here. Executives from Grand Metropolitan, which acquired Burger King parent Pillsbury Co., are likely to attend. How Ayer's new creative is received could determine whether the $200 million national account is put up for a formal review.

Eveready reviews $25M account

ST. LOUIS—Eveready Battery Co. is reviewing its $25 million Energizer battery account. The review is limited

(Continued on Page 8)

Sara Lee realigns $100M in Europe

By LAUREL WENTZ
and JULIE SKUR HILL

In a major realignment, Sara Lee Corp.'s European coffee and groceries unit is reshuffling its $100 million ad budget and slicing its roster of agencies to four from more than 40.

The Sara Lee/Douwe Egberts division, based in Utrecht, Netherlands, is aligning its business by product category in about a dozen European countries.

The winning agencies are BBDO Worldwide, Saatchi & Saatchi Advertising Worldwide, HDM Worldwide and Backer Spielvogel Bates Worldwide.

BBDO grabbed the two biggest-spending product groups—coffee and tobacco—while Saatchi won teas and snacks and HDM picked up oral-care and detergent products.

The Sara Lee division began the consolidation several months ago, moving two European over-the-counter brands, Rennies antacid and Aspro aspirin, to Backer.

At press time, the exact size of each agency's win was not clear because of the disparate nature and number of brands involved. It is known, however, that BBDO's portion of the business is worth $30 million.

FHV/BBDO Group, Amstelveen, the Netherlands, will serve as the lead agency for the account.

The realignment was spurred, in part, by the creation by 1992—the target date for the European Community to eliminate trade barriers.

"European branding means European advertising, and European advertising means you may as well use [pan-European] agencies," said Wim Slootweg, senior VP-international communication at Sara Lee. Mr. Sloot-

(Continued on Page 45)

Winn-Dixie, food giants mend fences

By JULIE LIESSE ERICKSON
and JUDANN DAGNOLI

The standoff between Winn-Dixie Stores and some of the nation's largest grocery-product marketers seems to be ending.

Products of companies including General Foods Corp., Pillsbury Co., Procter & Gamble Co. and Quaker Oats Co. are being returned to Winn-Dixie shelves as a result of individual deals with the retail chain.

Although two of these companies are modifying marketing policies, others report little or no change.

General Foods and Quaker have instituted new national pricing policies, but both companies are fashioning them to facilitate regional marketing.

The brouhaha over national deals came to a head last summer as Winn-Dixie, the fifth-largest grocery chain in the U.S. with 1,300 units, began demanding that deals from marketers could no longer be offered on a market-by-market basis (AA, Oct. 3, *et seq.*). When marketers refused, the chain began pulling selected products from those companies.

After Winn-Dixie threw down the gauntlet, other supermarket chains, such as Food Lion, Publix Supermarkets, Safeway Stores and Kroger Food Stores, demanded equal treatment. Now the worst appears to be over.

Quaker is "reserving the right to market and promote certain products locally," particularly those that are regional or whose strengths skew dramatically to certain regions, said Ronald Bottrell, senior manager-corporate communications at the marketer.

The policy applies to hot and cold cereals and Gatorade, and was formulated before Winn-Dixie issued its demands, he said.

The chain appears to have accepted Quaker's position, since Quaker said its discontinued products have been reinstated by Winn-Dixie.

Some P&G and Pillsbury products pulled from Winn-Dixie also are beginning to reappear, indicating headway in negotiations between those two market-

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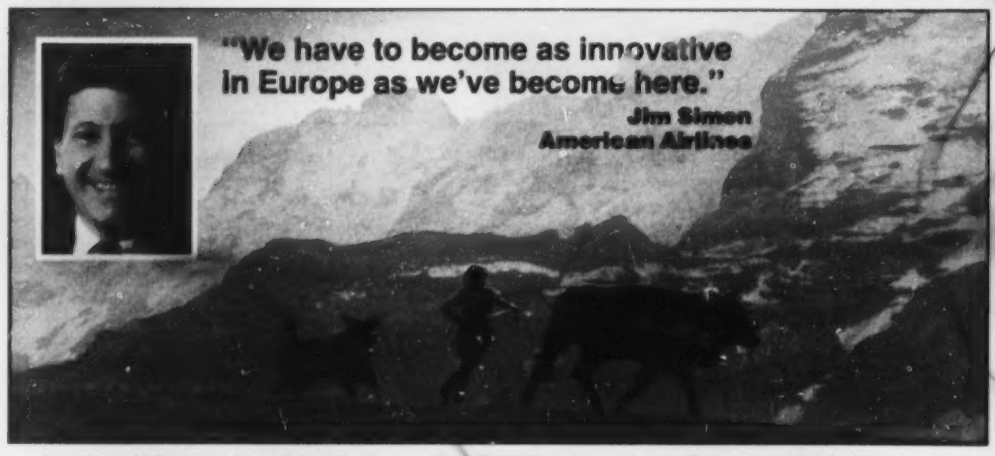

American Airlines next month breaks this spot from BJK&E to emphasize its European routes to U.S. viewers.

American opens review

DDB, Bozell vie for $20M int'l account

By JENNIFER LAWRENCE

FORT WORTH, TEXAS—American Airlines is reviewing its estimated $20 million international ad account in hopes of heightening its image abroad.

The nation's No. 2 carrier will choose between international incumbent DDB Needham Worldwide and Bozell, Jacobs, Kenyon & Eckhardt, its domestic shop. No other agencies are participating in the review.

The review was prompted by the airline's rapid European expansion since 1985, said Jim Simon, managing director of advertising.

American's international routes cover service between four U.S. cities and nine European cities; four new European destinations will be added in May.

As recently as three years ago, American flew only to London.

DDB Needham, through its London and New York offices, handles ads that run in Belgium, France, West Germany, Spain, Sweden, Switzerland, the U.K. and Japan.

The agency will make a presentation here Jan. 11.

BJK&E presented its international capabilities two weeks ago after requesting the opportunity to do so. The agency wouldn't comment other than to acknowledge its participation in the review.

Mr. Simon said it will be important for the international agency to have a Dallas office. DDB Needham officials declined to speculate on whether it might set up shop in Dallas to keep the account.

"We have to do some things dif-

(Continued on Page 45)

Super Bowl beer bash

By JUDITH GRAHAM

Beer, soft drinks and automobiles will scramble for the advertising limelight at Super Bowl XXIII, while computers and financial services fade to the sidelines.

The key contest on NBC-TV's Jan. 22 telecast is between Anheuser-Busch, the game's single largest sponsor, and the cola companies, which are waging a marketing extravaganza of epic proportions—complete with the first-ever, three-dimensional network broadcast and TV commercial.

"The question is which of the promotions will capture the greatest consumer attention and interest," said an agency executive who asked not to be identified.

Angered by Stroh's Super Bowl spot last year mimicking Bud Light's Spuds MacKenzie, A-B has seized an 11-unit, $5 million buy, making it the exclusive beer sponsor and only exclusive sponsor for the game, as well as the pre- and postgame shows.

The showcase is a set of six new "Bud Bowl I" spots that enact the game in beer-land (AA, Dec. 26).

Meanwhile, Miller Brewing Co., an official National Football League sponsor shut out of the field, is still determined to get in the Super Bowl act. Miller will run a sweepstakes and distribute nearly 5 million copies of a 20-page game guide as well as T-shirts, hats, table tents, signs and other game-related items in stores.

On the cola front, Coca-Cola USA and Pepsi-Cola Co. reportedly have each grabbed four of the telecast's 54 30-second ad units. Coca-Cola's showcase will be a $1 million, 45-second Diet Coke spot in 3-D, via Lintas: New York. It will air during the 12-minute halftime show.

The marketer starts distributing 20 million pairs of 3-D glasses at point-of-purchase displays today, backed by local advertising.

Pepsi will premiere part of its 1989 commercial pool during the telecast, including a Diet Pepsi spot, sources said. BBDO Worldwide handles.

In an effort to upstage its rival, Pepsi is sponsoring "The Diet Pepsi Talent Challenge," a pregame talent show featuring NFL players competing as singers, comedians, dancers and musicians (AA, Dec. 19).

Among other Super Bowl XXIII advertisers:

- The auto category is bursting, with Volkswagen of America, Chrysler Motors' Dodge division (with three :30s or one :30 and one :60 via BBDO Worldwide, Southfield, Mich.); Nissan Motor Corp. USA; Hyundai Motor America; and Toyota Motor Sales USA each accounting for two or three units. The pre- and postgame shows also count General Motors Corp.'s Oldsmobile division, Suzuki Motor Corp. and Mazda Motor of America among their sponsors.
- McDonald's Corp. will air a special effort tied to a product anniversary, sources say.
- Federal Express Corp. will run several spots from a new campaign stressing international service, by Fallon McElligott, Minneapolis. Federal Express had five units on the game last year.
- Gillette Co. is running one :60 and two :30s for its Atra Plus blade-and-razor system. The company had one :30 on the pregame show last year. BBDO in New York handles.
- Michelin Tire Corp. is breaking two campaigns from DDB Needham Worldwide. One features the "best of babies," with scenes from Michelin's much-heralded spots of toddlers crawling around its tires. The other is a more hard-hitting, performance-related campaign.
- GM's Oldsmobile division is airing a :30

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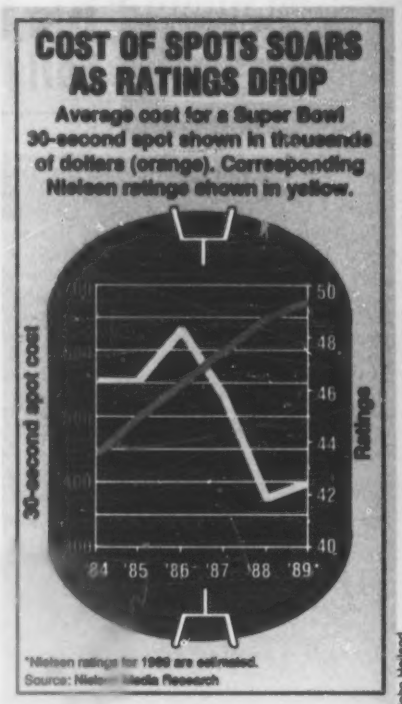

John Heiland

Indies to take on Big 3 in upfront

By WAYNE WALLEY

LOS ANGELES—The Association of Independent Television Stations said it will go head-to-head with the Big 3 TV networks, cable and barter syndication for a share of "upfront" sales by 1990.

Preston Padden, president of INTV, said at least 75 stations, including KCOP, Los Angeles, signed tentative commitments to join INTV-NET at the association's annual convention here last week. That's the first step in a four-phase plan to create a new "unwired" network.

The idea, first broached by INTV last month (AA, Dec. 12), is to unite independent stations on a non-exclusive basis for network sales of ad time during certain dayparts.

For the most part, independent stations have been excluded from the traditional upfront market, when advertisers make their TV buys as much as a year in advance.

"We have failed to get our fair share of network-type national dollars largely because we fail to show up and ask for the order," Mr. Padden said. "We do 25% of the national audience share but capture only 1% of the national revenue."

INTV wants to target the $11 billion spent by advertisers in the upfront market. But advertisers tend to perceive unwired networks as an expedient way to buy spot TV, the market independents depend on for at least half their annual revenue.

At least seven so-called unwired networks now exist, created by third parties who buy commercial time on independents nationwide and resell the time to advertisers at a markup.

"The trick for INTV is how to get there," said Dennis Gillespie, senior VP at Viacom International. "I give independents credit for developing a cooperative to get a share in the $11 billion upfront, but how do you get it without spot going out the back door? That's what they have to guard against."

Some in the TV industry believe unwired networks, particularly INTV-NET, will destroy the national spot TV marketplace.

But Ron Inman, INTV VP-marketing, said the plan gives independents the opportunity to build a larger revenue stream while giving national advertisers an efficient way to buy independents.

Advertisers generally applauded the formation of INTV-NET. If the price is right, they could use the venture as leverage in network negotiations or to compensate for increases in other areas.

"We would evaluate it in terms of an offsetting package against network," said Robert Ward, Miller Brewing Co. director of advertising services.

Robert L. Wehling, VP-marketing services at Procter & Gamble Co., said ease of administration, or a one-invoice buy, made his experience with an unwired network work.

"I think it's a good idea," he said of INTV-NET. "It will come down to pricing, time period and the quality of what they are offering."

Mr. Padden said INTV's next step is to find a sales company to represent the network, followed by getting signed agreements from stations and implementing a marketing plan.

LBS Communications and Viacom already have bid to become the sales rep.#

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Interpublic, French shop discuss deal

By LAUREL WENTZ

Interpublic Group of Cos. and French agency network FCA! are talking about jointly buying a New York agency.

These negotiations also involve FCA! possibly purchasing some of McCann-Erickson Worldwide's secondary European agencies and McCann's acquiring 34% of FCA!

If the talks work out, FCA! and McCann would seek an agency in New York billing about $200 million to $300 million. However, no candidates have been selected, said Philippe Calleux, FCA! chief executive.

A decision on a deal with Interpublic, McCann's parent, will be made in about two months, he said. FCA! also is talking to other international agency groups, but he declined to name them.

Mr. Calleux said having his agency's name on the door in the U.S. and Europe is a key point.

"We would be stronger in Europe by merging some of [McCann's] agencies with our own, but obviously we're also highly interested in having an agency with our name in New York," he said. "We have very important clients looking for a U.S. solution."

FCA! already owns agencies in the U.K., Italy, Spain, the Netherlands and West Germany. The agency would be interested in picking up McCann shops in those countries as well as adding markets such as Scandinavia and Portugal, Mr. Calleux said.

McCann owns 14 local agencies in Europe that don't carry the McCann name and aren't an official network. Generally, local clients are handled by the group of shops, which include Harrisons and Royds in the U.K. and Clarin in Spain.

"This chain of [McCann] agencies is international orphans," Mr. Calleux said. "They have no coordination or common vision. There might be extraordinary synergy possible."

Also, "Our way of doing things would be different," he said.

But McCann Chairman Robert L. James played down the talks with FCA!

"We have had discussions with these people going back five years," he said. "We had them last year and will again in '89. But I don't call them negotiations. There is nothing imminent. It's not like something being negotiated down to a fine point."

Mr. James said the specifics mentioned by Mr. Calleux were "ele-

(Continued on Page 46)

H&R Block ads rely on refunds

By KATE FITZGERALD

Ralph the school traffic guard is back in H&R Block's 1989 TV campaign, breaking today.

Ralph DeSarno, a guard in Old Tappan, N.J., made a strong impression on viewers last year with his off-the-cuff comments about tax reform. So H&R Block decided to let him conclude three of its four new 30-second TV spots.

Ralph the traffic guard returns in H&R Block's TV campaign.

"For some reason, Ralph was very memorable last year in his orange safety outfit, and we got some wonderful, natural quotes from him," said Marketing Director Steve Dickey.

The spots are part of H&R Block's $10 million 1989 ad effort, via Bernstein Rein, Kansas City, Mo. Media placement is handled in-house.

The company tried network TV in 1987 but was forced back to an all-spot-TV schedule last year when the Olympics created a shortage of network slots (AA, Jan. 11, 1988). H&R Block this year is sticking with a spot schedule, supported by print and radio.

The campaign again urges people to go for the biggest possible tax refund as tax reform fades to the background.

Each new commercial features Henry Bloch, the company's founder and president-ceo, who spells the company's name, and his own name in the spots, with a K.

Two 1988 commercials for H&R Block's Rapid Refund option also are in the six-spot pool. The option allows customers to file returns electronically and get refunds within five to seven days.

Rapid Refund, which involves an extra fee, is available in 54 markets, up from 14 last year. Mr. Dickey expects the option to account for 33% of H&R Block filings this year.

H&R Block, the nation's largest income tax preparer, processed 10.5 million taxpayers' returns last year, up 9.4% from 1987. Mr. Dickey said the company handled 10.6% of the nation's tax returns last year, up from 10% in 1987.#

Lights get flashy

Batteries marketers charge ahead

By JULIE LIESSE ERICKSON

Rayovac's new campaign will back an expanded line of flashlights.

Battery marketers will turn up the power of advertising again this year as two rivals switch their attention to flashlights.

On the heels of record 1988 ad spending by the major battery marketers, Rayovac Corp. introduces three flashlights nationally April 1. That's a direct challenge to Eveready Battery Co., which has begun a major relaunch of its lighting products (AA, Aug. 29).

Rayovac's new products—Flashylights, Roughneck and Tandem—along with its Luma 2 and Workhorse flashlights—will be supported initially by a multimedia campaign tied to Father's Day.

Ads will build toward the fourth quarter, when 40% of flashlights are sold.

FCB/Leber Katz Partners, New York, handles the company's $12 million budget, which Rayovac Vice Chairman Judy Pyle said will increase substantially in the fiscal year that starts in July.

The budget increase and the new interest in flashlights reflect marketers' commitment to higher ad spending in the $2.5 billion battery business.

During the holiday selling season, Duracell, Eastman Kodak Co., Eveready and Rayovac flooded the airwaves with TV spots. Even in the first half of 1988, traditionally the slowest period for battery sales, Duracell's overall spending rose 34.4% to $12.5 million compared with a year earlier, while Eveready's spending rose 40.8% to $10.1 million, according to Leading National Advertisers.

The new Rayovac products are designed for specific uses. Flashylights consists of midprice, all-purpose lights in combinations of six bright colors; the Roughneck offers a waterproof, brighter light for home and job uses; and the Tandem combines a floodlight and a spotlight for outdoor uses.

The flashlight market grew 16% to $415 million in 1987, according to Nielsen Marketing Research Group. Both Rayovac and Eveready believe it offers opportunities for segmented marketing and upscale products.

"There's a definite carryover factor, too," Ms. Pyle said. "We believe that this quality image set by our flashlights carries over onto our batteries, and the quality of our batteries carries over into a flashlight market that at this point is basically unbranded."

Mass-merchandise, drug and food stores account for about half of flashlight sales. In those outlets, Eveready's 25.9% share of lighting-product sales noses out Rayovac's 24.9%, according to Nielsen data from July/August 1988.

In the overall battery market, Nielsen and National Family Opinion data for July/August showed Eveready with a 40.5% share, Duracell at 30.9% and Rayovac at 16.1%. Kodak, a relative newcomer to the market, was in fourth place with a 4.9% share.

Eveready's six flashlight products are targeted more narrowly than Rayovac's. The Road Beam, for instance, is for car use, while Foreman lights are for workshops. Chiat/Day, Venice, Calif., handles.#

CORRECTIONS & CLARIFICATIONS

HBM/Creamer, folded into Della Femina, McNamee/WCRS in mid-1988, shouldn't have appeared on the top 50 U.S. agency chart (AA, Dec. 26, P. 11). Its No. 32 ranking should have gone to Della Femina, ranked 39th. Billings from recent mergers weren't folded into billings of the 50 agencies, because most billings totals as they appeared were audited figures. Della Femina, among others, would have ranked higher if billings gained in mergers had been incorporated in the new parent's total.#

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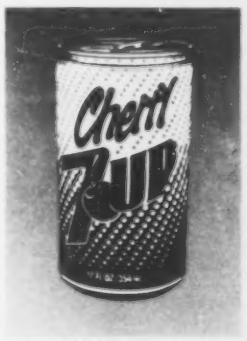

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Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

New Whittle shocker

By PATRICK REILLY

Christopher Whittle, a pioneer in new forms of print media, will leap into the electronic realm this spring with an ad-supported TV program beamed daily into classrooms nationwide.

The satellite-delivered program, called "Channel One," will emanate from Los Angeles and resemble a network morning news program. It will feature 18-to-24-year-olds as news anchors.

Mr. Whittle, chairman of Whittle Communications, said the program will serve as a "teachers' tool that assists our education community."

"Channel One" will be the largest sponsor-supported program of its kind ever attempted in schools. The size of the teen-age audience could even exceed what the highest-rated network programs deliver.

"Channel One" will start in test form March 6 in five pilot schools in five cities, including Mumford High School in Detroit and Eisenhower Middle School in Kansas City, Kan.

The test will consist of 25 daily programs spread across five weeks that will reach 8,000 to 10,000 students.

Each program will be 12 minutes long, including 2 minutes of commercial time divided into four 30-second spots.

Sources indicate potential advertisers include Procter & Gamble Co., McDonald's Corp., Converse and the U.S. Army.

The program is a mix of news, features and educational matter and will be produced by Susan Winston, a former producer of ABC-TV's "Good Morning America," with help from William Rukeyser, Whittle editor in chief.

The test is expected to be followed by a national rollout in 1990 that Whittle executives project would put "Channel One" into 8,000 middle and high schools, reaching an audience of about 6.5 million students ages 12 to 17.

As part of the test and national rollout, Whittle will install in each school the equivalent of $50,000 in electronic hardware, including 30 to 40 monitors per school, videocassette recorders and satellite dishes. When not showing "Channel One" to students, schools will be free to use the Whittle closed-circuit TV system for other educational programs, Mr. Whittle said.

The test is expected to cost $5 million, while the national rollout will cost more than $100 million, he said. Mr. Whittle explained the company will be able to save substantially on electronic hardware costs by buying in bulk.

"Channel One" may raise as much controversy as Whittle's *Special Reports* magazine project begun last year. The publications were offered for waiting rooms of doctors who agreed to make only two other magazines available, a move that angered other publishers.

The protests this time may come from educators who object to advertiser-supported TV in schools.

Peggy Charren, president of Action For Children's Television, a watchdog group, said she thought "Channel One" was a "nifty idea" until she was told it would be ad supported.

"It's horrendous," she said. "It would be as if the school system were telling students what to go out and buy. Every school system in the country should fight this."

But Mr. Whittle said that every school administrator who has been shown "Channel One" has accepted it.

"We are excited about getting it," said David Lusk, superintendent of the Kansas City Public

(Continued on Page 52)

Whittle's 12-minute news and information program

Prototype programming for "Channel One" on Jan. 5

- Upfront: Summary of world and U.S. news: report U.N. Security Council meeting on terrorism . . . savings and loans rescued . . . Dukakis won't seek fourth term in Massachusetts . . . space shuttle update . . . India lowers voting age.
- Flashback: New Mexico becomes 47th state—Jan. 6, 1912
- Focus: Christine Higgins—hostage daughter.
- Fast fact: 52 American hostages released Jan. 20, 1981, as Reagan sworn in.
- Commercial: (30 seconds).
- Fast fact: World's largest high school in Calcutta.
- Commercial: (30 seconds).
- Five-part feature: The environment.
- Pop quiz: Which is older, the pyramids or the Great Wall of China?
- Commercial: (30 seconds).
- Fast fact: Arachibutyrophobia is the fear of peanut butter sticking to the roof of your mouth.
- Commercial: (30 seconds).
- Feature: Carl Lewis or British autoguide or actor Johnny Depp.
- Pop quiz answer: The pyramids, by 2,000 years.
- Features: Malcolm-Jamal Warner introduces U2 music video in a tribute to Martin Luther King.
- Tease: Alyssa Milano (for upcoming five-part series).

Source: Whittle Communications

C. Whittle

S. Winston

E. Winter

Chiat, Mojo set stage for Euro growth

By GEOFFREY LEE MARTIN and CLEVELAND HORTON

Chiat/Day's bid to join the exclusive billionaire-billings club by acquiring Australia's Mojo MDA Group brings to mind Chiat/Day Chairman Jay Chiat's wisecrack: "I want to see how big the agency can get before it gets bad."

Should the $56.5 million deal go through, the $1 billion merged agency of Chiat/Day/Mojo will be in a strong position to continue his expansion philosophy. With the U.S. and now the Pacific Rim taken care of, the 20th-largest agency in the world plans to take on Europe.

Chiat/Day disclosed its two-phase bid for the Sydney-based Mojo last week (AA, Jan. 9). The deal was announced Down Under with a news release headlined: "Say G'Day to Chiat/Day."

The proposal, which still needs the approval of shareholders and the Australian government, effectively means that Mojo and Monohan Dayman Adams, which merged with Mojo in 1985, will go their separate ways. The pro-

(Continued on Page 50)

Last Minute News

Burger King adding Rosenfeld shop

MIAMI—Burger King tapped Rosenfeld, Sirowitz, Humphrey & Strauss, New York, for a regional ad program in the East, sources say. That puts the chain another step closer to implementing a layer of regional agencies and breaking up its centralized, $200 million account, now at N W Ayer, New York. Burger King denied that, saying any decision on adding a layer of regional agencies must be reached in concert with new owner Grand Metropolitan, and no such decision has been made. The introduction of new Pillsbury Chairman-CEO Ian A. Martin *(see story on Page 44)* to Burger King's marketing staff and national agency came last week at Ayer's Manhattan offices. Sources said the agency presented concepts for a successor campaign to "We do it like you do it." That campaign is expected to be completed in March. Insiders said Ayer's status on the account wasn't discussed.

K mart plans new Stewart push

TROY, MICH.—K mart this week will disclose details of a $20 million marketing program featuring lifestyle consul-

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Ogilvy 'in play' again?—P. 2
Korbel pops for Bush—P. 50

CEO denies fraud charges

Agency group faces lawsuits

By JON LAFAYETTE

NEW YORK—ABP Group International, built through mergers by Joseph F. Bartolone Sr. into a marketing conglomerate claiming billings of more than $100 million, has been accused of fraud by the principals of two companies it acquired over the past two years.

Also, principals at two other ABP-acquired companies have left the group. The principals of one said they've terminated their sales promotion shop's affiliation with ABP.

Three lawsuits filed against ABP and Mr. Bartolone, its chairman-ceo, allege that ABP wooed acquisitions by inflating group billings, lying about its financial condition and making false promises of new business.

ABP has denied the charges and is fighting the suits. Its motions to dismiss are pending.

Mr. Bartolone, reached by phone last week, said, "The allegations are totally untrue, and I will not weaken the condition of the agency by discussing them."

ABP Group, formed in 1987, has a nearly two-page entry

(Continued on Page 55)

Ogilvy battles takeover talk

By GARY LEVIN

NEW YORK—The future ownership of Ogilvy Group is in question again following a week of unexplained gyrations in the agency holding company's stock price.

Although no suitor has come forward, stock activity indicated the company may be "in play" for the second time in 17 months. There was an aborted takeover effort by former Ted Bates Worldwide executives Robert Jacoby and John Hoyne in August 1987.

To dissuade a bid, Ogilvy adopted a "poison-pill" shareholder rights plan at a hastily called board meeting Jan. 12. But financial experts cautioned that no company is takeover-proof and said the move might only boost Ogilvy's price if it's sold.

Last month, after months of complaints by Wall Street analysts about Ogilvy's "disappointing" and "laggard" earnings performance, Ogilvy directors discussed a dividend boost or share repurchase program at an unscheduled board meeting Dec. 20 (AA, Dec. 26).

At the Jan. 12 meeting, Ogilvy adopted the shareholder rights plan designed to "protect the interests of Ogilvy's shareholders in the event the company is confronted with coercive or unfair takeover tactics," Chairman-CEO Kenneth Roman said in a statement.

K. Roman

Mr. Roman was in London late last week and unavailable for further comment.

The plan offers holders of each share of common stock the right to buy $230 worth of stock for $115, if an offer is made or a shareholder acquires at least 20% of Ogilvy stock. It also would enable Ogilvy shareholders to buy stock in the acquiring company—if it's public—for half price.

An Ogilvy spokesman said late last week the agency holding company was unaware of any takeover threat, but he refused to say whether Ogilvy officials are discussing a possible leveraged buyout.

Analysts said any purchase of the company, from within or without, would cost $45 to $48 a share, or at least $600 million, a figure that could rise if speculative investors continue to boost the stock's price.

Possible suitors include WPP Group, London, which successfully mounted a $566 million hostile takeover of J. Walter Thompson Co. in June 1987, and Dentsu, the giant Japanese agency. However, Dentsu is viewed as less likely to seek an unfriendly acquisition.

WPP declined comment on Ogilvy; Minoru Kamata, Dentsu's senior managing director responsible for international operations, denied the speculation.

WPP Chief Executive Martin Sorrell has repeatedly praised Ogilvy's diverse mix of marketing services, calling the agency JWT's strongest competitor both strategically and creatively.

But debt from the JWT acquisition, coupled with WPP's comparatively lower stock price, would make financing an Ogilvy buyout difficult.

"It's a deal he'd [Mr. Sorrell] like, but it would be difficult," said analyst Emma Hill of Wertheim, Schroder & Co.

A flurry of rumors followed days of hectic over-the-counter trading in Ogilvy stock.

The share price jumped $3, to $30.50, on Jan. 9, after hovering in the mid $20s for at least several months. More than 286,000 shares were traded that day, and company officials said they were unaware of any reason for the stock activity. Ogilvy climbed another $2.50 to $33 on Jan. 10 on trading of 476,600 shares, more than 10 times the normal volume.

Still without any disclosures by would-be acquirers, the stock price dropped 50¢ on Jan. 11, to $32.50, on reduced volume of 189,000 shares. Following adoption of the poison-pill plan on Jan. 12, Ogilvy dropped $1.75; it rose 75¢ on Jan. 13, closing at $31.50.

"It doesn't appear from what the market is saying that any bidder is lining up for a hostile bid," said James Dougherty, analyst at County NatWest Securities USA.

Dentsu or any other Japanese agency is unlikely to try an unfriendly takeover; observers say it simply isn't the Japanese style of doing business.

Alan Gottesman, an analyst with PaineWebber, speculated that an equity swap may be in the works between Dentsu and Ogilvy that would help both agencies expand into each other's markets.

A stock swap similar to that planned by

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Highlights

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WPP Group Chief Executive Martin Sorrell may take the concept of brand valuation a step further by applying it to service companies Hill & Knowlton and J. Walter Thompson Co.

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Campbell eyes agency trims

By JUDANN DAGNOLI

Campbell Soup Co. may consolidate its $20 million frozen-food account at a single agency, perhaps as soon as this spring.

The marketer's frozen-food business is currently split among three agencies: DDB Needham Worldwide, New York, for Mrs. Paul's frozen fish products; Ogilvy & Mather for Le Menu, Le Menu LightStyle and Great Starts frozen breakfasts; and Hal Riney & Partners, San Francisco, for Swanson frozen dinners and entrees.

Campbell executives declined comment.

Sources said Steven McNeil, 46, newly installed as president of the frozen-food group, is behind the proposed change.

Mr. McNeil, formerly VP and group general manager-convenience meals, added the title of Mrs. Paul's president last November. At that time, William Dowd, then president of Mrs. Paul's, resigned to join Kraft.

After Mr. Dowd left, Campbell combined Mrs. Paul's, convenience meals and all frozen foods into one unit.

One source close to the situation said Mr. McNeil "doesn't see the need for three separate agencies."

It couldn't be learned whether there would be a formal review for the combined account.

Campbell spent $5.2 million in measured media on Mrs. Paul's for the first nine months of 1988, according to Leading National Advertisers. Swanson was the second-largest spender, with $4 million in measured media for the nine months ended Sept. 30, with Great Starts

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Two shops vie for Handycam

Sony looks global

By DAVID KILBURN and JULIE SKUR HILL

Sony Corp., in an unusual move, is talking to two agencies about consolidating one of its accounts on a worldwide basis.

The consumer electronics marketer is hearing presentations at its headquarters from McCann-Erickson Worldwide's McCann-Erickson Hakuhodo office and HDM Worldwide's Tokyo office for its 8mm Handycam video recorder, said Jeffrey Brooks, VP-advertising and promotion at Sony Corp. of America.

Sony executives in Tokyo weren't available for comment.

Worldwide coordination of advertising and marketing is uncommon for Japanese companies. Few Sony accounts have ever been handled on a global basis, sources said.

Some agency sources believe Handycam could become a test of global coordination.

In the U.S., McCann handles the Handycam account, with various other agencies assigned the business in other countries, Mr. Brooks said.

"I assume [more global alignment] is always a possibility for Sony, but that is not happening right now," he said.

A U.S. McCann source considers the pitch "an educational exercise" in global account management for Sony.

"In typically Japanese fashion, they are hearing how other companies do it, then they will decide if it is for them," the source said.

A decision on the Handycam account, believed to be small, is expected within 60 to 90 days.

The Handycam account may involve very little traditional advertising, possibly concentrating on direct-marketing and sales promotion efforts, sources said.

"It's possible that this [account] could just be coordination of strategic directions," Mr. Brooks said.

McCann handles Sony in seven countries, including the U.S. Dentsu, one of HDM's partners, handles Sony in Japan.

In 1986, Sony spent $188 million on worldwide advertising.#

Special Report

Destination: U.S.

The more foreigners 'visit, the more they look for new places' and that's why Iowa and Maryland are among the surprises

By Len Strazewski

The U.S. is gaining strength from a weakened dollar as foreign tourists—with exchange rates in mind and pocketbooks in hand—march into this country in record numbers.

Trying to capitalize on double-digit increases in foreign tourists to the U.S. —from 1987 to 1988 overall tourism to the U.S. rose 16% to 29.7 million visitors—state tourism departments are focusing more of their ad budgets on overseas targets and teaming up with other states and travel industry co-op advertising partners.

The United States Travel & Tourism Administration, which provides co-op ad funding to encourage foreigners to visit the U.S., reports that foreign expenditures within the U.S. rose 21% from 1986 to almost $19.4 billion in 1987. The key international targets include France, Italy, Japan, Switzerland, the U.K. and West Germany, countries in which tourism grew 25% or more in 1988, according to the USTTA.

The USTTA coordinated about $13.8 million in 1988 international co-op advertising—up about 7% from 1987—involving destination states and travel industry companies, particularly international air carriers such as Trans World Airlines and Pan American World Airways. USTTA contributes and matches funds with the states, which contribute about 25% to 33% of the money. The rest of the funding comes from the airlines.

"Marketing overseas has been a priority of ours. We've been approaching international tourism from the regional perspective. The opportunity is there, and the foreign travelers like the idea of the regional approach . . . the states seem to realize the potential from it also," says Don Wynegar, director, Office of Research, USTTA.

Projections show the trend continuing, says George Kauss, USTTA assistant secretary for travel marketing. International tourism is expected to be up about 13% in 1988 to 33.5 million and expenditures topping $24 billion, he says.

"We're only projecting a 7% increase in 1989," Mr. Kauss says, "but we tend to be conservative early in the year."

The most popular destinations continue to be California, Florida, Hawaii, New York and New England, Mr. Kauss notes, and those states were the biggest participants in the co-op campaigns. However, he says that several inland states, including Minnesota and Wyoming are becoming more aggressive in their international marketing.

"First time tourists are still looking for fun and sun, so destinations like Florida remain hot, drawing tourists with beaches and Disney World," Mr. Kauss says. "But the more often people return to visit the U.S., the more they look for new places and some of the destinations are a surprise. Even Iowa has seen a dramatic increase in international tourism—about 180% over 1987.

Florida traditionally focuses on Spanish-speaking countries, says Tim Sweis, VP, McFarland & Drier, Miami, and ad director for the Florida Division of Tourism. The state spent about $870,000 of its total $4.8 million ad budget in international consumer advertising in fiscal year 1988 and will increase their international budget 26.4% to $1.1 million in fiscal 1989.

The spending paid off, according to Mr. Sweis, with a 32% increase in international tourism in 1988, the state's largest increase in years.

Among non-traditional destination states, Minnesota and Maryland are leading an increase in marketing efforts by teaming with other states in their area to create new tourism regions.

Although Minnesota spent only a about one-quarter of its $45,000 international tourism media budget, the cause is supported strongly by Northwest Airlines, which pitched in three dollars for every dollar the state contributed.

The state also is forming a partnership with other Great Lakes states to sponsor international tourism trade advertising, particularly in the U.K. and West Germany, he says.

Maryland also posted some gains last year, with international tourism up 15% to 20% in 1988, according to Peter Chambliss, chief of international tourism in the Maryland Office of Tourism Development.

Although the state has only about $20,000 in co-op programs to spend in its four international ad programs, it is participating in a $400,000 TWA co-op trade press campaign and working with several other nearby destinations to promote "George Washington Country" in the international trade press.

Wyoming, a state not traditionally known for its appeal to overseas visitors, is increasing its international marketing with some solid results. "Our international travel is up 117% over two years ago and seems to be steadily increasing," says Chuck Box, manager of travel development for the Wyoming Travel Commission.

"This kind of repackaging is exactly what many states need if they are going to compete with other worldwide locations," says Mr. Kauss. "Worldwide competition for tourism is so intense that if we don't have a product to sell, we'll miss out completely."

Len Strazewski is a Chicago-based free-lance writer.

France develops case of revolutionary fervor

Peaceable mobs gathering, and U.S. invited

By Belinda Hulin-Salkin

On July 14, 1789, frenzied Parisians stormed the Bastille prison, effectively toppling the most famous monarchy in Europe and ushering in an era of popular sovereignty in France.

Now, 200 years later, the current French government is braced for a more peaceable mob scene on the Place de la Concorde as tourists from around the world are expected to join the French in celebrating the Bicentennial of the Revolution.

To ensure Americans will be well-represented in that throng, the French Government Tourist Office in New York will spend $4.5 million on advertising and promotion in the U.S. in 1989. "I expect the American public to be quite interested in this event," says Fred Rhines, president and ceo of Publicis, New York, the office's ad agency. "When you say 'revolution' and 'history' most Americans think of the U.S. After this year, we expect their second thought to be 'France.' "

According to European Travel Commission officials, the French Bicentennial festivities—launched in Paris on Jan. 1—probably will constitute the biggest attraction in Europe for 1989.

In the U.S., the Partners in Liberty Program—comprised of the French Government Tourist Office and American Committee on the French Revolution, Washington—will sponsor year-round festivals, exhibitions and cultural events in such cities as Albuquerque, N.M., Birmingham, Ala., Boston, Chicago, Durham, N.C., Galveston, Texas, Lafayette, La., Los Angeles, New York and San Diego.

From Jan. 27 to Feb. 7, Galveston will present "Mardi Gras! Galveston Proclaims Fete de France," and in late April, Lafayette, La., will host the "Festival of International de Louisiane."

"The French are certainly turning this into a broad-based celebration of their heritage . . . not just the 200th anniversary of cutting a king's head off," says Don Ford, chairman of the European Travel Commission, New York, and exec VP of the British Tourism Authority.

"It should attract a lot of people to Europe, and I expect the countries adjacent to France to benefit. In Britain, particularly, we expect to see some economic spin-off from the Bicentennial. Americans, especially first-time travelers to Europe, usually don't restrict their visit to one country."

About 2.5 million U.S. citizens are expected to visit France in 1989, an increase of 15% over 1988. And, 1988 saw an 18% increase over 1987, according to George Hern Jr., director of public relations for the French office, New York.

Conservative estimates place potential French revenues from those visitors at $2.5 billion. The increase in U.S.-French tourism has occurred despite a weak U.S. dollar and the French imposition two years ago of an entry visa requirement.

According to Mr. Hern, "We put on a hell of an advertising campaign last year, and we put together packages that guaranteed prices in U.S. dollars." He says that France's 1988 tourism ad budget topped $4 million.

The French agency plans no separate ad campaign for the Bicentennial affair, says Mr. Hern. Although the entire country will be promoted, the Bicentennial will form the core of 1989 U.S.-directed ad campaigns. Virtually every promotional piece for travel services and cultural attractions in France—from Hertz-Rent-A-Car and the National Railroads to museums and tour operators—mentions the anniversary.

"We'll be placing more emphasis on newspapers this year, because we want more ad support early in the year, and because all of our advertising is co-op," he says. "We'll be working with airlines, car rental agencies, hotels and tour operators."

Mr. Hern says 75% of the consumer ad budget is slated for a newspaper campaign and the remaining 25% for magazines. There will be no broadcast buys, he says. In addition, the French tourist agency has teamed up with French travel industry representatives to produce a 24-page free standing

(Continued on Page S-6)

Belinda Hulin-Salkin is a New Jersey-based free-lance writer and frequent contributor to Special Reports.

Foreign invasion: State consumer ad programs abroad

State	Countries targeted	Media used	Tie-ins	Estimated % of state budget used	Estimated total dollar amount	Agency
Alaska	Japan, Switzerland, W. Germany	print	USTTA, Visit US West	10%	$1 million	in-house
Florida	Canada, Mexico, U.K., W. Germany 14 countries in Central and South America	TV, print, outdoor	Canadian Airlines and Treasure Tours Conquest Tours and Geography Club Holidays, Pam Am, Poundstretcher, American Express, Eastern Airlines, USTTA	23	$868,573, (excludes trade)	McFarland & Drier, Miami
Hawaii	Australia, Japan, New Zealand	print	USTTA	41	$1.6 million	Milici Valenti Park and Gabriel Advertising, Honolulu
Illinois	Spain, U.K., W. Germany	print, TV	British Airways, Iberia Airways, TWA, USTTA	7	$1.5 million	STZ, Milan, Italy
Kentucky	U.K.	sales brochure	Delta Airlines, USTTA	2	$20,000	in-house
Louisiana	Canada, France	print	USTTA	7	$40,000	Sides & Associates, Lafayette, La.
Maryland	Canada, U.K., W. Germany	print, considering radio	TWA, USTTA, tour wholesalers	5	$160,000	Earle Palmer Brown, Bethesda, Md.
Massachusetts	France, Netherlands, U.K.	TV, print	Conn., Maine, Mass., N.H., R.I., Vt., Hertz Rent-A-Car, TWA, USTTA, regional tourist assns., The Sheraton Corp., Domenico Tours, Tauck Tours, Mass. Port Authority, public and private sectors	4	$300,000	Aspect, Hill, Holiday, London
Minnesota	Japan, Norway, Sweden, U.K., W. Germany	print, direct reponse	Ill., Ind., Ohio, Wis., Ontario, Canada, Great Lakes States USA, Mississippi Country, Northwest Airlines, USTTA	4	$10,000 to $12,000	Flint Communications, Minneapolis
Montana	Canada	print, outdoor, TV	none	2	$32,600	Wendt Advertising, Great Falls, Mont.
Nevada	Canada	print	Las Vegas, Reno and USTTA	2	$70,000	R&R Advertising, Las Vegas, Nev.
New Hampshire	Canada	print	Conn., Maine, Mass., R.I., Vt.	n/a	$11,000	O'Neil Griffin & Assoc., Manchester, N.H.
New Jersey	Canada, France, Japan, Korea, Netherlands, U.K.	print	Port Authority of New York and New Jersey, N.J. Dept. of Commerce and Economic Development, N.J. Div. of International Trade	8.5	$450,000	Poppe Tyson, Morris Plains, N.J.
New York	France, U.K., W. Germany	print, TV	Pan Am	4	n/a	Wells, Rich, Greene, N.Y.
North Carolina	Canada	print	none	6	$150,000	McKinney & Silver Raleigh, N.C.
North Dakota	Canada	print	Old West Trail (regional assn. that includes Mont., Neb., N.D., S.D., Wyo.)	10	$30,000 (to $60,000 in 1989)	G. L. Ness, Fargo, N.D.
Ohio	Japan, U.K., W. Germany	print	co-op with Ill., Ind., Mich., Minn., Wis.	<1	$20,000	outside consultant
Oklahoma	Canada	print	America's Heartland Region, North America Travel Service, TWA, USTTA	<1	$5,000 to $6,000	State's Travel Development Office
Oregon	Japan	print	none	1	$20,000	Wieden & Kennedy, Portland, Ore.
Rhode Island	Canada	print	one co-op with *Readers Digest*, Conn., Maine, Mass., N.H., Vt.	6	$12,225	Duffy & Shanley, Inc., Providence, R.I.
South Dakota	Canada	print	30 private businesses	0	0	Lawrence & Schiller, Sioux Falls, S.D.
Texas	U.K., W. Germany	electronic, print	USTTA	4 to 6	$500,000	State Tourism director/ GSD&M, Austin, Tex.
Vermont	Canada	electronic, print	private sector, USTTA	8	$45,000	Knox, Nimick, & Harwood, Stowe, Vt.
Virginia	U.K., W. Germany	print	Pan Am	5.5	$300,000	The Martin Agency, Richmond, Va.
Washington	Japan, U.K., W. Germany	consumer/PR shows	Alaska, Ariz., Calif., Idaho, Nev., Ore., USTTA, Western Assn. of Convention and Visitors Bureau, British Columbia	1.5	$50,000 to $70,000	Cole & Weber, Seattle, Wash.
Wyoming	W. Germany	print	none	23	$65,000	Broyles, Allebaugh & Davis, Englewood, Colo.

Source: Advertising Age

Fighting for piece of Americana

'We're trying to prevent tourism from slowly dying' at Yellowstone

By Jill L. Sherer

"What do you do when your best client burns up?" asks Charles Lester, VP and co-owner of Sage Advertising, a Helena, Mont.-based agency for TW Recreational Services, Yellowstone National Park's main concessionaire.

To battle the consequences of fires that raged through the park from June to September, Conoco Inc., Idaho, Montana, Montana Power, Wyoming and Yellowstone's gateway towns joined TW in a joint promotion. Launched in November to win back the 377,382 tourists lost last season, the effort involved sending travel agents and journalists a videotape chronicling the fires and Yellowstone's rebirth; Wyoming and Montana also financed a brochure for the trade and media.

Rip Ripley, account manager at Wyoming's agency, Broyles Allebaugh & Davis, Englewood, Colo., says a crisis management approach or a trade-oriented public relations campaign were considered. He describes the first as a "knee jerk reaction to throw a lot of money into paid advertising," and the latter as "the most effective communication for the park and the whole state. We decided to run with an already developed campaign and add the PR element to tell the Yellowstone story."

According to Claudia Rowdabaugh, tourism director at the Cody Chamber of Commerce, the cooperative trade effort permits all the interested parties to work together under the same umbrella.

Mr. Ripley adds that Wyoming had neither the time nor the money to develop a new campaign to deal specifically with the fires. He says the main concern is not for next season. "Next year we expect to see curiosity travelers. We are worried that the fires will have an impact on tourism two to three years from now and that's what we're trying to guard against. We're trying to prevent tourism from slowly dying." A March 1990 campaign may include a TV spot addressing Yellowstone with the possible tagline, "If you like to see things grow, come to Yellowstone."

"It's true the fate of Wyoming tourism is on the line," Mr. Ripley says. The U.S. Travel Data Center estimates Yellowstone and Grand Teton National Parks generate about 88.2% of Wyoming's $850 million annual tourism revenue.

Wyoming did not increase its ad budget for the 1988-89 fiscal year ending June 30, 1988. Instead, it shifted ad dollars away from radio to concentrate on the trade promotions that addressed the fire.

Jill L. Sherer is a free-lance writer based in Chicago.

Tourism was down in November and early December by about 12% to 18% from the previous year, says Gene Bryan, director of the Wyoming Travel Commission. "It was off dramatically in August—approximately 50%—and up 40% in October from 1987."

"However, we have done enough [this year]," Mr. Ripley insists. "A lot has been done without us. You don't just get a 22-page spread in *National Geographic* or four or five segments over the course of a year on the Charles Kuralt show. No agency in the world can do that."

The Wyoming/Montana-financed four-page mailing, which dispensed information about affected areas, accommodations and statistics immediately after the fires, reported that Yellowstone's attractions were not adversely affected. According to Mr. Ripley, the media has reacted positively.

Scott Shane, editor of *Travel-Holiday*, says Yellowstone remains a big destination for inbound tourists, and that the area has heavily promoted the fact that the fires did not do damage. "I think most of what people want to see is still intact," he says, predicting no significant drop in 1989 tourism levels.

The Wyoming State Travel Commission is launching a new $1.4 million consumer ad campaign in March via BA&D. Carrying an umbrella theme, "Find yourself in Wyoming," the campaign includes about $1.1 million in regional TV, about $200,000 in national print, with the remainder directed to transit and outdoor. Ads features cartoon character Bullwinkle and is designed as a multi-year campaign.

Suzanne Young, executive director, Jackson Hole Chamber of Commerce, says the message of the advertising campaign is not being adjusted to address the fires "because public perception has not diminished but, in fact, has been heightened [by curiosity]."

"Public memory is short and always replaced by the next event. It's going to take a lot to remove the image of the fires blazing for 23 nights on network news, but I think there is interest in the 'after' story."

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Squabbling mires down centennial

By Kevin Gudridge

A well-intentioned Northwest Centennial celebration involving six states appears to be goin' south, victimized by disorganization and disagreement about the use of promotion funds.

The first time Idaho, Montana, North and South Dakota, Washington and Wyoming are banding together in a cooperative marketing program is likely to leave scars that may not heal for another 100 years.

The states hoped to use the centennial celebration to promote the entire region as a tourist hot spot. However, controversy arose between how to promote and fund the program. "I don't think you'll see the six states market together domestically again," says John Wilson, Travel Montana tourism director. "The region is just too broad to market in this country as one unit."

Kevin Gudridge is an Advertising Age *correspondent based in Seattle.*

The centennial-based co-op program "has been put together on sort of an *a la carte* basis as opportunities arose rather than as a coordinated campaign," says Carl Wilgus, administrator, Idaho Division of Travel Promotion. The arrangement illustrates some of the pitfalls in assembling a coalition of states that perceive themselves as having little in common and that come to the table with different marketing objectives and advertising budgets.

■ *Intended to turn Northwest into tourism hot spot, celebration turns a bit unfriendly*

"Part of the problem has been the coordination hassles involved with six travel divisions and six centennial commissions," says Elayne Wallis, press and PR officer for the Wyoming Travel Commission. "Several states are having problems in marketing their own centennials, and the co-op effort has just added to everyone's duties because no one really stepped out in front as a leader."

The co-op effort began to take shape in 1986 when state travel directors were invited to meet with centennial officials from the six states. "We were seen as out-of-state marketing arms that could position the centennial and the region uniquely in the travel market," says Mr. Wilson. "We realized there would be significant limitations on what we could do, but we agreed right away on the common logo and the events calendar."

The centennial commissions were set up separately from the state tourism divisions and without any direct government funding, except for Wyoming and Washington, which received $200,000 and $11 million, respectively, from their state legislatures. The centennial commissions, which have not given any money to the six-state co-op effort, expected individual state tourism divisions to fund the program. Individual state centennial commissions have been receiving a percentage of registration fees from the sale of centennial license plates and licensing their logo to manufacturers to fund their in-state promotions.

Problems have arisen from this arrangement. "You could say that some animosities have emerged on who pays for what," says Ms. Wallis.

For example, after Montana and the Dakotas balked at the expense of a 10-page February *American Heritage* insert, Idaho, Washington and Wyoming shouldered the $60,000 cost. Those states that did not contribute to the cost nonetheless will benefit from five pages of the insert that will cover the region's history and development and feature an events calendar.

The six states did agree on this common logo for the Northwest Centennial celebration.

According to Steve Shimek, publicity coordinator of Travel Montana, "Every time any of the other states get a request for travel information, we have the opportunity to use their money and come out a winner because information about Montana is going to be included in that fulfillment packet." Washington and Idaho will run spread ads and Wyoming a page ad; the cost of the project will be split proportionally among the three states.

Washington and Idaho contributed the most to the six-state project, spending approximately $42,300 each. Wyoming spent about $30,300, and Montana and North and South Dakota each contributed about $18,300.

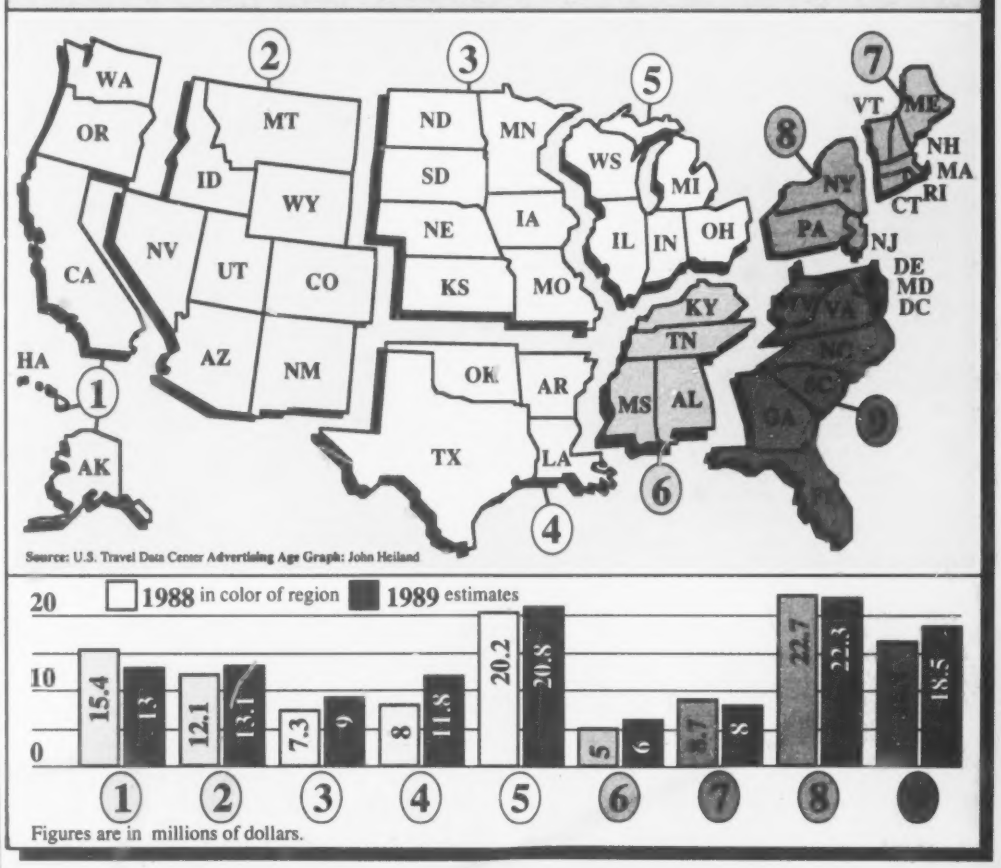
"Money has a lot to do with everything that is or isn't being done," says Mr. Shimek. "In some states there's been a real question of who's going to come up with the money, the travel division or the centennial commission."

The states rejected the idea of seeking outside tie-ins. "It just wasn't worth the hassle," says Mr. Shimek. "Each state's centennial commission is going after that kind of money, and to go after a US West or an Exxon, you need a front person for fund-raising. Nobody wanted to add bureaucracy to this effort."

Other ideas—a $250,000 eight-page insert in *USA Today*, a six-state steam train excursion expected to cost several hundred thousand dollars, and a six-state treasure hunt to be backed by a national ad campaign—were rejected as being too expensive. "We just don't have the budget to make that kind of national splash," says Tracy Potter, publications

(Continued on Page S-6)

State travel advertising budgets by U.S. census regions



Source: U.S. Travel Data Center Advertising Age Graph: John Heiland

Figures are in millions of dollars.

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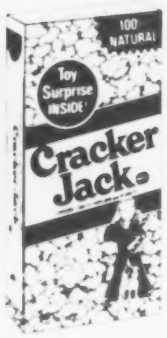

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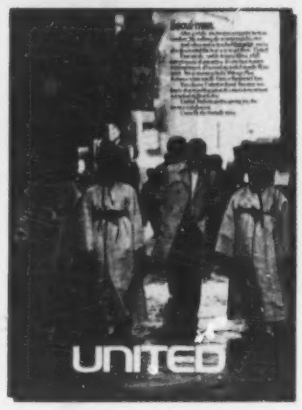
Flying high

Six winners enjoy the ride in ad readership study

Starch INRA Hooper measures ad readership performance on three criteria: "Noted"—percentage of readers who remember having seen the ad in study issue; "Associated"—percentage of readers who saw or read something in the ad that would indicate the advertiser; "Read Most"—percentage of readers who read more than half of the ad copy.

Each year, Starch measures over 65,000 ads in 700 magazine issues. For this ADVERTISING AGE Special Report, Starch reviewed its 1988 data bank for the Travel category to identify those one-page, four-color ads that performed best in terms of reader "Noting." The six winners are British Airways, Embassy Suites Hotels, Lufthansa German Airlines, Princess Cruises, United Airlines and the U.S. Virgin Islands.



Centennial

(Continued from Page S-4)
director of the North Dakota Tourism Promotion. "And I don't think we would have put up more money for the co-op effort. But some of the co-op deals were too good to turn down, even though we might have dragged our feet a little."

The states did agree on a common logo—"Celebrate the 1989-1990 Northwest Centennial," which will appear on an estimated 12 million government publications through 1990. They also spent $85,000 for 1 million copies of a four-color events calendar, available to the public in mid-December, $20,000 for a media kit and a newsletter to be sent to travel trade and $5,000 for a four-color brochure sent to tour operators.

According to Rick Ardinger, information specialist, Idaho Centennial Commission, "We see the opportunity to develop a national calling card by promoting Idaho with the other five states, while we get a two-year ride and the chance to learn from everybody else's mistakes."

Although the six-state arrangement is unlikely to be repeated, the individual states intend to maintain their co-op relationships with other states and pursue new ones. For example, Montana, Wyoming, the Dakotas and Nebraska work together on the 22-year-old Old West Trail Foundation, while Washington promotes the "New West Coast Playground" with Oregon and the "Two-Nation Vacation" with British Columbia.

"Any co-op effort has to be viewed two ways: Are you stronger in numbers than by yourself? And once you're involved, can you work it to your advantage?" asks Mr. Shimek.

"Each state clearly thought it has something to gain." Washington realized it would be a primary contributor, says Tom Stilz, travel media specialist, Washington Tourism Development Division. "But everyone benefits. I think the general attitude was that we'd be nuts if we didn't try to put something together."

Travel editors' hot picks*

Go west! Leading travel magazine editors agree—the West will be *the* popular domestic vacation region in 1989. Below they select '89's prime domestic and international destinations.

Domestic hot spots

Pamela Fiori, editor in chief, *Travel & Leisure*	Rod Davis, editor, *American Way*
1. Hawaii	1. New Orleans
2. Northern Rockies	2. San Diego
3. Santa Fe & New Mexico	3. Seattle
4. Northern California	4. New York
5. San Diego, La Jolla, Calif.	5. Denver

Scott Shane, executive editor, *Travel/Holiday*	Harold Evans, editor in chief, *Conde Nast Traveler*
1. Florida	1. Home Ranch, Colo.
2. Arizona	2. Death Valley, Calif.
3. New England	3. Nantucket
4. Yellowstone National Park	4. New Orleans
5. Alaska	5. Grand Canyon boating

International hot spots

Pamela Fiori, editor in chief, *Travel & Leisure*	Rod Davis, editor, *American Way*
1. Nile River cruises, Egypt	1. Paris
2. Thailand	2. London
3. Turkey	3. Tokyo
4. Buenos Aires, Argentina	4. Vancouver
5. Paris	5. Nevis in the Caribbean

Scott Shane, executive editor, *Travel/Holiday*	Harold Evans, editor in chief, *Conde Nast Traveler*
1. Hong Kong	1. Huatalco, Mexico
2. Australia	2. Madagascar
3. Turkey	3. Paris
4. Kenya	4. British Columbia
5. India	5. Recife, Brazil

Source: ADVERTISING AGE.
*Travel magazines participating in the survey were chosen based on total travel ad pages/dollars as cited by Publishers Information Bureau figures, January to August 1988.

Revolution

(Continued from Page S-2)
insert scheduled to run in Chicago, Los Angeles and New York newspapers during February and March.

A 40-city series of travel seminars also is planned, and the agency is cooperating with an undisclosed department store on a fortnight promotion.

Mr. Ford credits the "guaranteed pricing" trend with allaying the fears of hesitant U.S. travelers. It "used to be Americans' primary concern about going to Europe was the cost of crossing the Atlantic," he says. "Now research shows that Americans are most concerned about inflation in Europe and the falling dollar.

"In response, a number of hotel groups and other organizations—led by the French—instituted a voucher system," Mr. Ford says. "Travelers pay for accommodations, meals, tickets in advance in American dollars [to guarantee their rate of exchange]."

Bruce Haxthausen, press relations manager for Air France's New York office, expects guaranteed pricing and value-oriented promotions to make up a strong segment of European travel this year. Air France, which controls an estimated 40% of the U.S.-to-France airline market, expects a "double-digit" boost in fares to Bicentennial France. He says the company won't offer any specific Bicentennial packages but may participate in packages from tour operators.

"The Bicentennial is a very diffused thing—it's happening all over the country," he says. "For many events, like Bastille Day in Paris, the hotels are showing strong sales, so building a package around that would be misleading."

Associate editor Anita Busch coordinated this report on Travel Marketing.

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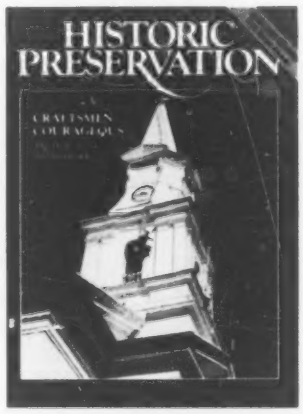

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Advertising Age

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Skincare faces new products

By PAT SLOAN

Noxell Corp. and Cosmair will try to skin the competition in the $1.6 billion-plus facial skincare market with new lines under the Clarion and Plenitude brands.

The two lines will be priced competitively with Almay and other Revlon entries.

Noxell will introduce Clarion skincare in April. Cosmair will follow in September with Plenitude, the leading mass-market skincare line in France.

Advertising for Clarion's 13 skincare products will fit into the "Looking good and knowing it" theme first used on Clarion makeup last year (AA July 4). Leo Burnett USA, Chicago, handles Clarion.

Plenitude, a line of 12 products, will be marketed under the theme "Reduces signs of aging." Publicis, Paris, is handling.

Neither Noxell nor Cosmair would disclose ad spending for their introductions, but Cosmair executives said the Plenitude launch will represent its major mass-market effort for 1989.

The skincare introduction will help push Clarion's total ad spending up by more than 20%, said Steve Colnitis, marketing director for the brand. Last year, Noxell spent $20 million on Clar-

(Continued on Page 52)

INTV scraps its plan for ad 'network'

By WAYNE WALLEY

The giant "unwired" sales network planned by the Association of Independent Television Stations has come unplugged.

Fox Television Stations and Tribune Broadcasting Co., two of the country's largest independent station groups, apparently killed the INTV plan to take on the Big 3 networks for upfront sales.

Sources said the Fox stations group balked because an independent co-op would compete with Fox Broadcasting Co. for ad dollars. Tribune Broadcasting is said to have nixed the idea because of its involvement in other unwired networks.

Neither Fox nor Tribune Broadcasting returned phone calls.

INTV President Preston Padden said the organization needed unanimous support to unite independent stations on a non-exclusive basis before launching the project.

"It seems some of the largest station groups thought it was such a good idea they wanted to do it themselves instead of through an INTV-sponsored network co-op," Mr. Padden said.

At least seven so-called unwired networks now exist, created by third parties that buy commercial time on independent TV stations nationwide and then resell the time to advertisers at a markup.

"The biggest problem for INTV would have been coordination."

(Continued on Page 53)

Starting today:

AD AGE's new twice-monthly page devoted exclusively to sales promotion news—Page 24

How Reagan took America's pulse

©The Image Bank/C.L. Chrysain

'The Great Communicator' was a great listener of survey results

ADVERTISING AGE *research columnist Jack J. Honomichl last summer was given an exclusive look at eight years of ex-President Ronald Reagan's research data, compiled by Richard B. Wirthlin, the president's pollster and confidant. Mr. Honomichl is the first "outsider" to gain access to this information, and the following is an edited excerpt from one chapter of his yet-unpublished book, "Measuring America." It is the first look at the Reagan administration's unprecedented use of public opinion polling as an adjunct to policy-making.*

By JACK J. HONOMICHL

When the final appraisal of former President Ronald Reagan's leadership skills comes in, it may well conclude that one reason he was "The Great Communicator" was that he also was "The Great Listener."

The reason: a public opinion monitoring program of unprecedented scope that continuously fed Reagan and his advisers intimate knowledge of the American public's attitudes and opinions about world and national events during his eight years in office.

Through survey research—what the media refer to as "polling"—Reagan's White House listened to the "heartbeat" of more than 500,000 Americans in more than 500 surveys—a program unparalleled in scope or cost in presidential politics.

Conceived and managed by Richard B. Wirthlin, the former president's pollster and confidant, and funded by the Republican National Committee, these surveys probed just about every aspect of public affairs on a scale unmatched in U.S. history. What is even more important is that the surveys became an integral factor in President Reagan's decision-making.

For example, the surveys probed:

- The American public's knowledge of, and interest in, world events. Does the public really care, for instance, about what goes on in Israel? (About 19% of Americans didn't know about Israel, or not enough to have an opinion. Among those who did, Israel's popularity rating was 47 on a scale of 0 to 100, with 100 being "best possible" country. Canada's popularity rating, in contrast, was 72, which is extremely high, and Korea's was 42.)
- The awareness and popularity ratings of dozens of public personalities, ranging from Mikhail Gorbachev to Ted Kennedy, John Glenn, Dan Rather, Ted Koppel, the Rev. Jerry Falwell, Barbara Walters and First

(Continued on Page 25)

By Bob Garfield

Ad Review

Cheers for real winners of Super Bowl XXIII:

(Bud: ★ ★ ★ ½ Coke: ★ ★ ½)

Who won? Madison Avenue in a rout.

The advertising industry, if it can just this once muster some spontaneity, should spend the day doing the Ickey Shuffle. Sunday's TV spots scored at will. Apple Computer's "Lemmings" debacle can be forgotten at last. The Super Bowl TV Commercial Event, as the ultimate mass-marketing tool, is back.

I, for one, had feared that viewers had become resistant to the transparently manipulative techno-gimmick. But my fears were groundless. It is proved yet again that nobody ever went wrong overestimating the power of special effects on the American people.

Stunning commercials for Anheuser-Busch and Diet Coke unquestionably glued millions to their chairs. My suspicion is that viewing-audience pit stops were taken during championship play itself, either that or the game ball was the most gently treated bladder in America.

The Super Bowl TV Commercial Event is back, and two of the big winners were Anheuser-Busch's Bud Bowl I (l.) and Diet Coke's 3-D commercial, a TV first.

It was a day of advertising surprises but none so rewarding as the gridiron showdown between Budweiser and Bud Light. Everyone knew Bud Bowl I would be stupid, and it was. But you know what they say. . . . "On any given Sunday," and all that. This inaugural battle of the bottles was stupid and magnificent. Delightfully idiotic. Ridiculous and sublime.

The only way D'Arcy Masius Benton & Bowles, St. Louis, could make this work was to faithfully reproduce the look of an NFL game in all its silly pageantry and misplaced seriousness. The agency succeeded to a fare-thee-well.

From the protective collars on the long-neck linemen to the Bear Bryant hat on the Bud Light coach to the earnest, overexcited

(Continued on Page 56)

January 23, 1989

Advertising Age

Crain's International Newspaper of Marketing.

K mart's hyperactive

This offbeat vision of a "beautifully coordinated" bath and bed department appears in a new image campaign for American Fare, the first hypermarket developed by K mart and Bruno's.

No. 2 retailer braces for tough fight in '90s

By PATRICIA STRNAD and JUDITH GRAHAM

From hypermarkets to a massive co-op marketing blitz with *Family Circle* magazine, K mart Corp. is developing new strategies to battle fast-growing Wal-Mart Stores and other retailers.

On Jan. 29, K Mart will unveil its first American Fare hypermarket, a joint venture with Bruno's, a leading Southeastern grocery chain.

The new store, a 244,000-square-foot facility in Atlanta, combines food and general merchandise, and will carry "everyday low prices" on all 45,000 items in the store. The typical 86,500-square-foot K mart carries everyday low pricing on about 3,000 of its items.

An image campaign using TV, radio and print breaks in that area today via DiIorio, Wergeles, New York, a subsidiary of K mart agency Ross Roy Group, Bloomfield Hills, Mich.

February marks the kickoff of K mart's new $20 million "At home with Martha Stewart" ad and promotional campaign, in partnership with *Family Circle* (AA, Jan. 16).

Ms. Stewart, K mart's spokeswoman and lifestyle consultant, will use products sold at K mart

(Continued on Page 54)

Last Minute News

Chiat/Mojo deal in trouble?

SYDNEY—The deal to split up Mojo MDA Group between Chiat/Day and HDM Worldwide (AA, Jan. 16) may be threatened by George Patterson Pty., part of Backer Spielvogel Bates Worldwide and Australia's No. 1 agency. Patterson has expressed interest in buying Mojo MDA's second agency, Mattingly Pty., now planned to be sold by Chiat/Day to a venture between HDM and Mojo MDA directors. Patterson Chairman Geoffrey Cousins confirmed he first offered to buy Mattingly in September and renewed his bid when the Chiat/Day/Mojo merger was announced. He refused to value his offer. It's understood HDM's offer for Mattingly is worth about $30 million. The proposal to sell and split up Mojo MDA Group still needs stockholder

(Continued on Page 8)

HDM eyes buy

Y&R's Stone & Adler seeks suitor

By ALISON FAHEY

Stone & Adler, the Chicago-based direct-response agency owned by Young & Rubicam, is on the auction block and HDM Worldwide has emerged as the most likely buyer.

Stone & Adler President Craig Thomas said the agency is negotiating with several suitors but would only confirm talks with HDM, the international agency network owned jointly by Y&R, Dentsu and Eurocom.

A decision on the agency's fate could be reached early this week, Mr. Thomas said.

John Rindlaub, Y&R's corporate relations director, also confirmed discussions between HDM and Y&R but said, "It's far from a done deal."

Sources said Stone & Adler has had perennial problems competing with Wunderman Worldwide, New York, the nation's largest direct-response shop, which is also owned by Y&R.

Nevertheless, the agency picked up more than $15 million in new business last year, including Navistar Transportation Corp., Alabama Space & Rocket Center and Allergan, said Stanton Lewin, VP-account supervisor.

Yearend 1988 figures weren't available.

"We had a great 1988," said Stone & Adler's Mr. Thomas. "We're a hot agency right now . . . agencies have been approaching us" about a sale.

That's a welcome change from 1987, when Stone & Adler reported $75 million in billings, down almost 23% from 1986. That figure represented the combined billings of the Chicago office and Chapman Stone & Adler, the New York operation.

HDM is in the process of forming HDM Worldwide Direct Marketing Group, which will be the umbrella company for all its current HDM direct-response shops in Los Angeles,

(Continued on Page 51)

Highlights

NEWS

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DDB Needham shifts VW creative to Troy, Mich.; Spanish carmaker aims to help parent VW in Europe.

10 Denny's goes back to the basics
The restaurant chain's new management tries to reverse recent declines by concentrating on a trimmer menu and a stronger family image.

33 Veggie juices start to flow
Once languishing on supermarket shelves, vegetable juices are showing renewed health.

36 Grey wins one, loses one
Grey Direct wins a piece of Pepsi but faces the loss of one of its founders.

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A new regional print campaign by George Dickel Tennessee Whisky characterizes its consumers' earthy style.

48 Fox is on the move
Fox Broadcasting Co. is expanding its schedule to include prime-time programming on Mondays.

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Beverage marketer lands John Cleese for a special ad on 'A Fish Called Wanda' home video.

52 Giorgio changes moods
Subtle sophistication is the mood of Giorgio Beverly Hills' new fragrance, Red.

53 A kinder & gentler FTC?
George Bush's transition team sounds out new candidates for the FTC chairmanship.

55 Burger King faces changes ahead
Grand Met wants its own people in key posts, which may involve another new marketing chief for Burger King.

INTERNATIONAL

50 Japanese push for creative media
The ad industry is striving to develop innovative forms of media in Japan to satisfy marketers' craving for new ideas.

New women's magazine seeks to steal first. P. 32.

SPECIAL REPORT: TV Syndication starts after P. 36.

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ABP MPA RED TAG ABC CMPA

Philips moves to cut agency cancel period

By GARY LEVIN

Dutch-owned NV Philips, an Ogilvy & Mather client, is moving to significantly reduce the time frame of cancellation clauses in contracts with its ad agencies.

The move isn't tied to concerns that Ogilvy Group's stock may be "in play," but that may have helped trigger the Philips action.

"We want a clause in our contracts that allows us to sever the contract if the financial ownership or management of the agency changes quickly," said Rob Riphagen, director of corporate and consumer electronics marketing communications at the company's headquarters in Eindhoven, Netherlands.

Other agencies on the Philips roster are Publicis, Paris; and BBDO Worldwide; D'Arcy Masius Benton & Bowles; Lintas:Worldwide; and WPP Group's J. Walter Thompson Co., all New York.

O&M handles Philips' consumer electronic brands in 28 countries.

"We are discussing [shortening the cancellation time] with publicly owned and non-public advertising agencies," Mr. Riphagen said of the clauses, which typically are longer than the 90-day terms common among U.S. advertisers.

He didn't indicate what new time frame he's considering.

Ogilvy Group stock continued to trade at a furious pace last week as the names of a few potential bidders surfaced to help explain a persistent run-up in its price *(see related story, Page 54)*.

With nearly 700,000 shares traded during the week ended Jan. 20, Ogilvy stock reached $32, more than $5 above its price when trading first zoomed Jan. 9.

Other big O&M clients—such as American Express Co., Ford Motor Co. and Mattel—haven't indicated any concern about their cancellation clauses with the shop. An executive of one O&M client said any cancellation clause of less than 60 days would cause problems because it would take that long to close out media placements.

A spokesman for American Express, O&M's biggest worldwide client, said the company isn't troubled by a takeover threat.

"We're not concerned about the possibility because we haven't seen

(Continued on Page 54)

Bricklin plans car retail setup

By RAYMOND SERAFIN

Entrepreneur Malcolm Bricklin, fresh from bailing out of Global Motors' Yugo problems, is trying to establish the auto industry's first national retailing organization.

If successful, Bricklin Motors could control as many as 1,000 dealership points nationwide and ad budgets estimated at $20 million to $22 million in its first year and $80 million to $100 million in its second year, said Paul Lambert, a member of the company's "corporate roundtable" in charge of marketing.

The organization would operate like a Century 21-type real estate franchise, with national advertising stressing extra benefits to consumers—such as a wider range of brands, 24-hour service and entertainment-oriented sales techniques.

Bricklin Motors hasn't decided how to assign its advertising, though one possibility is to acquire regional agencies. A portion of each dealer's ad budget would go into a fund to create an overall image for the Bricklin Motors name.

Financial backing for the venture is being arranged by investment banker L.F. Rothschild, Unterberg Towbin, with Printon Kane Capital Corp. serving as financial adviser on the estimated $2 billion undertaking, according to *Automotive News*.

Mr. Lambert said Bricklin Motors intends to implement innovative techniques in its dealerships, including the use of a special-effects-filled show developed by Technifex Inc. The computerized sales pitch, available to each salesman in his "closing booth," features 3-D representations of characters, including celebrities, addressing prospective car buyers on relevant subjects.

Bricklin Motors also plans a compensation system for salesmen, service department workers and others based on customer satisfaction goals.

The operation intends to start by buying controlling interest in 10 megadealers in different regions of the country within six months. An announcement of the first purchase could come before the end of this month.

Using those as a base, the plan is to expand to 100 to 200 dealer points by the second year and 1,000 dealer points by the third year.

Mr. Bricklin has been involved in several automotive ventures, dating back to his founding of Subaru of America in 1968. He founded Global, parent company of Yugo America, but sold his interest to a private investment group last April.

Mr. Lambert is president of Lambert/Dale, New York, which is still agency of record for Yugo America.

Earlier, Mr. Lambert said that Yugo is "millions of dollars" in debt to media and vendors (AA, Jan. 2). He declined to comment on prospects for a split with Yugo America, importer and distributor of the Yugoslavian-built line.

Financially strapped Global Motors has been openly searching for new investment backing.#

V-8 power boosts veggie juices

By JUDANN DAGNOLI

Vegetable juices, languishing on supermarket shelves just three years ago, are showing some renewed health.

Although still a comparatively small segment of the overall juice category, blended vegetable juices experienced a hearty 26.4% jump in sales last year to $237.8 million, according to SAMI/Burke.

Marketers in the past have left the field to Campbell Soup Co.'s V-8, but now they're starting to take notice. J.M. Smucker Co. is testing Hearty Vegetable Juice, a 100% juice blend, in Denver.

Smucker in 1984 acquired R.W. Knudsen & Sons, a California marketer of health juices. Three years later it decided to test the market potential for vegetable juice.

"We came to want to take a harder look at how the market developed," said a source at Smucker. "And we concluded it was a growth segment, dominated by V-8."

Smucker isn't actively advertising Hearty Vegetable Juice in Denver. Wyse Advertising, New York, is the company's agency. Smucker markets its other juices primarily in West Coast markets.

The segment is benefiting from consumer interest in nutritious foods and a successful new ad campaign from Campbell.

V-8 "was in the doldrums" as recently as 1985, said David Hackney, Campbell manager of public relations.

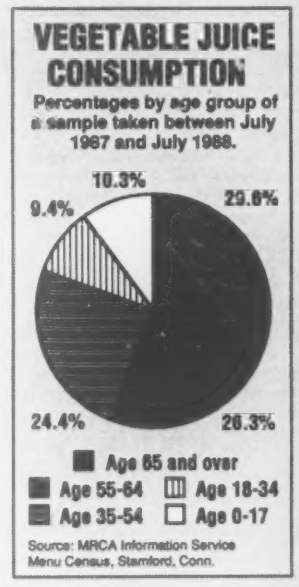
In summer 1986, the company switched the V-8 account to Saatchi & Saatchi, London, parent of then-current shop Backer Spielvogel Bates, New York. "We couldn't find acceptable creative in the U.S.," Campbell USA President Herb Baum said at the time.

Saatchi's first campaign, themed "Things don't have to be hard on you to be good for you," was aimed at health and exercise enthusiasts and didn't have a broad appeal.

But in 1987, the agency came up with a new theme, "Drink V-8, keep your diet straight," and an amusing campaign that showed people walking on a slant until they had a V-8.

The network campaign has been a rousing success, said Campbell, whose share of the $340 million red-juice market jumped to 54% in 1988 from 48% a year earlier. Campbell doesn't measure V-8 within SAMI/-Burke's blended vegetable juice segment but within the red—or tomato—juice segment.

Mr. Hackney said targeting a more general audience contributed to the brand's growth, as well as the introduction of new packaging sizes.



JOHN HALL

A hefty increase in V-8's ad budget, from $4.6 million in 1985 to an estimated $7 million in 1988, also helped boost sales, making Campbell by far the segment's biggest spender.

Cadbury-Mott's Clamato has gotten much less ad support, only $301,000 in measured media in 1987, according to Leading National Advertisers. That year, Smucker spent $182,500 on its other juices.

Still, the vegetable juice segment may need something else—possibly another strong national player—to maintain momentum and increase consumption among young adults.

A study by MRCA Information Services Menu Census found that most vegetable juice is consumed by people over age 35; people over 65 consume the largest percentage of vegetable juice—29.6% *(see chart)*.

The older age skew could be a boon, however. Baby-boomers are aging, and marketers are paying more attention to older consumers.

Vegetable juice has made gains in Canada, too. Early last year, H.J. Heinz Co. rolled national in Canada with Heinz Vegetable Cocktail.

The brand was first introduced in Ontario and Quebec in mid-1987, with rollout plans scheduled for May 1988. But by January 1988, the entry had achieved an 11.5% market share, prompting an early move national, a Heinz spokesman said.

Heinz said it has no plans yet to move Vegetable Cocktail into the U.S.

Not every marketer is optimistic about vegetable juice.

Tri-Valley Growers, a California co-op, markets Sacramento Tomato Plus Vegetable Cocktail, but a spokeswoman said the group believes the segment isn't going anywhere.

The co-op doesn't plan to support the Sacramento brand product, which at one time was marketed by Borden and has been on the market for about 20 years.#

s. ROI

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Many Happy Returns

Special Report

Stakes rise as market matures

Cautious stations, solid lineup of hits make it harder for syndicators to sell new product

By Wayne Walley

When Robin Leach first started cataloging the lifestyles of the rich and famous in 1984, TV syndicators didn't realized that someday, they could end up as subjects of the show.

Once in the business of TV reruns, syndicators today have entered an era of big bucks and broken hearts, where the rich get richer and everbody else gets squeezed out—unless they find a hit.

Ritch Colbert, former president of near-defunct Access Syndication and VP-director of programming for Television Program Enterprises, sums up the market this way: "If you are not studio-based, well capitalized and/or associated with a broadcast group, then the odds are stacked against you."

"A few years ago, business was a lot better," says Michael Eigner, VP-station manager, KTLA-TV, Los Angeles. "Stations had the flexibility to buy more programming than they might need. But stations now have a lower profit margin and people are being cautious."

The problem for syndicators today is not the failure of syndicated shows, but the spate of successes. "Wheel of Fortune," "Jeopardy" and "The Oprah Winfrey Show" already have been renewed by stations into 1992 and beyond.

"Star Trek: The Next Generation," "War of the Worlds," "Donahue," "Geraldo," "The People's Court" and "Love Connection" all perform well enough to fill a majority of available time slots on station schedules.

Top off-network series such as "The Cosby Show" and "Who's the Boss?" command record prices in syndication, selling for $4.8 million and $2.5 million per episode, respectively. These high prices force stations to schedule the shows in the most lucrative time periods to recoup costs, leaving a new show or modest off-network success in a slot with fewer viewers available.

Other forces are also at work. Fox Broadcasting Co.'s entry as a weekend programming service for independent stations removed a number of hours from the syndication marketplace.

The Home Shopping Network purchased a number of independent TV stations and switched to home shopping. And some stations, squeezed by high programming costs and a soft advertising market, have been forced into bankruptcy.

All this means fewer opportunities for newcomers. Some observers believe if two other first-run shows had lived up to expectations last fall—"USA Today On TV" and "Family Feud"—chances are some stations would not be in the market to buy any new syndicated programming this year.

"The syndication marketplace feels as if it is mature," says Mort Marcus, exec VP of Qintex Entertainment. "Business is bad because some stations have high debt, and there is a soft national advertising market. The stations cannot afford the cash outlay for programming.

"But the fact is that first-run syndication is a major growth area. There's more product today and more first-run shows among the top 30 shows in syndication than ever before," he adds.

While many agree the syndication business is maturing, making it tougher for the smaller outfits to succeed, most say there's room for expansive bottom-line growth and the possibility that an outsider can still come in with a hit.

One winning show can make all the difference for a distribution company. With "RollerGames" in its fold, many more doors are opening for the Qintex sales staff. *(See story on Page S-2)*

Chuck Larsen, president-domestic TV distribution, Republic Pictures Corp., says the fact that some shows are being renewed for up to five years in advance is merely a phase, and that the industry is far from mature.

"There has been a shake-out at the station level and it will go through more settling, but as long as the home run and megabucks are possible, more people will want to play," he says.

Most industry experts agree that no matter how tight the schedules are, one hot property can command record prices and help the industry grow financially.

Phil Corvo, president of the National Association of Television Program Executives International, says the syndication market will earn an aggregate $3 billion during the 1988-89 season from program sales and barter advertising.

The Advertiser Syndicated Television Association expects barter revenues alone to top $1 billion this year, about 10% higher than last year.

"On a revenue basis, syndication is not mature," says Derk Zimmerman, president, Group W Productions. "Studies indicate barter syndication could be a $3 billion business by the mid 1990s, topping national cable ad sales. Program syndication will also get up to the $3 billion level."

But Mr. Zimmerman says that, at the same time, it has become more difficult to break into the market.

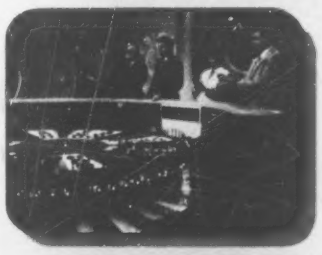
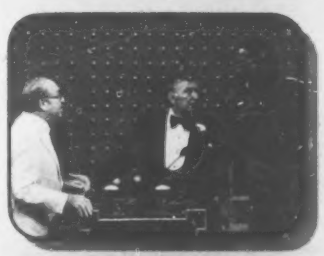
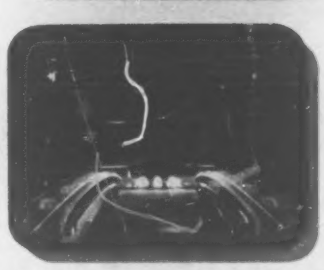
"Last year not one breakthrough hit emerged," he says. "Part of the problem is station programmers have higher than appropriate expectations and are less willing to give the time and attention to develop and nurture a program."

While media buyers say network TV, even with smaller audiences, will continue to be the vehicle of choice for advertisers that need to reach a mass audience on a timely basis, syndication is fast becoming a part of the mix. When the syndication market does reach total maturity, it is likely there will always be room for an outsider to make it big with a single hit. And chances are, plenty will keep trying.

"You can cite the odds of winning a jackpot to slot machine players in Las Vegas, but they will still put the quarter in," Mr. Larsen says.

Syndication

Ratings roll for top five hits

1984		1988
	**Wheel of Fortune** → dist. by King World 13.9 rating, 29% share	
	Jeopardy → dist. by King World 11.2 rating, 27% share	
	M*A*S*H ← dist. by Twentieth Century Fox; 8.6 rating, 22% share	
	**Oprah Winfrey Show** → dist. by King World 10.6 rating, 33% share	
	Three's Company ← dist. by D.L. Taffner 8.3 rating, 22% share	
	PM Magazine → dist. by Group W Television Sales 7.6 rating, 16% share	
	Family Feud (p.m.) ← dist. by LBS Communications 7.3 rating, 17% share	
	**Donahue** → dist. by Multimedia 7.2 rating, 27% share	
	PM Magazine ← dist. by Group W Television Sales 6.8 rating, 16% share	

Source: July 1988 ratings—Nielsen Media Research—NTI figures; July 1984 ratings Nielsen's Cassandra report.

December consumer magazine ad linage

	Current month 1988	1987	Year-to-date 1988	1987
Auto cycle rec. vehicles				
ATV Sports	23 4	54 1	329 8	522 3
AutoWeek (52X)	221 1	140 4	2 048 0	1 826 0
Car & Driver	97 3	104 6	1 227 4	1 131 6
Car Collector & Car Classics	20 5	18 3	209 9	209 8
Car Craft	57 6	58 6	965 2	999 2
Circle Track	66 3	58 4	950 3	891 6
Cycle	45 0	22 2	505 3	487 7
Cycle World	39 4	36 0	546 8	569 7
Dirt Rider	39 4	45 2	454 8	446 9
Dune Buggies & Hot Rods	70 8	71 0	881 9	906 6
Family Motor Coaching	141 3	149 0	2 053 3	1 865 6
4 Wheel & Off-Road	99 1	78 5	1 074 1	1 058 1
Four Wheeler	95 0	91 0	1 086 0	1 043 0
Hot Rod	75 6	58 6	1 038 3	876 2
Motorcyclist	33 1	23 1	485 5	524 5
Motor Trend	85 2	73 1	928 9	896 6
Motorhome	96 3	77 5	1 121 2	1 009 0
Rider	29 7	26 5	457 8	459 9
Road & Track	106 0	97 1	1 244 0	1 202 2
Trailblazer	48 5	56 0	756 7	650 6
Trailer Life	92 3	93 4	1 178 1	1 245 9
Total Group	**1,582.9**	**1,432.5**	**19,543.4**	**18,822.9**
% change	**10.5%**		**3.8%**	
Boating & yachting				
Boating	107 8	127 5	1 843 8	1 767 7
Chesapeake Bay	39 3	31 5	621 0	548 5
Cruising World	109 6	108 9	1 453 3	1 502 6
Lakeland Boating (11X)	73 0	69 5	882 9	785 6
Motor Boating & Sailing	119 1	123 1	1 814 3	1 903 3
Sail	85 6	60 7	1 295 8	1 237 5
Trailer Boats (11X)	—	—	664 3	571 0
Western Boatman (6X)	—	—	300 3	216 1
Yachting	108 3	111 5	1 694 1	1 679 7
Total Group	**642.7**	**632.7**	**10,569.8**	**10,211.9**
% change	**1.6%**		**3.5%**	
Civic fraternal				
American Legion	23 7	21 5	426 1	396 7
Elk (10X)	—	—	171 5	196 2
Kiwanis	—	—	160 1	179 5
Lion (10X)	7 1	5 3	68 7	88 9
Rotarian	19 5	14 6	207 3	180 4
V F W (11X)	25 2	29 0	343 1	319 4
Total Group	**75.5**	**70.4**	**1,376.8**	**1,361.1**
% change	**7.2%**		**1.2%**	
General				
American Health (10X)	47 5	47 9	668 4	706 1
American Heritage (8X)	35 6	27 8	351 6	263 8
American West (6X)	—	—	202 6	213 5
The Atlantic A	32 9	46 0	493 2	465 0
Bon Appetit A	105 5	113 6	1 041 5	1 020 4
Cable Guide	35 9	22 7	389 0	283 0
Changing Times	61 2	75 2	687 1	780 2
Conde Nast's Traveler	52 8	40 7	624 0	198 7
Connoisseur	108 1	101 5	1 076 1	994 7
Consumers Digest (6X)	—	—	145 1	145 3
Ebony	93 4	104 0	1 201 5	1 126 1
Fifty Plus	38 6	23 3	392 8	447 2
Finance (10X)	38 2	47 7	357 2	484 3
Food & Wine	94 8	101 5	711 5	758 3
Games (6X)	—	—	74 1	82 2
Golden Years	34 5	44 8	384 5	366 7
Gourmet	144 9	156 4	1 284 6	1 315 9
Harper's Magazine A	30 5	25 4	385 1	361 5
Harrowsmith (6X)	—	—	313 7	289 2
Islands Magazine	—	—	301 0	237 3
Let's Live	45 0	42 0	584 0	544 0
Life	106 5	70 0	768 4	582 8
Modern Maturity (6X)	36 0	25 5	214 2	253 8
Money	127 0	146 9	1 408 2	1 566 5
Money Maker	3 2	6 0	45 0	42 8
National Geographic	37 7	18 0	282 9	242 3
National Geographic Traveler (4X)	35 9	34 0	154 6	151 0
Natural History	25 8	31 7	451 4	423 2
Prevention	43 3	40 2	644 1	723 2
Psychology Today	26 0	27 9	337 4	360 9
Reader's Digest A	145 4	122 1	1 239 2	1 181 6
Saturday Evening Post (9X)	31 6	30 8	313 3	356 5
Smithsonian	111 6	100 1	1 077 0	1 061 7
Town & Country	168 1	182 3	1 680 3	1 702 7
Travel Holiday	49 9	35 7	658 8	611 8
Travel & Leisure	133 6	98 2	1 402 8	1 227 1
Vanity Fair	144 9	106 0	1 188 6	868 0
Writer's Digest	26 5	27 8	348 6	341 3
Yankee	55 3	68 1	897 3	963 6
Total Group	**2,307.4**	**2,191.6**	**24,780.4**	**23,744.2**
% change	**5.3%**		**4.4%**	
Home				
Americana (6X)	—	—	100 0	126 7
Architectural Digest A	154 3	125 0	1 827 2	1 574 6
Better Homes & Gardens	145 1	143 9	1 457 7	1 423 5
Colonial Homes (6X)	—	—	365 1	379 7
Columbus Monthly-Homes (4X)	—	—	150 5	120 1
Cooking Light	—	—	236 2	146 5
Country Home (6X)	—	—	358 5	340 7
Country Living	89 6	82 7	1 122 2	1 066 8
Family Handyman (10X) A	—	—	472 2	496 5
Florida Home & Garden	102 0	49 3	926 7	514 0
Flower & Garden (6X)	—	—	214 9	212 0
Home	43 2	29 1	713 5	621 4
Home Mechanics	36 4	42 8	623 8	688 8
The Homeowner (10X)	—	—	313 6	327 5
Horticulture	38 6	42 5	459 2	441 7
House Beautiful	50 0	51 9	852 5	863 0
House & Garden	88 5	92 5	1,115 2	1,161 9
Metropolis	62 2	50 0	688 2	635 6
Metropolitan Home	75 8	61 4	1 056 4	801 5
Midwest Living	—	—	329 5	229 3
1 001 Home Ideas	48 0	38 5	687 3	615 3
Organic Gardening	30 2	46 4	497 8	565 4
Phoenix Home/Garden	77 8	75 0	897 3	908 8
Practical Homeowner	—	—	357 2	426 1
San Diego Home/Garden	75 6	80 3	844 1	789 2
Southern Accents (6X)	92 1	105 8	779 9	705 8
Southern Living	132 5	103 5	1 501 2	1 451 9
Sunset Magazine A	107 2	109 9	1 487 1	1 475 7
Workbench (6X)	—	—	235 5	281 7
Total Group	**1,448.9**	**1,330.6**	**20,670.5**	**19,391.8**
% change	**8.9%**		**6.6%**	
In-flight & other passenger				
Aboard Group (6X)	—	—	226 8	176 5
Alaska Airlines	55 6	54 8	666 4	654 5
America West Airlines	72 7	63 3	775 2	622 2
American Way (24X)	114 9	130 7	1,679 9	1 403 6
East/West Network				
Continental Profiles	71 0	—	646 4	—
Eastern Review	71 9	59 8	723 9	803 6
Northwest	59 0	41 3	513 4	563 8
Pan Am Clipper	50 3	53 0	549 4	555 8
Southwest Sprit	74 8	48 0	779 0	712 4
TWA Ambassador	59 3	50 8	592 0	609 5
Vis A Vis	86 6	58 3	815 4	727 9
Halsey Publication				
Delta Sky	77 3	86 7	976 4	995 9
Pace Communications				
Piedmont Airlines	73 6	78 1	1 141 9	1 082 1
US Air	52 4	52 5	734 5	642 0
Spirit of Aloha (6X)	24 8	34 1	254 6	379 2
Total Group	**944.3**	**811.3**	**11,075.2**	**9,928.9**
% change	**16.4%**		**11.5%**	
Men's				
Esquire A	149 0	140 2	1 295 1	1 155 8
Firehouse Magazine	30 8	46 5	539 8	548 9
Gentlemen's Quarterly A	206 1	208 4	2 169 7	1 949 5
M Magazine	72 7	78 5	921 8	910 9
Muscle & Fitness	140 3	126 0	1 497 4	1 494 4
Penthouse A	48 5	55 9	526 1	502 9
Playboy A	80 0	61 5	579 4	658 1
Salute (10X)	20 0	—	288 6	216 4
Total Group	**747.3**	**716.9**	**7,917.8**	**7,436.9**
% change	**4.2%**		**6.5%**	
Metropolitan				
Atlanta	94 5	81 8	875 9	755 0
Baltimore	90 0	89 4	844 4	942 3
Boston	202 9	212 6	1,763 5	1,819 0
California	72 0	69 3	798 1	736 6
Chicago	141 6	142 3	1,413 6	1,304 0
Chicago's North Shore	105 5	111 2	1,122 9	1,061 8
Cincinnati	37 8	78 8	595 7	781 3
Cleveland	97 2	110 0	740 0	859 8
Coast (39X)	45 8	51 4	2,038 5	2,384 8
Columbus Monthly	67 2	79 4	852 9	880 6
Connecticut	109 4	106 3	1,267 1	1,215 9
D Magazine	76 5	125 9	1,036 1	1,360 4
Denver	61 5	65 5	434 5	466 5
Detroit Monthly	132 7	160 3	1,083 2	1,042 5
Grand Rapids	39 3	43 8	497 3	516 7
Gulfshore Life (10X)	84 0	73 0	819 0	760 0
Honolulu	61 2	84 2	739 2	880 8
Houston Metropolitan Mag	56 9	69 1	693 8	838 2
Inside Chicago	—	—	231 5	159 2
Louisiana Life	—	—	209 6	233 0
Madison	44 0	76 0	452 0	768 9
Memphis	89 3	89 0	1,011 5	963 1
Mid Atlantic Country	21 5	25 5	424 3	400 3
Milwaukee	65 2	101 2	691 9	789 6
Minneapolis/St Paul	115 5	132 3	1,286 9	1,287 7
Minnesota Monthly Magazine	51 0	57 6	544 8	563 5
Nashville	68 0	59 0	560 0	535 0
New England Monthly	64 7	66 5	611 9	567 5
New Jersey Monthly	104 4	94 0	1,245 5	1,140 2
New Mexico	52 2	39 5	486 2	408 6
Ohio	37 7	41 5	675 4	720 1
Orlando	97 6	82 0	1,060 5	1,082 9
Palm Beach Life	96 0	102 8	785 7	784 7
Palm Springs Life	109 5	119 8	1,354 9	1,388 4
Philadelphia	164 0	167 1	1,860 3	1,818 6
Pittsburgh	73 3	78 2	844 5	843 3
Rhode Island Monthly	59 0	—	405 0	—
Sacramento Magazine	88 0	67 0	851 0	564 0
St Louis	57 0	65 6	537 8	774 3
San Diego	162 1	181 5	1,822 2	1,734 4
San Francisco Focus	140 2	129 6	1,260 9	1,249 3
South Florida Magazine	112 2	104 4	1,247 7	758 3
Texas Monthly	133 7	167 2	1,223 1	1,271 2
Twin Cities	103 0	79 9	959 8	857 3
The Virginian (6X)	—	—	368 1	361 1
Washington (7X)	58 0	54 8	519 7	421 8
The Washingtonian	167 0	170 3	1,8[illegible]	1,922 6
Total Group	**3,909.8**	**4,106.3**	**43,03[illegible]**	**42,975.2**
% change	**-4.8%**		**0.1%**	
Music/entertainment				
Audio	119 4	106 3	1,268 3	1,224 8
Dance Magazine	60 0	58 5	637 0	691 5
Playbill	67 5	65 9	649 3	570 2
Video Magazine	81 5	76 0	783 5	834 9
Total Group	**328.5**	**306.6**	**3,338.2**	**3,320.5**
% change	**7.1%**		**0.5%**	
Outdoor & sport				
Alaska	40 2	41 0	422 1	429 9
The American Handgunner (6X)	—	—	320 0	290 0
American Hunter	13 8	16 7	287 8	262 6
American Rifleman	12 9	16 3	307 4	294 0
Bass Master (10X) A	43 5	40 0	742 7	624 3
Bicycling (9X)	81 1	65 8	1,106 3	883 4
Ducks Unlimited (6X)	—	—	189 4	217 5
Field & Stream	54 0	53 0	987 5	1,007 3
Fins & Feathers A	24 1	29 0	175 4	340 2
Fishing World (6X)	—	—	201 9	210 8
Florida Sportsman	119 4	107 8	1,[illegible]	1,390 1
Golf Digest	114 9	101 5	[illegible]	1,163 0
Golf Illustrated	40 0	30 3	[illegible]	261 4
Golf Magazine	59 8	61 4	1,037 5	879 0
Gun Dog (6X)	—	—	193 3	181 0
Guns	48 0	38 0	476 0	414 0
Guns & Ammo	63 7	53 1	647 6	609 8
In-Fisherman (6X)	—	—	—	—
Outdoor Life	70 6	54 2	938 9	961 4
Outside Magazine	54 8	54 4	684 7	653 0
Petersen's Hunting	65 3	59 0	673 3	669 8
Runner's World (12X)	29 6	30 6	438 3	441 1
Salt Water Sportsman	69 3	69 8	1,350 1	1,188 4
Shooting Times	31 2	34 8	472 9	453 6
Sierra (6X)	—	—	252 5	238 7
Ski (8X) A	214 9	167 9	988 7	961 4
Skiing (7X) A	165 0	175 4	931 8	1,006 7
Skin Diver	118 9	106 5	1,381 0	1,254 3
Southern Outdoors (9X)	—	—	562 0	461 0
Southern Saltwater (8X)	—	—	312 6	224 4
Sport Magazine	35 6	48 0	432 0	487 9
Sports Afield	62 1	51 0	859 8	950 7
Tennis	47 8	46 5	889 8	836 7
Waterski (8X)	—	—	604 1	442 0
Western Outdoors (10X)	—	—	424 8	414 5
Wildfowl (6X)	25 5	26 6	140 3	116 2
WindRider (8X)	—	—	420 4	357 3
Wing & Shot (6X)	—	—	83 8	69 1
World Tennis	19 5	23 6	623 8	386 5
Total Group	**1,725.4**	**1,602.2**	**23,690.2**	**22,033.1**
% change	**7.7%**		**7.5%**	
Photography				
American Photographer	32 3	48 0	381 3	470 5
Petersen's Photographic	27 8	41 0	328 7	355 5
Popular Photography	103 9	110 5	989 4	953 0
Total Group	**164.0**	**199.5**	**1,699.4**	**1,779.0**
% change	**-17.8%**		**-4.5%**	
Science/electronic/mech				
Discover	31 1	37 5	422 0	523 8
Home Office Computing	57 4	56 5	527 9	520 3
Omni	86 7	83 4	795 0	754 6
Personal Computing	202 6	309 2	2,564 5	2,282 5
Popular Mechanics	82 5	80 3	952 6	1,003 9
Popular Science	70 3	62 3	817 7	839 8
Scientific American	40 1	63 7	496 5	559 7
Spectrum	63 9	70 3	781 3	795 9
Total Group	**634.6**	**763.1**	**7,357.5**	**7,280.4**
% change	**-16.8%**		**1.1%**	
Woman/fashion/service				
Beauty Digest (6X)	17 3	12 3	138 2	64 7
Bride's Magazine (6X) A	436 0	374 8	2,859 9	2,476 7
Cosmopolitan A	160 2	166 5	2,238 1	2,267 2
Elle Magazine	183 8	178 8	2,251 2	2,083 9
Essence	—	—	—	—
Family Circle (17X) A	164 2	192 9	1,856 5	1,648 5
Glamour	150 5	134 4	2,049 7	2,222 0
Good Housekeeping A	160 9	159 4	1,626 4	1,707 2
Harper's Bazaar	1[illegible]	93 0	1,444 5	1,605 3
Health	[illegible]	34 4	421 1	526 4
Imagen	184 0	154 0	1,110 0	821 0
Ladies' Home Journal	141 7	137 6	1,379 8	1,296 7
Mademoiselle	118 4	111 0	1,779 4	1,779 4
McCall's	115 0	101 7	1,047 3	1,146 1
Military Lifestyle (10X)	—	—	513 1	509 8
Modern Bride (6X)	316 6	272 0	2,223 5	1,993 0
Ms	32 0	42 9	378 1	507 3
New Woman	85 2	82 1	1,024 2	970 2
Parents Magazine A	142 0	127 3	1,399 5	1,377 8
Redbook	98 7	102 8	1,201 2	1,216 5
Savvy	47 7	36 8	569 6	447 5
Self	72 6	60 5	1,246 7	1,194 3
Seventeen	62 8	80 9	1,394 7	1,459 6
Shape	64 1	60 3	990 3	901 4
Soap Opera Digest (26X)	23 7	21 7	298 0	259 9
Soap Opera Update	4 0	—	114 5	—
Teen Magazine	36 9	51 1	632 3	710 0
True Story A	46 8	52 7	593 3	599 0
Vogue	245 4	223 9	3,315 0	3,302 7
W Magazine	76 7	68 2	1,428 6	1,493 3
Weight Watchers	22 3	24 6	389 2	368 9
Woman (10X)	40 0	37 0	426 5	325 4
Woman's Day (15X) A	157 9	140 8	1,669 6	1,677 4
Workbasket	—	—	253 2	328 4
Working Mother	—	—	—	—
Working Woman	82 1	89 0	1,168 2	1,164 9
Total Group	**3,615.6**	**3,425.0**	**41,431.2**	**40,452.2**
% change	**5.6%**		**2.4%**	
Youth				
Boys' Life	32 3	24 9	228 3	204 0
Campus Life (10X)	53 5	56 8	469 4	496 7
Total Group	**85.9**	**81.8**	**697.6**	**700.7**
% change	**5.0%**		**-0.4%**	
Business/national				
Barron's	121 9	154 6	2,114 7	2,528 6
Black Enterprise	55 1	71 1	911 9	832 4
Business Month	—	—	—	—
Business Week (52X) A	444 9	454 3	4,588 3	4,708 9
Financial World (26X)	68 5	77 4	680 9	742 3
Forbes (26X)	281 2	245 8	3,458 0	3,626 2
Fortune (26X)	307 8	255 9	3,237 4	3,022 8
Frequent Flyer	42 0	42 0	571 9	689 3
Futures	119 8	84 9	794 4	783 3
Inc. Magazine	124 8	144 5	1,247 0	1,207 9
Income Opportunities	81 5	89 9	926 2	862 9
Industry Week (25X) A	61 6	46 7	1,097 2	1,035 1
Nation's Business (12X) A	31 2	49 4	432 6	415 2
Venture	56 8	94 0	700 8	822 0
Total Group	**1,797.0**	**1,810.4**	**20,761.1**	**21,276.9**
% change	**-0.7%**		**-2.4%**	
Business/regional				
Advantage-Nashville's Bus Mo	84 0	—	727 0	627 5
Arizona Bus Gazette (52X)	73 5	101 9	789 2	933 9
Baltimore Bus Jrnl	113 6	84 6	1,061 7	1,054 2
Boston Bus Jrnl (52X)	124 2	131 5	1,439 2	1,693 0
Buffalo First of Buffalo	95 0	74 3	870 3	796 4
Chicago Bus Jrnl-Milwaukee	112 7	95 9	1,773 8	1,579 2
Cincinnati Bus Jrnl-Sacramento	114 4	113 4	1,052 2	876 2
Columbus North Carolina	35 8	37 5	431 5	522 3
Dallas/Fort Worth Capital Dist. Bus Review (52X)	81 9	73 1	1,074 2	976 0
Caribbean Business	126 0	163 0	1,700 0	1,767 0
Corporate Rpt Minnesota	66 0	69 0	873 5	912 0
Crain's Chicago Bus (52X)	143 1	134 0	1,802 1	1,849 0
Crain's Cleveland Bus (52X)	71 6	59 7	890 5	777 6
Crain's Detroit Bus (52X)	91 3	72 8	984 3	960 9
Crain's New York Bus (52X)	45 0	38 0	621 0	479 0
Florida Trend (13X)	43 8	64 2	717 4	904 1
Georgia Trend	28 8	40 9	634 9	780 5
Grand Rapids Bus Jrnl	40 3	31 3	627 2	547 8
Hawaii Business	36 5	39 3	588 7	556 2
Houston Bus Jrnl (52X)	54 0	44 0	838 0	740 5
Indianapolis Bus Jrnl (52X)	156 1	137 1	1,888 2	1,785 4
Manhattan Inc	61 9	61 3	777 4	883 8
New England Bus (20X) A	30 3	52 3	678 5	859 1
New Orleans City Bus	31 5	51 2	544 0	670 3
Pacific Bus News (52X)	112 0	107 2	1,298 0	1,392 9
Pittsburgh Bus Times (52X)	151 7	223 5	593 2	724 1
Providence Bus News	93 5	74 3	1,030 3	856 3
Regardie's/Washington Review Publication	131 0	143 0	1,753 0	1,770 0
Broward Review	61 9	38 4	731 3	429 0
Miami Review	64 1	50 3	782 7	586 2
Palm Beach Review	73 7	33 0	711 5	331 8
San Jose Bus Jrnl	68 0	—	878 0	—
St Louis Bus Jrnl (52X)	136 2	152 9	1,398 3	1,612 3
Warfield Monthly Baltimore	60 8	47 1	816 7	775 2
Total Group	**2,804.2**	**2,639.9**	**33,377.5**	**32,009.7**
% change	**6.2%**		**4.3%**	
National Sunday mags				
Parade (52X)	43 1	50 5	663 8	616 6
USA Weekend (52X)	33 3	40 9	552 5	486 4
Vista Magazine	23 2	15 6	232 3	158 7
Total Group	**99.5**	**106.9**	**1,448.6**	**1,261.7**
% change	**-6.9%**		**14.8%**	
Newspaper Sunday magazine				
Boston Globe	156 3	193 0	2,215 0	2,569 0
Chicago Tribune	145 1	139 0	1,394 6	1,362 2
Cleveland Plain Dealer	102 7	73 5	856 9	811 8
Columbus Dispatch	37 8	31 0	366 1	435 5
The Dallas Morning News	41 0	58 0	771 0	897 0
Detroit Free Press	47 6	54 9	584 5	640 0
L A Times	117 0	91 6	956 6	769 1
Louisville Courier-Jrnl	35 0	42 0	457 0	645 0
New York Times Mag	336 4	269 9	4,112 4	4,112 3
Philadelphia Inquirer	100 5	79 5	1,129 4	918 0
Seattle Times	88 0	83 0	894 0	825 0
St Louis Post Dispatch	73 2	82 4	973 6	918 4
Toledo Blade Magazine	26 8	37 9	385 7	470 5
Washington Post	124 1	106 0	1,643 7	1,473 8
Total Group	**1,431.5**	**1,341.7**	**16,740.5**	**16,847.6**
% change	**6.7%**		**-0.6%**	
Weeklies/bi-weeklies				
The Advocate (26X)	151 2	156 7	2,001 7	1,666 3
Army Times Military Group				
Air Force Times (52X)	130 7	137 0	1,943 7	1,984 9
Army Times (52X)	132 7	137 1	1,869 8	1,942 1
Navy Times (52X)	149 0	155 5	2,123 2	2,162 7
The Blood-Horse (52X)	1,296 2	1,409 9	4,273 6	5,102 6
Capper's (26X)	12 8	10 4	272 3	298 9
Commonweal (22X)	9 0	13 5	80 1	89 6
Golf World (40X)	—	—	—	—
Grit (52X) A	14 5	11 0	330 5	323 3
National Journal (50X)	40 0	38 9	846 5	766 8
National Review (25X)	39 3	47 6	441 3	433 4
New Republic (48X)	34 1	46 3	503 2	504 2
New York Magazine (50X)	358 8	307 3	3,065 9	3,134 7
New Yorker	244 9	351 2	2,293 5	2,703 2
Newsweek (52X) A	210 4	184 0	2,478 6	2,564 0
People (51X)	445 1	327 3	3,823 0	3,581 4
Rolling Stone (25X)	196 9	170 7	1,848 2	1,749 5
Sporting News (52X)	45 8	48 4	614 7	648 0
Sports Illustrated (52X)A	263 6	210 7	2,978 4	2,651 5
Time (52X) A	210 1	166 0	2,501 9	2,359 8
Travelhost (52X) C	3,145 0	3,105 0	39,148 0	38,395 0
TV Guide (52X) A	335 5	226 6	3,506 4	3,626 4
US Magazine (26X)	80 8	71 7	671 3	617 8
U.S. News & World Report (50X) A	216 4	183 6	1,877 0	1,708 7
Total Group	**7,762.8**	**7,516.1**	**79,492.6**	**79,014.7**
% change	**3.3%**		**0.6%**	

NOTES (X) represents the number of times published each year. publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. All figures represented in this table are supplied by the magazines. AD AGE makes no attempt to verify them and therefore is not responsible for inconsistencies or errors.

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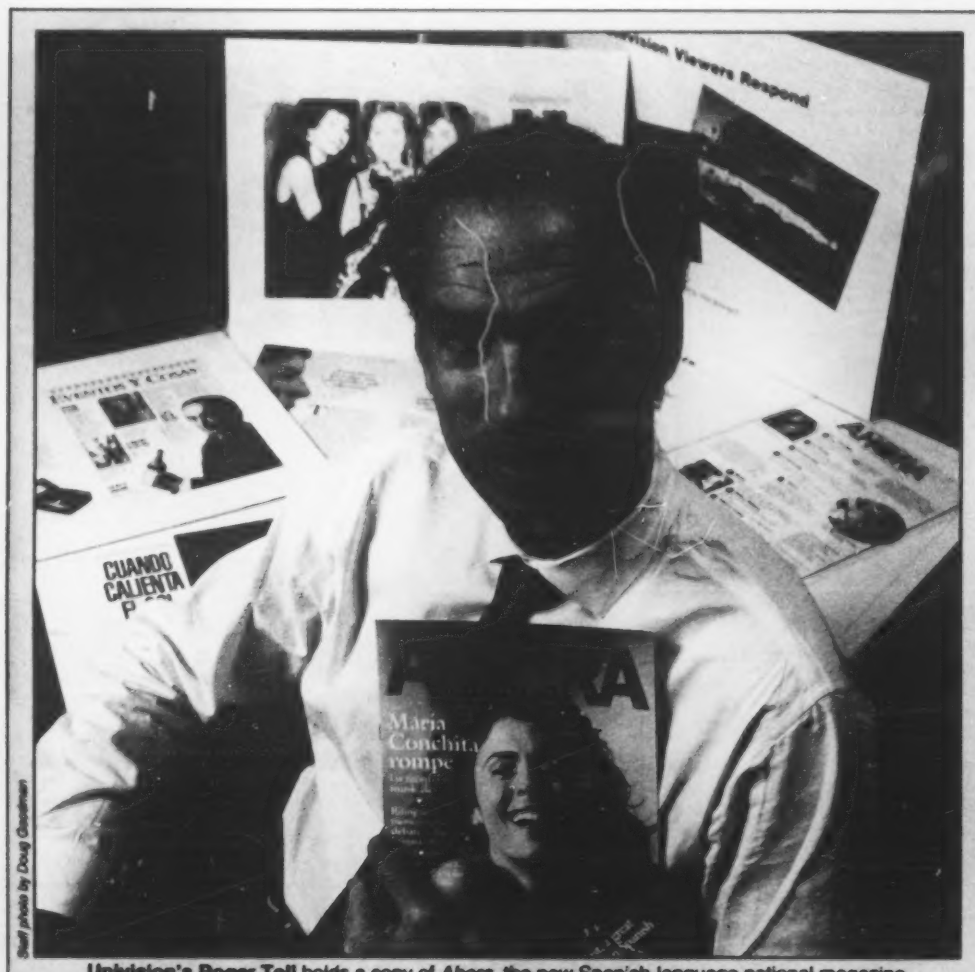
Advertising Age

Crain's International Newspaper of Marketing. In Two Sections. Section 1.



Staff photo by Doug Goodman

Univision's Roger Toll holds a copy of *Ahora*, the new Spanish-language national magazine.

Hispanic TV leader sets print revolution

By ED FITCH

Univision Holdings, owner of the largest U.S. Spanish-language TV network, is moving to revolutionize Spanish-language magazines.

Univision's ambitious plans could bring an infusion of ad dollars to what's been a minor factor in Hispanic media.

In August, the company's new publications division will launch *Ahora*, described as a general-interest, service-oriented Spanish-language magazine that combines elements of *People*, *Time* and *New York*.

The quarterly publication will carry a Business Publications Audit of Circulation-audited controlled circulation of 500,000, delivering 370,000 more readers per issue than any other Spanish-language magazine.

"The available national print media's circulation is about one-third of what *Ahora* will achieve in its first release," said Meg Bernot, media director of Publicidad Siboney, New York. The agency is evaluating *Ahora* for clients Colgate-Palmolive Co. and Pepsi-Cola USA. No advertisers have been signed yet.

Hispanic agency media buyers say *Ahora* will drastically alter the field of Spanish-language magazines. Of the $550 million spent in Hispanic media annually, print garners only an estimated 9%, most of it directed at newspapers.

Also, most recent successful launches of Hispanic-oriented national print media have been in English. For example, English-language newspaper insert *Vista* recently hit 1.4 million circulation (AA, Sept. 28).

If *Ahora* meets its ad objectives, it will boost print spending single-handedly.

"We blow existing print budgets out of the water," said Javier Saralegui, sales manager. "But when one page in *Sports Illustrated* costs $80,000, to hit a whole community with one book at the price we're asking is not out of line."

A color page in *Ahora* will cost $15,000 and

(Continued on Page 89)

Pepsi calls Coke ads misleading

By PATRICIA WINTERS

Pepsi-Cola Co. last Friday accused rival Coca-Cola USA of misleading consumers with its ad campaign that claims Pepsi drinkers are switching to Diet Coke.

Pepsi said it's asking the Big 3 TV networks to pull the new campaign, which claims "the move is on" to Diet Coke.

Coca-Cola said it can substantiate its claims. The commercials were created by McCann-Erickson Worldwide, New York, and Lintas:New York.

Pepsi challenges are now part of marketing folklore: It has challenged ads in the past with little or no result because competing research is difficult to disprove. But this attack is different, said Michael Lorelli, Pepsi exec VP-marketing and national sales.

"The cola wars have always been fun, and it's been good for business," he said. "But this is one of the rare times that they [Coca-Cola] have gone under the table. . . . The claim is wrong. . . . We have to take it seriously."

Pepsi is charging that Coca-Cola is telling "only half the story" in its new campaign that

(Continued on Page 4)

Papers wary of Sears plan

By PATRICK REILLY

San Francisco—Sears, Roebuck & Co. last week unveiled a tradition-breaking media plan for 1989 and beyond that's already provoking some newspaper opposition.

The plan, presented to the International Newspaper Advertising & Marketing Executives convention here, calls for corporate contracts from major newspaper chains and a single negotiated rate that covers all Sears companies.

"This is a major change, and we know it," said S. Scott Harding, Sears' national retail ad manager. "But we must change to succeed now and in the '90s. I think it is clear the newspaper industry must change, too."

The good news for the industry in Sears' plan is that the giant retailer will support the anticipated spring switch to "everyday low prices" by an increase in total newspaper run-of-press ad linage and a decrease in preprinted insert sections in many markets.

Newspapers generally charge advertisers in preprinted circulars

(Continued on Page 86)

Last Minute News

O&M, Omnicom finish media deal

New York—Ogilvy & Mather Worldwide and Omnicom Group this week will announce their long-awaited international joint media-buying agreement.

That announcement will follow a "summit meeting" of top agency executives here on Feb. 1, said sources involved in the talks. The meeting will bring together U.S. executives of the parent agencies and several top officials from London and Paris.

Albert Nobler, director of business and finance for DDB Needham World-

(Continued on Page 8)

Airlines' suit fights state ad guidelines

By JENNIFER LAWRENCE

WACO, TEXAS—Three airlines have filed suit against Texas Attorney General Jim Mattox in the first legal challenge of the states' national guidelines on air-fare advertising.

The suit, filed Jan. 23 by British Airways, Continental Airlines and Trans World Airlines, alleges Mr. Mattox illegally tried to regulate airline price advertising by enforcing guidelines drawn up by the National Association of Attorneys General.

The suit could eventually determine the states' authority to regulate national advertising.

In a hearing in U.S. District Court here Jan. 27, Judge Walter S. Smith Jr. said he would issue a decision this morning on the airlines' request for a temporary injunction.

If granted, the order would prevent Mr. Mattox from suing the airlines for not complying with NAAG's air-fare ad guidelines until a decision is reached. Judge Smith also said he'd consider Mr. Mattox's motion to dismiss the case as well as a motion to delay the case.

The airlines' suit was prompted by a Nov. 14 letter from Texas Assistant Attorney General Stephen Gardner to five carriers (AA, Nov. 21). The letter, also on behalf of four other states, said the carriers must include all footnoted surcharges in the advertised fare.

The states told the carriers that if they failed to include international surcharges (usually $23) in the advertised fare, they would be sued.

Specific U.S. Department of Transportation orders allow certain surcharges to be footnoted, pitting federal authority against the states.

After receiving the letter, many airlines, including British Airways, decided to comply with the states; others temporarily stopped adver-

(Continued on Page 89)

Campbell ran afoul of the Federal Trade Commission with this ad from Backer Spielvogel Bates, New York.

FTC attacks Campbell ad health claim

By STEVEN W. COLFORD and JUDANN DAGNOLI

Food marketers using health claims in advertising had better be prepared to disclose any ingredient that dilutes those claims, the Federal Trade Commission said in a complaint issued last week against Campbell Soup Co.

The complaint stems from a Campbell print ad that claimed its soups are low in fat and cholesterol and help reduce the risk of heart disease.

The FTC's complaint said the ad was misleading because it failed to disclose the soups are high in sodium and that might increase the risk of heart disease.

Campbell denied the FTC's charges, saying it will contest the case before an agency administrative law judge.

"We don't believe the ad is misleading," said David Hackney, manager of public relations.

The ad, part of Campbell's "Soup is good food" campaign, appeared mostly in women's service magazines during 1988 and is no longer running. It was created by Backer Spielvogel Bates, New York. The "Soup is good food" campaign was replaced last September with a return to Campbell's old "M'm m'm Good" theme.

The disputed ad said "a diet low in fat and cholesterol may reduce the risk of some forms of heart disease" but made no reference to the

(Continued on Page 89)

Shearson likely to ax McCann?

By JUDITH GRAHAM

NEW YORK—Shearson Lehman Hutton already is talking to Hal Riney & Partners as the brokerage compiles a list of agencies for a review of its $15 million account, now at McCann-Erickson Worldwide.

McCann, which recently hired new staff for the account, was "surprised and disappointed" by the move, said John J. Dooner Jr., president of McCann North America. He said the agency will try to keep the business.

But Cathleen Stewart, exec VP-marketing at the nation's second-largest brokerage company, was sounding last week as if a divorce was already final.

"It's like a marriage where everyone tries hard and in the end it just doesn't work," she said.

Ms. Stewart said Shearson was pleased with McCann's creative work but dissatisfied with the level of support from top executives and the quality of account services.

"The agency was not geared up for our kinds of demands," she said, adding that Shearson had expected more involvement from top agency executives.

Ms. Stewart said she didn't have a list of agency candidates but acknowledged that Shearson has started talking to Riney and other, undisclosed agencies.

Riney began working with E.F. Hutton & Co. just before it was bought by Shearson at the end of 1987; until the two brokers combined, Riney was expected to become agency of record on Hutton, which had handled advertising in-house.

Shearson is looking for a small to midsize agency with "extremely good creative and a very strong account management team" to handle the creative and production portions of its account, Ms. Stewart said.

Media buying will remain with Media Placement Services.

The review signals a re-evaluation of Shearson's advertising and almost certainly sounds the death knell for its recent corporate campaign featuring national figures,

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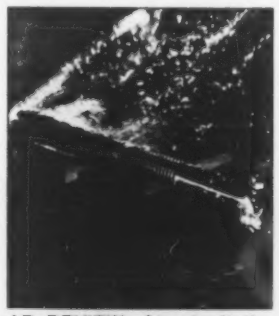
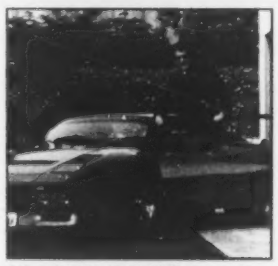


AD REVIEW: Atra isn't the best Gillette can get. P. 90.



SPECIAL REPORT: Automotive Marketing starts after P. 60.

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ABP MPA RED TAG ABC

Pepsi rises to top ad-recall spot

By SCOTT HUME

After billions of dollars and millions of hours were spent pondering how to allocate advertising dollars, the list of 1988's 10 best-recalled advertisers is little different from the 1987 list.

The final 1988 tally of ADVERTISING AGE's monthly adWatch survey showed Pepsi-Cola and Coca-Cola/-Coca-Cola Classic once again were the two best-recalled advertisers. But in 1988, they reversed positions, with Pepsi claiming the No. 1 spot.

Five advertisers—McDonald's Corp., California Raisin Advisory Board, Anheuser-Busch, Ford Motor Co. and General Motors Corp.'s Chevrolet division—even kept the same top 10 rankings as in 1987.

Miller Brewing Co. stayed in the top 10 but dropped to No. 9 in 1988 from No. 6 the year before.

That left room only for two new top 10 advertisers—politicians and Procter & Gamble Co.'s Tide laundry detergent.

The two advertisers that fell from the top 10 top-of-mind recall list were Chrysler Corp. and E&J Gallo Winery's Bartles & Jaymes coolers. Chrysler, No. 9 in 1987, finished 13th in 1988 (behind want ads in 11th and Toyota Motor Sales USA in 12th). Bartles & Jaymes, No. 10 in 1987, was somewhere back in the pack.

AdWatch is a joint project of ADVERTISING AGE and the Gallup Organization. Advertising awareness is measured by asking a nationally projectable sample to name the advertising that first comes to mind from all seen, heard or read in the previous 30 days. Each month, 1,000 respondents, interviewed by phone, are first asked for their overall first response and then the advertising they recall in a variety of categories.

For December, McDonald's advertising was tops in recall. Other advertisers in the month's top 10 were, in descending order, Ford, Chevrolet, Miller, Pepsi, California raisins, A-B's Budweiser/Bud Light, General Motors, K mart Corp. and Coca-Cola.

Final 1988 standings were reached by calculating average monthly responses.

In the individual categories for 1988:

- Ford easily outran the competition in the **cars and trucks** category, averaging a 22.8% share of first mentions. Chevrolet was second with an 18.6% share and Toyota third with 6.6%.
- Apple Computer was the year's winner in the **computer** category with an average monthly share of 31.2% of first mentions, vs. IBM Corp.'s 21.9% and Radio Shack's 2.5%.
- Nobody can do it like McDonald's can, as the chain's advertising once proclaimed. Big Mac continued to dominate its category as no other advertiser does. In 1988, it averaged 46.2% of first mentions in the **fast-food** category, while Burger King Corp. settled for 13.2% and Wendy's International averaged a 7.6% share.
- The story in the **soft-drink** category was the same as it was in the overall top 10 list: It was Pepsi-Cola Co.'s year on top. No. 2-selling Pepsi was the best-recalled advertiser in the category with an average 37.4% share of first mentions. Coca-Cola Co.'s Coca-Cola/Coca-Cola Classic was second with 29.9%.

The battle for third place was very tight, but Diet Coke won with a 3.38% average share, followed by Diet Pepsi's 3.35% and 3.3% for 7UP, marketed by Dr Pepper/-Seven-Up Cos.

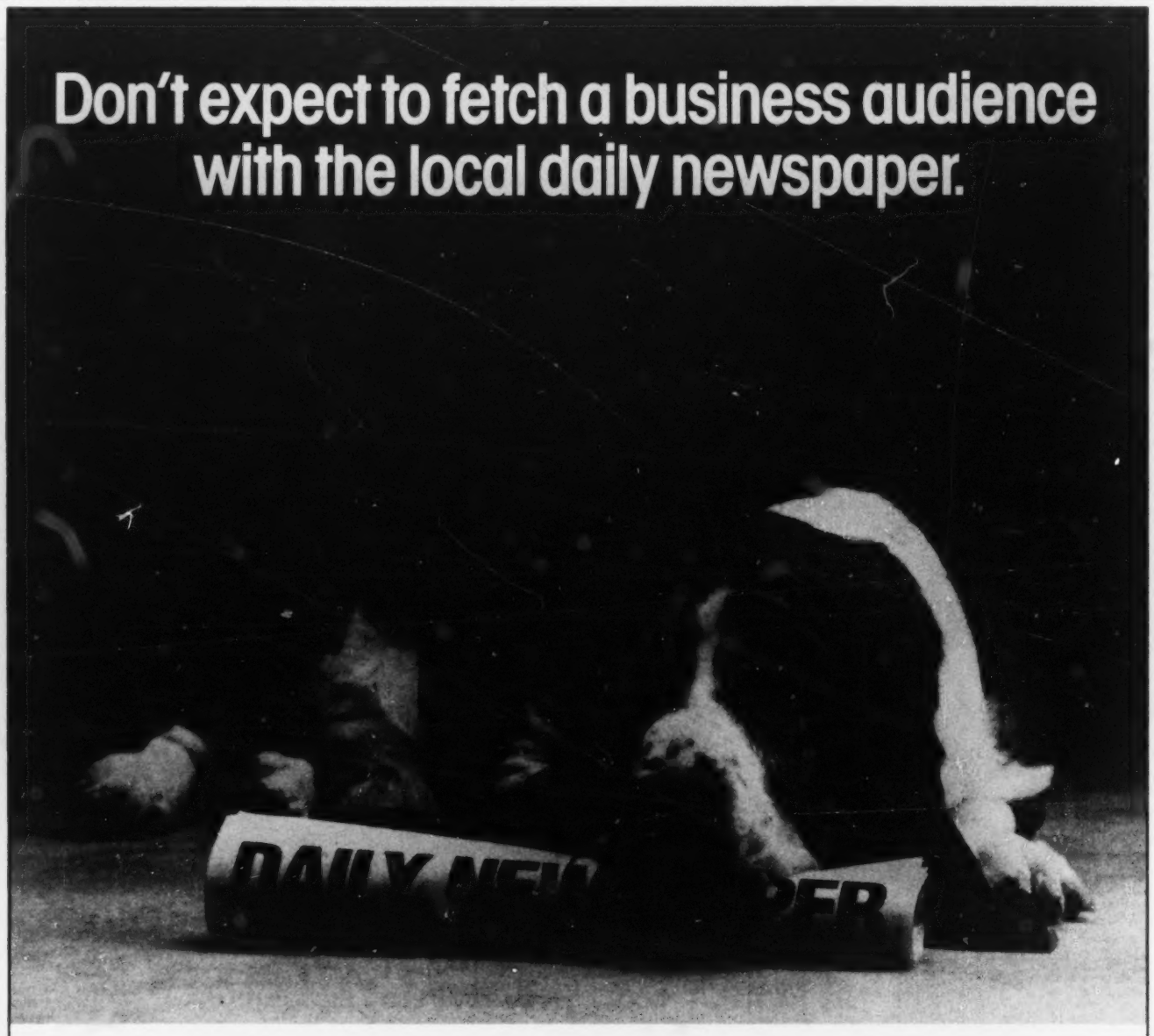
- One of the year's most interesting developments came in the **tire** category. Goodyear Tire & Rubber Co. and Michelin Tire Corp. began the year with nearly equal shares (18% and 16.9%, respectively). But a pair of new campaigns for its tires and its Certified Auto Services outlets—from Young & Rubicam, Detroit—put Goodyear out in front to stay. The final averages: Goodyear 23.3%, Michelin 18.6% and Firestone Tire & Rubber Co. 6.6%.
- Hal Riney may be gone, but Messrs. Bartles and Jaymes remain memorable characters. B&J parent Gallo was the winner in the **wine** category with an average 12.3% share of first mentions, followed by the cooler at 10.3% and 7.8% for Banfi Vinters' Riunite.#

For more information, contact the Gallup Organization, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

AdWatch survey of advertising awareness
Top 10 in 1988

Each month, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Below are the top 10 advertisers in average monthly responses for the year. Source: Gallup Organization, Lincoln, Neb.

Rank 1988	1987	Advertiser	Agency
1	2	Pepsi-Cola	BBDO Worldwide
2	1	Coca-Cola	McCann-Erickson
3	3	McDonald's	Leo Burnett USA
4	4	California raisins	Foote, Cone & Belding
5	5	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham
6	—	Political advertising	Various
7	7	Ford	J. Walter Thompson USA
8	8	Chevrolet	Lintas:Campbell-Ewald
9	6	Miller	J. Walter Thompson USA/Backer Spielvogel Bates
10	—	Tide	Saatchi & Saatchi Advertising



Using the daily newspaper to reach a local, upscale business audience is like trying to teach an old dog new tricks. But there is a better, easier, and more efficient media alternative. It's called THE NETWORK of City Business Journals.

THE NETWORK is comprised of more than 50 local business publications that cover 36 of the top 50 U.S. markets. Through this single source — and with only one call — you can pinpoint your buy to any group of markets you choose, and reach the highest caliber of business executives in an all-business, local editorial environment.

So if you're dog-tired of not reaching the right audience, and you'd like to be consulted about a better local business buy, call your NETWORK Representative at any of the Regional Sales Offices listed below.

THE NETWORK
of City Business Journals
America's Local Business Experts™

Atlanta (404) 249-8000
Chicago (312) 337-3981
Kansas City (HQ) (816) 753-4300
Los Angeles (213) 385-7230
New York (212) 573-6010
San Francisco (415) 391-6400

Int'l entries due Feb. 8

CHICAGO—ADVERTISING AGE is extending to Feb. 8 the deadline for entries in its International Agency of the Year competition.

Agencies wishing to participate must send their most creative print work and TV spots running in 1988. Please send ¾-inch Umatic videocassette tape—NTSC, Pal or Secam—with no more than two spots for one client and no more than 12 spots in all. Don't send 16mm or 35mm film reels.

Campaigns that ran in more than one country can only be submitted by the lead agency that created the bulk of the work.

Send entries to Julie Skur Hill, Assistant International Editor, ADVERTISING AGE, 740 Rush St., 60611. Phone: (312) 649-5489.#

Dealer ad groups flash their muscle

Fastest growing area of auto advertising wins respect, enthusiastic agencies

By Raymond Serafin

Hugh Trenkamp remembers when "a lot of people would say they didn't want to work on that 'dealer crap.' "

The senior VP-management director of the regional advertising group for J. Walter Thompson USA, Detroit, has seen those attitudes change dramatically in the 16 years he's been involved with dealer co-op ad groups.

Dealer ad groups make up the fastest growing tier of automotive advertising, with manufacturers and individual dealers on the other tiers. Between advertising their own stores and contributing to regional groups, new car and truck dealers are pouring money into advertising at a rate approaching $4 billion a year, according to the National Automobile Dealers Association.

That kind of money has reshaped a lot of thinking about dealer advertising. In the last few years, the entire category has grown fast: The billings, the importance to brand building, agency competition for accounts, marketing sophistication, and inevitably, the arguments between manufacturers and dealers over funding and control.

New car and truck dealerships spent $3.5 billion on advertising in 1987, a 9.4% increase from 1986, according to NADA. Tom Webb, senior economist for NADA, says preliminary data indicates that advertising as a percentage of total sales remained steady at 1.3% in 1988. With sales up an estimated 11% in 1988, dealer spending on advertising is about $3.9 billion.

"Dealers are, on the average, spending more than $300 per new car retail, which is an astonishing figure," says John Ferron, partner at J.D. Power & Associates, an automotive market-research specialist.

Texas region Ford dealers are foresaking more typical hard-sell for lifestyle vignettes in TV spots in the state.

The growth in the number of mega-dealers is helping drive up ad spending figures. A decade ago, less than 15% of dealerships were part of a "chain"—two or more dealerships owned by the same principals; the figure now is closer to 50%.

Mega-dealers generally are located in competitive metro markets and are big users of TV. Local dealers invested $371.4 million in TV in the top 75 markets monitored by Broadcast Advertisers Reports, a 9.6% increase from 1986, according to an analysis by Television Bureau of Advertising.

Another factor is the bigger role of dealer ad groups. Dealer co-op programs accounted for an estimated $1.1 billion in dealer spending in 1987 and are continuing to grow fast, says Mr. Webb. Factories provided an estimated $300 million in matching funds in 1987.

The growth in dealer group advertising is showing up in spot TV trends. Although spot figures include regional programs funded by manufacturers, the bulk of the spending comes from dealer ad associations, says Dick O'Donnell, VP-automotive for TvB.

In 1987, automotive spot TV spending hit $1.143 billion, up 24.8% from 1986, and surpassed network TV automotive spending by $228 million. For the first six months of 1988, automotive spot TV spending of $585.5 million was up 9.9% compared with the same period in 1987, according to TvB.

"The big growth has been in the last three to four years, as the manufacturers realized they don't sell the same models of cars and trucks in different regions," says Mr. O'Donnell. "Station wagons don't sell in Dallas, but they do in Boston."

Ford has been involved in co-op ad programs with dealers since 1936, but Mr. Trenkamp says that until recent years, it was a "hit and miss" proposition. Now, he says, dealer group advertising is more prominent than factory efforts in fiercely competitive markets such as Chicago.

"Dealers are buying upfront as if they were a division," says George Beech, exec VP-general manager, Birmingham, Mich.-based Bozell, Jacobs, Kenyon & Eckhardt, which handles 49 of the 52 Chrysler Motors' Chrysler-Plymouth dealer ad groups. "They demand a choice of quality creative, and they want you to spend their money intelligently."

Dealer groups are putting less emphasis on clearance sales in favor of "long-term marketing strategy," Mr. Trenkamp says. For example, JWT's work for a Texas dealer group features brand-building lifestyle vignettes, which are more common in national advertising.

Mr. Ferron says manufacturer incentives' advertising is blurring the distinctions between the three tiers of auto advertising.

"Co-op is doing much more product advertising to augment the shout of the manufacturer, and dealers are spending a higher percentage of their advertising dollars on product-related issues and less on creating dealership image," he says.

Some automakers, such as Chrysler Corp., Volkswagen of America, Mercedes-Benz and Ford's Lincoln-Mercury division steer their ad associations toward using the factory agency, contending it helps to convey a unified message

(Continued on Page S-14)

Power consolidates at mega-dealers

But the foothold for lesser brands can mean quick hook in tough times

By Patricia Strnad

Charles Darwin's theory of evolution may well fit the auto industry in a marketplace that is fostering the growth of mega-dealerships.

Mega-dealers—high-volume dealers usually owning multiple franchises—have become more commonplace as dealers diversify and reduce their reliance on a single brand.

The National Automobile Dealers Association estimates the 25,000 dealerships in the U.S. are owned by 17,000 dealer principals, as opposed to 28,850 dealerships owned by 25,100 dealers in 1979.

J. David Power III, president of J.D. Power & Associates, an automotive marketing information company, says the top 800 principals control 30% of the business. In the crowded U.S. vehicle market, mega-dealerships may pose serious problems for manufacturers of struggling brands such as Yugo and relatively new and unproven nameplates, says John Ferron, a partner at J.D. Power.

A dealer attitude survey conducted by J.D. Power in late 1987 showed that 30% of the mega-dealers indicated they might drop a brand within the next 12 months. In fact, 35% of Alfa Romeo dealers said they were considering dropping the brand. The same is true for 20% of Yugo dealers; 17% for Subaru; 15% for Peugeot; 13% for Volkswagen and 11% for Audi.

A soon-to-be-released survey indicates that newer franchises are having a tough time being considered a permanent part of any dealership portfolio, says Mr. Ferron. It indicates that the burden is on the manufacturer to prove its case, creating tension between dealers and manufacturers.

"I think it's harder for manufacturers if mega-dealers don't want them," says J. Rick Hendrick III, owner of Hendrick Management Corp., a dealership holding company. "If a franchise comes in the market and it just doesn't make sense and the manufacturer is asking for too much, they're going to have a hard time selling their program."

Manufacturers, recognizing the market is changing, are coming up with special dealer support programs that they feel will help encourage dealers to build the facilities they request. In fact, some manufacturers—especially those of lower-volume makes—are becoming more realistic in their negotiations with dealers about the size of facilities, whether they are exclusive, where they should be located and special financing, Mr. Ferron says.

"Dealers have more clout today," says Bob Henderson, general director of dealer operations for General Motors Corp.'s Buick division.

It's becoming "increasingly difficult for the divisions to deal with multiple dealer operators on a local level," he says. There is more of a tendency to deal on a regional basis because generally their operations encompass more than one geographic area.

Ford prefers to sign on the dealer who is "active in his community and who's going to be personally involved in operating that dealership on a day-to-day basis," says Al Kleinke, market representation manager for Ford Motor Co.'s Ford division. The manufacturers have abetted the mega-dealer trend by seeking successful dealers of other lines to carry their brands.

"Manufacturers want dealers with proven track records," says Mr. Hendrick. "The two things they look at when approving you is your market penetration and your CSI [customer satisfaction index]."

About four years ago General Motors Corp. relaxed its multiple-dealer investor policies, which restricted the number of dealerships a GM dealer could own and prohibited them from carrying imports.

"It becomes more difficult for the manufacturer as dealers become more different [from one another]. There are these large, high-volume operators trying to be creative in major impact markets that the manufacturer has to satisfy. But that dealer isn't anything like the [rural] Ford dealer who is dependent solely on Ford," Mr. Ferron says.

Dealer advertising

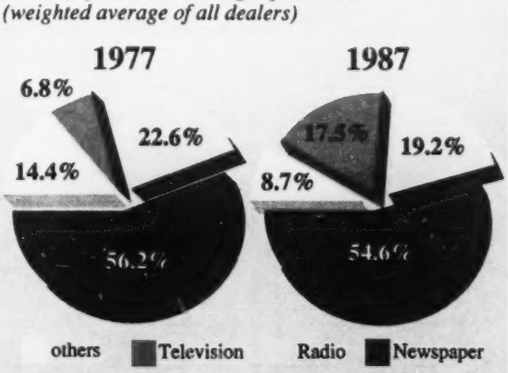
1987 expenses

By media used	Average of all dealers
Newspaper	$76,202
Radio	26,838
TV	24,466
Direct mail	5,429
Outdoor	2,610
Programs	1,172
Handouts & handbills	377
Displays & demos	1,396
Other	1,074
Total	**$139,564**
Total advertising as a % of total sales	**1.31%**
Total advertising per new vehicle sold	**$235**

Source: National Automobile Dealers Association

Auto dealer ad spending

Percent of total advertising expenditures (weighted average of all dealers)



Source: National Automobile Dealers Association Advertising Age graph: John Holland

MARKETING TO HISPANICS

Perspectivas

Edited by Ed Fitch

ON THE AIR

The big gets bigger. "Sabado Gigante," **Univision Network's** game/variety show, increased its domination of Spanish-language TV. According to just-released **Strategy Research Corp.** fall sweeps data, Saturday's 3½-hour giant grabbed a 38 rating, up from last spring's 37 rating.

Univision continued its reign, airing 22 of the top 25 shows. **Telemundo Group** had the No. 10 show among women 18 and older. Two Telemundo *novelas* ranked Nos. 9 and 10 among women 18 to 49 and 35 to 49; "MTV Internacional" ranked No. 7 among men 18 to 49 and 35 to 49. Otherwise, Univision broadcast the top 10 shows in each demographic category.

Telemundo points to gains among younger and male viewers and a 9% increase in network audience.

Univision executives look to the future. "We're thinking in five-year increments in terms of programming," said Joaquin Blaya, network president. "Not everything we do will be a success, but some new shows should help create a lineup that will take us where we want to be." Specifically, the network will introduce three new shows in March and April.

"Cristina," a live audience talk show, will slip into the Monday to Friday 5 p.m. slot, replacing a *novela*. The show will by hosted by Cristina Saralegui—"our Oprah Winfrey, our Dona Francisca," said Mr. Blaya.

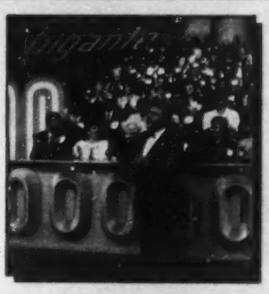
A half-hour "People's Court"-type show called "El Juez" ("The Judge") will debut at an unspecified time period. "I'm not saying we came up with the original idea, we're just adapting them," he said.

Perhaps the most ambitious project is a currently untitled one-hour, Monday through Friday morning children's show. Offering a mix of educational programming and cartoons, the show enters the twilight zone of Spanish TV where a 3 rating has been termed a success.

Telemundo will enter the children's arena as well, planning a two-hour block of children's programming for Saturday for next fall or early 1990, according to Carlos Barba, senior VP-programming. "We have strong competition from general market TV at that time and need to address and attract that audience," he said.

This fall the network will try to increase young adult viewing with "America Dance," a one-hour program that will air close to "MTV Internacional." Univision plans to grab Saturday night viewers with a 13-week "Saturday Night Live"-type show airing at 11 p.m. hosted by comedian Paul Rodriguez.

Telemundo also is planning a prime-time half-hour sitcom that will feature a Mexican woman married to a Cuban man. "It will be our version of Lucy and Desi," Mr. Barba said.



The giant reigns

Program	Rating
1. "Sabado Gigante"	38
2. "Primavera"	36
3. "Mi Nombre es Coraje"	33
4. "Extrano Retorno"	32
5. "Noticiero Univision"	27
6. Cinevision	20
7. "Alba Marina"	19
8. "Siempre en Domingo"	16
9. "Tu Musica"	15
"Noticiero Univision, Sabado"	15

Source: Strategy Research Corp., S*T*A*R Network Spanish Ratings, Fall 1988 sweeps

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PRINT MONITOR

PUBLISHER GIVES PRINT NEW IMAGE

Manny Casiano thinks U.S. Spanish-language magazine publishers are going about their business the wrong way.

"They try to satisfy everybody and end up not satisfying anybody," said the chairman and editor in chief of San Juan, Puerto Rico-based Casiano Communications. "You cannot satisfy all Hispanics with one publication. The guy in Miami doesn't care about what's happening in Texas."

For that reason, Mr. Casiano will introduce *Imagen Northeast* next month in Connecticut, Massachusetts, New Jersey, New York and Pennsylvania. The monthly is an offshoot of 3-year-old *Imagen*, a monthly lifestyle publication focusing on Puerto Rico's middle and upper-income families. Mr. Casiano expected December 1988 ABC-audited figures to show a 71,000 circulation, up from 60,000 in June.

Northeast will guarantee 30,000 circulation, of which Mr. Casiano hopes to sell 15,000 to 20,000 on 2,500 newsstands. He projects *Northeast*, which will carry a $2.50 cover price, to hit 50,000 circulation by yearend. The launch is being backed by a $500,000 TV, radio, direct-marketing campaign.

Ads comprise 22 pages of the launch issue's 120-page folio. Rates are $1,600 for a b&w page; $2,200 for color.

Mr. Casiano expects agencies will respond to the publication's audited circulation, saying existing publications are using "wild numbers."

Meg Bernot, media director, Publicidad Siboney, said its regional nature and *Imagen's* track record make *Northeast* attractive. "Enough products are targeted regionally in the market that this makes sense," she said.

Ms. Bernot said the new magazine's biggest competitor will be *Ahora*, a Univision publication due out this fall that will offer regional buys and an estimated 500,000 national circulation.

Manny Casiano, publisher of Puerto Rico's *Imagen*, says regionalization is the key to print success on the mainland.

Depending on *Northeast's* growth, Mr. Casiano will launch three other regional editions to serve Florida, Chicago/Texas and Southwest/California Hispanic markets.

He said quality competition would benefit *Northeast*. "How can advertisers justify spending the money producing print ads for a single magazine? We need more quality publications that can interest advertisers."

SHOP TALK

AGENCIES SEARCH FOR '90s FORMULA

Carlos Rossi, ceo of Conill Advertising, sums up the current state of the Hispanic agency business: "It's getting kind of interesting."

Facing market growth and its attendant competitiveness, Hispanic shops are searching for the right formula to create the next decade's ideal agency structure.

Mr. Rossi will steer Conill in two directions: inward and outward. The apparent contradiction reflects his assertion that Hispanic shops must be both a nationally oriented full-service agency and local retail specialist.

Conill will create an agency within an agency, with a separate staff dedicated to servicing local accounts. "Some local accounts are bigger than national clients, and clients are going [in the direction of regional marketing]," he said.

Conill also is setting its sights on becoming a one-stop agency, adding direct marketing and public relations. "We will be better prepared for a recession as a marketing services company. Clients may cut back on advertising, but not on promotion," Mr. Rossi said.

The promotional push is fueling a move to outlying offices. "Media and creativity can be done anywhere. I feel driven to open other offices because of promotions," said Paul Casanova, president, Casanova, Pendrill Publicidad.

Font & Vaamonde Associates is shopping for office space in San Antonio and recently opened offices in Los Angeles and Miami to bolster sales promotion capabilities.

"The Los Angeles office is being built as a full-service branch to also pitch local accounts, however," said Jeffrey Stein, exec VP, Grey Advertising, FoVa's partner. "There is enormous potential in local activity." FoVa will open a Chicago office by yearend primarily to service clients' promotional needs, he said.

It will have company. Mr. Rossi said, "We will be there [Chicago] by the end of 1989," and perhaps Miami and San Antonio.

Satellite offices are the only way the big will get bigger, said Roger Pisani, exec VP-managing director of Publicidad Siboney. "The greater your revenues, the better chance you have of attracting limited talent, doing better creative and getting more clients."

The move to outlying full-service offices will be limited because the business volume does not make it economically feasible, said Tere Zubizarreta, president, Zubi Advertising, Miami.

"Unless you got a $4 million account that demands more than service, it's hard to justify," said Mr. Casanova.

Dick Dillon, president of Mendoza, Dillon & Asociados, prefers to handle all activities out of his headquarters, "like Leo Burnett. I don't think satellites are necessarily going to produce more business." Clients want the best creative minds and account managers, and "those probably will be in the main office," he said.

■ Jorge Reynardus, former VP, general manager of **Castor Spanish International**, has formed **Hispanic Advertising & Marketing Services**, New York. The agency will target both marketers and general market agencies. "Every major Hispanic agency has a general market agency partner. We're here for the general market shops that don't have a partner," Mr Reyardus said.

PRODUCT AND ACCOUNT ACTIVITY

Procter & Gamble Co. will announce in San Antonio today "Fiesta Gigante," one of the company's largest 1989 Hispanic market promotion.

Don Francisco, the host of Spanish-language TV's No. 1 show, "Sabado Gigante," will headline the live events, which are being described by retailers familiar with the program as a combination variety show and product exposition. Other top Hispanic entertainers such as Lucha Villa and Alvaro Torres will be featured.

The first event will be held at San Antonio's Alamo Stadium on Feb. 18. It will travel to Houston, Santa Ana, Calif., and close at Belvedere Park in Los Angeles on March 26.

Bounty, Charmin, Crest, Downy, Folgers, Head & Shoulders, Pampers, Peptol-Bismol, Scope, Secret and Tide will be featured at on-site booths and in retail promotions. Consumers will receive a $2 or $5 discount off ticket prices with proof of purchase of one or two products, respectively.

P&G may open the event to other sponsors. The event and promotions will be backed by a TV, radio and print campaign. Ad budgets and event costs were not disclosed.

"For two or three years, P&G has been involved in special events with brand advertising, sales promotion and retail overlays. This is one of the biggest one to combine the elements," said Robert Jordan, Hispanic marketing manager-West.

"We're listening and responding to the needs of our retail customers and consumers," he said.

■ **L.A. Gear** breaks a sweepstakes promotion this week on **Telemundo Group's** "MTV Internacional," representing the company's first venture into Spanish-language TV. The winner will appear on the show as a guest video jockey, and receive a trip to a concert.

■ **Winchell's Donut Houses** to **Casanova, Pendrill Publicidad** on a project basis.

Winchell's "had made the classic mistake of just translating our English ads," said Kevin Murphy, VP-marketing and sales. The company primarily wants to start a dialogue with Hispanics in Southern California where it has strong store penetration. "Anybody in this business who is not making some kind of effort is being myopic."

The new campaign probably will break in the second quarter and expand "everywhere where it's appropriate," Mr. Murphy said.

■ **McDonald's Southeast Florida Association** to **Pantin Partnership**, a newly formed Miami-based public relations agency, for South Florida general market and Hispanic market public relations.

■ **Universal Studios** estimated $1 million account to **Valdes Zacky & Associates**.

■ **Heublein Inc.** to **IAC Advertising Group** on a project basis in South Florida for Jose Cuervo Tequila and Cognac Biscuit.

■ **White Rose Food Corp.** assigned ad responsibilities for its **Met Food Supermarket** to **Spanad**, which has changed its name from **SpanAmerica**.

■ **Frito-Lay**, which named **Martinez & Associates** its first Hispanic agency of record (AA, Jan. 9), ran an ad in *Fortune* today lauding the agency as its 1988 Minority Business Enterprise of the Year. Martinez had handled the company's Hispanic public and community relations program and minority business development efforts.

Martinez also was assigned **Southwestern Bell's** Minority and Women's Business Enterprise Program.

Grocery volume, dollar sales climb

By ALAN B. MILLER JR.

Grocery product unit sales grew only slightly in 1988, but dollar increases did a little better.

In the 475 package-goods product categories tracked by SAMI/Burke, total unit volume rose 1.5% and dollars were ahead 4.2% for the 52 weeks ended Nov. 4. One year earlier, the growth rate was 0.8% in units and 2.2% in dollars.

Inflation, drought-caused shortages and a change in product mixes to higher-quality items are among the reasons for the dollar increases.

New-product activity fell slightly in 1988. During the first 44 weeks of the year, 2,294 new brands appeared in one or more of SAMI's 54 markets, down 1.9% from a year earlier.

Still, volume gains in many grocery product categories can be traced to new-product activity, especially microwave products.

A gain of 191% in the miscellaneous prepared foods category is directly traceable to the rollouts of Top Shelf by Geo. A. Hormel & Co., Lunch Buckets by Dial Corp. and Minute Gourmet by Beatrice/Hunt-Wesson. Microwave popcorn sales increased 41.8%. Microwave frozen milkshakes made their appearance, and there were big gains for such microwave items as dessert baking mixes; canned meat stew, poultry products, chili and pasta dishes; and frozen fish, pot pies and prepared vegetables.

A new SAMI study of microwaveable product trends showed such items accounted for a little more than $1.7 billion in sales for the year ended Oct. 7. These products are found in 56 different product categories.

Shortages caused by last summer's drought and heat wave affected several categories. For example, lower water levels in the spawning grounds led to a 32.5% poundage decline in canned salmon for the 12 weeks ended Nov. 4.

In the canned vegetables category, declines ran 32.2% for peas, 23.6% for corn and 15.6% for green beans for the same period.

A number of health or diet factors help explain trend lines in other categories. Hot cereals, where oats was a health-associated buzz word, enjoyed a 12-week dollar gain of 24.2%. Ready-to-eat cereals with high bran or fiber content experienced a 27.6% gain. Light or low-calorie offerings were in vogue as evidenced by the 12-week increases for light canned peaches (23.6%), low-calorie salad dressings (31.6%) and low-cal mayonnaise/spoonable salad dressing (39.1%).

The increase in smaller households led to a growing volume for products in single-serve packaging. Portion packs helped expand the applesauce category's volume by 26%.

Del Monte USA's shelf-stable yogurt shack packs led to a gain of 112% in its category. Aseptic packs of juices and drinks are still growing at a rapid rate—17.1%.

In the dry grocery-non-foods area, only 10 categories showed dollar growth of 10% or more.

Dishwasher additives topped the list; sales gains by Eenckiser Consumer Products USA's Jet Dry helped lift the category by 46.5%. Adult incontinence products reported a 40.5% gain.

In the health & beauty aids segment, there were 11 product categories with 52-week growth rates of more than 10%. Feminine hygiene deodorants led with 29.2%, a result of the rollout of Beecham Products USA's Massengill feminine towelettes.

Suntan lotion and oil gained 15.9%, aided by an increase in the sale of sunscreens. Mouthwash volume grew 15.1%.#

Mr. Miller is a New York-based consultant to SAMI/Burke.

Hot product categories in 1988

52 weeks ending Nov. 4, 1988
Source: SAMI/Burke

	% change in dollar sales
Dry grocery: food	
Misc. prepared products	+191%
Sterilized milk & milk drinks	+61
Packaged diet candies	+38
Rice/grain cakes	+37
Non-alcoholic wine & malt	+36
Misc. snacks & dips	+34
Juice & juice drink concentrates	+31
Blended vegetable juices	+27
Bottled water	+27
Diet desserts	+26
Frozen foods	
Other frozen foods	+861
Frozen yogurt	+78
Sandwiches	+44
Misc. prepared foods	+43
Rice/rice combinations	+32
Misc. juices	+29
Vegetable/cheese sauce	+24
International style prepared vegetables	+23
Breakfasts	+23
Misc. prepared vegetables	+21
Refrigerated foods	
Puddings	+139
Misc. juices	+66
Misc. dough products	+30
Cookies	+26
Misc. items	+24
Orange juice	+18
Apple juice/cider	+16
Mexican food	+15
Dinner rolls	+14
Pie crust	+14
Dry grocery: non-food	
Dishwasher additives	+47
Adult incontinence products	+41
Plastic flatware	+17
Fireplace logs & bricks	+16
Plastic refuse bags	+16
Soap: bubble bath for children	+14
Rock salt	+13
Upholstery cleaners	+13
Food storage bags	+12
Mildew removers	+11
Health & beauty aids	
Feminine hygiene deodorants	+29
Suntan lotion-suntan oil	+16
Mouthwash	+15
Foot deodorant-athlete's foot remedies	+14
Laxatives & stool softeners	+14
Eye-care products	+12
First-aid antiseptics	+12
Deodorant & talcum powders	+12
Hair spray	+12
Hand & body cream	+12

NEW PRODUCTS ROUNDUP

These reports cover new-product introductions and line extensions.

BAKED GOODS

NORWALK, CONN.—**Pepperidge Farm** is introducing Very Thin Sliced Oatmeal Bread in East Coast markets, handled by Ogilvy & Mather, New York.

BEVERAGES

CINCINNATI—**United Brands'** Chiquita Brands unit is testing Tropical Squeeze, a pineapple/passion fruit 100% juice product, in the Northeast. Ammirati & Puris, New York, is the agency.

CINCINNATI—**Procter & Gamble Co.** in March will launch nationally two oat bran muffin mixes under its Duncan Hines label. N W Ayer, New York, handles.

BLEACH

OAKLAND, CALIF.—**Clorox Co.** in February will expand nationally Lemon Scent Clorox liquid bleach after a six-month test in Southwestern markets (AA, Aug. 1). Foote, Cone & Belding, San Francisco, handles the TV campaign.

DAIRY PRODUCTS

MINNEAPOLIS—**General Mills** this month introduces Yoplait Light, the first yogurt sweetened with NutraSweet to be available nationally. An introductory TV and print campaign from DDB Needham Worldwide, Chicago, starts in February.

PERSONAL CARE

MANITOWOC, WIS.—**Northern Laboratories** this month broke national print ads introducing Capri Moisturizing Bath Beads. Keller-Crescent, Evansville, Ind., is the agency.

CHASKA, MINN.—**Softsoap Enterprises** is testing Softpack, a liquid soap refill package. TV spots are airing in the Seattle and Minneapolis test markets via Miller Meester Advertising, Minneapolis. Cash Plus, Minneapolis, places media.

SANDWICHES

DALLAS—**Jimmy Dean Meat Co.** has introduced all-beef MiniBurgers in six markets: Baltimore, central Pennsylvania, Philadelphia and Dallas, Houston and San Antonio, Texas. TV and a free standing insert support. Berry-Brown, Dallas, handled the TV, and Static Graphics, a division of Krause & Young, Dallas, did the FSI.

VITAMINS

FORT WASHINGTON, PA.—**McNeil Consumer Products Co.**, a unit of Johnson & Johnson, is testing Johnson & Johnson Sesame Street vitamins in Florida. Advertising is believed to be handled in-house.#

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Ad Age revises 'top advertisers'

The following correction and restatements are for profiles in ADVERTISING AGE'S *"100 Leading National Advertisers" report appearing Sept. 28, 1988:*

- Coniston Partners was the major participant in Gillette Co.'s buyback of 16 million shares, not the recipient of the $720 million repurchase at $45 per share (P. 78).
- The American Brands office supply units, Master Lock Co., Prestige Group, Acushnet Co. and Foot-Joy, were part of American Brands before the E-II purchase, which added Day-Timers and Vogel Peterson, among others, to the division (P. 4).
- AT&T Co.'s headquarters are at 550 Madison Ave., New York 10022-3297. Also, Dick Martin should have been listed as VP-PR and advertising for AT&T Network/Technologies and Serino Coyne as the agency for all advertising for corporate arts and underwriting including "AT&T Presents." Mark Schoenfeld is senior VP-account manager (P. 16).
- Warner-Lambert Co. incorrectly reported its product assignments. The correct roster is as follows: for the American Chicle Group, J. Walter Thompson USA, New York, handles Clorets, Halls, Trident, Sticklets, Chewels, Bubblicious, Fiji Fruits and Chiclets; for the Consumer Health Products Group, JWT handles Listerine, Listermint With Fluoride, Anusol, Schick, Personal Touch, e.p.t., Sinutab and Lubriderm; Young & Rubicam, New York, handles Certs, Certs Mini-Mints, Dentyne, Rolaids, Rascals, Candilicious and Remegel for the American Chicle Group and Efferdent for the Consumer Health Products Group; Sudler & Hennessey, New York, handles Caladryl, Benadryl Spray & Cream, Benadryl Capsules & Elixir, Myadec, Tucks, Mediquell and Promega for the Consumer Health Products Group; Thomas G. Ferguson Associates, Parsippany, N.J., handles professional/trade programs (P. 144).
- Joe Uzzolina is director of new business at Colgate-Palmolive Co. He was identified as manager of new business (P. 54).#

2/10/89 C2710-1

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Riney angles for $50M

Saturn dealers charmed by shop

By RAYMOND SERAFIN

Hal Riney & Partners is in line for an additional $40 million to $50 million in Saturn business from dealer groups.

Enthusiasm for Mr. Riney and his San Francisco-based agency by Saturn Corp.'s new dealers indicates that business will be added to an estimated $80 million to $100 million in factory advertising.

The first 26 Saturn dealers were introduced last week at the 72nd annual National Automobile Dealers Association convention in New Orleans.

Mr. Riney, who was at that meeting, said the agency is "involved in most of the discussions about all of the things that are going on, from positioning to the look of the dealerships themselves—most of the things that will eventually affect Saturn's image."

Even though it's a year and a half before the first Saturn cars hit the market, the agency has already contributed to Saturn sales by "selling" some top dealer prospects on signing for a franchise.

"Riney helped close me," said Robert Maguire, using the expression that salesmen use to describe a deal clincher. Mr. Maguire is a Bordentown, N.J., Chevrolet dealer who has the Saturn franchise for the central New Jersey area.

He said he was particularly impressed with a 3-minute film the agency produced for internal Saturn use, titled "The Love Affair With the Automobile."

"I was just that much more impressed with Saturn. I thought, if his agency's going to be involved with the marketing of Saturn, I want to be a Saturn dealer," Mr. Maguire said.

John Campbell III, who acquired the Saturn franchise for the Anaheim-Whittier area in California, said of the film, "It tugged at me. It was the kind of approach that got you emotionally involved with the product."

Mr. Campbell said he believes Saturn advertising will take an emotional approach.

He and Mr. Maguire both said they favored Riney handling dealer group work for their areas.

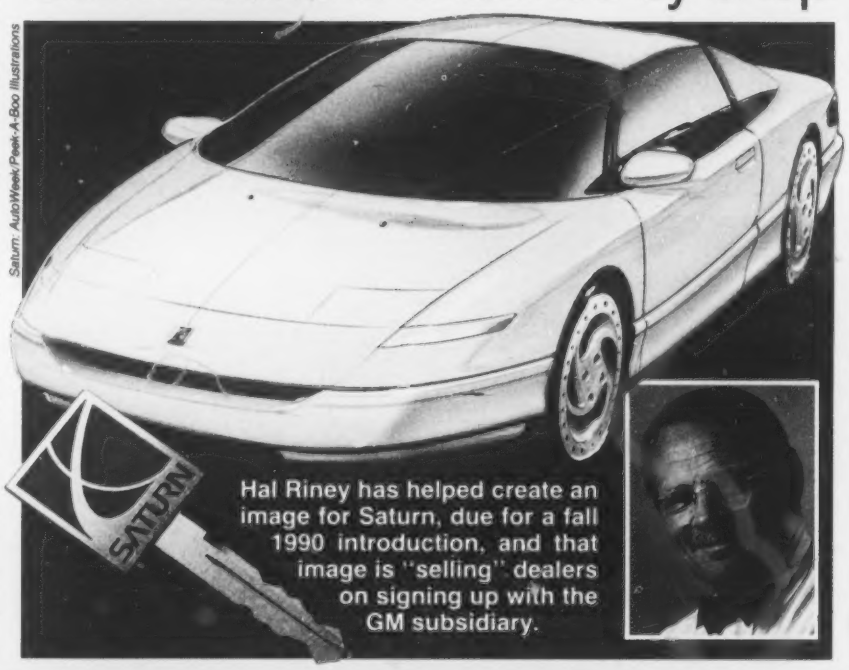
Saturn dealers will be free to choose their own agency for regional ad work, but Saturn will encourage them to go with Riney, said Donald Hudler, VP-marketing. "We would hope that it would be Riney, because we can have a more consistent message."

Saturn brings prospective dealers to Michigan for thorough briefings on the company before they make any commitments (an initial investment of $2 million to $4 million is needed for a franchise).

During their stay, Saturn executives discuss the lengthy selection process used to choose an agency, then show examples of Riney's work, including "Love Affair," a reel of commercials for other clients and a film shot near the Saturn assembly facility in Spring Hill, Tenn., which shows youngsters talking about their perceptions of Saturn.

The film with children was used in

(Continued on Page 62)



Saturn: AutoWeek Peek-A-Boo illustrations

Hal Riney has helped create an image for Saturn, due for a fall 1990 introduction, and that image is "selling" dealers on signing up with the GM subsidiary.

Ad columnists duke it out at 'Times,' 'Wall St. Journal'

By PATRICK REILLY

NEW YORK—News coverage of media, marketing and advertising issues has become a cornerstone in the fight for ad dollars between *The Wall Street Journal* and *The New York Times*.

WSJ stepped up the battle last week with the launch of its first-ever "Advertising" column, written by reporter Joanne Lipman, 27, to serve as the linchpin of the newspaper's "Marketing & Media" page.

The column is a clear-cut counterpoint to the *Times'* own long-running "Advertising" column, which anchors the newspaper's daily "Media Business" page in the "Business Day" section. The *Times* column is written by Randall Rothenberg, 32.

Hanging in the balance for each paper is revenue from media advertisers, which use adjacencies to both columns to reach agency media planners and senior marketing executives.

Possibly more important, the media and marketing pages also represent anchors as each paper attempts to gain new advertisers and regain lost linage following a yearlong slump.

It's too soon to judge the value of Ms. Lipman's column, a number of agency and media executives said. But it's also too early to judge the effectiveness of Mr. Rothenberg, who was named advertising columnist in October after the unexpected death of longtime columnist Philip Dougherty.

It was during Mr. Dougherty's tenure that the *Times'* ad column became a magnet for media advertisers; for those unable to receive mention in Mr. Dougherty's column, it was important to be near it.

"It is a little too early to say who is winning the competition, but considering their lack of proximity to the street, Madison Avenue, the *Journal* is doing a pretty good job," said Leo Scullin, senior VP-director of print relations at Young & Rubicam.

On Monday, Jan. 30, Ms. Lipman's debut column began with a news item about two leading ad agencies. The *Times* column that day was dominated by an item about a new cable TV show based on *Cable Guide*, and ran in its usual place inside the "Business Day" section.

But the *Times* countered the next day by uncharacteristically starting Mr. Rothenberg's column on the front page of the section and keeping it there for three days straight.

As far as advertising goes, *Time* magazine at least recognized the step *WSJ* was taking and ran a full-length, half-page ad, costing about $45,000, adjacent to Ms. Lipman's first column.

"We ran in the Monday to take advantage of the additional publicity that would go with the start of the new column," said Ellen Oppenheim,

(Continued on Page 62)

Last Minute News

Coke hits Pepsi's counterpunch

ATLANTA—Coca-Cola USA blasted Pepsi-Cola Co.'s new rebuttal spot last Friday and said it's challenging the commercial with the TV networks. Pepsi is putting heavy media weight behind the spot lampooning Diet Coke's claim that Diet Coke is gaining ground against sugared Pepsi. The Diet Pepsi spot says Diet Pepsi is gaining ground against Diet Coke and pokes fun at Diet Coke's 3-D effort on Super Bowl XXIII *(see earlier story on Page 4)*. Agencies are BBDO Worldwide, New York, for Pepsi and Lintas:New York for the Diet Coke spots.

Zayre unit picks Davis shop

FULLERTON, CALIF.—Zayre's HomeClub hired Davis, Ball & Colombatto, Los Angeles, to handle its $15 million retail account. Meanwhile, HomeClub is suing Admarketing, Los Angeles, which resigned the account in December to take on competitor Home Depot's $25 million account. HomeClub's suit, filed in Los Angeles County Superior Court, seeks to block Admarketing from creating ads for Home Depot.

Retailer considers $20M review

NEW YORK—One of the nation's largest consumer-electronics retailers has started submitting

(Continued on Page 8)

U.B.U. B. G.O.N.E.—P. 3
Meredith eyes '90s—P. 52
Focus on retailing—P. 57

BEST COPY AVAILABLE

Florida-type ad tax surfaces

By STEVEN W. COLFORD

Oregon and South Dakota threw down the ad-tax gauntlet last week with proposals unnervingly reminiscent of what triggered a battle in Florida.

Although the South Dakota measure would extend the state's 4% sales tax to all in-state advertising, including media billings and creative, the Oregon bill generated greater waves of concern within the advertising, broadcasting and film industries.

Already a meeting has been scheduled for Feb. 10 in Portland between officials of the Oregon Department of Revenue, which proposed the measure, and as many as 30 representatives from affected industries, including advertising.

The Oregon bill is considered more troublesome by the ad industry's state-monitoring arm, the State Advertising Coalition, for at least two major reasons:

- It could prompt other states to embrace similar proposals.
- It relies on an audience-viewing formula that first appeared in the Florida tax fight two years ago and which, if widely accepted, would provide a surer path to direct taxation of local and national advertising.

On its surface, the Oregon measure appears to be a concern for broadcasters; its main thrust is to allow the state to levy its 6.6% gross receipts tax on the revenues of CBS, ABC, NBC and other broadcast and cable networks not headquartered in Oregon.

The Oregon bill also appears to carry at least the tacit approval of newly elected Democrat Gov. Neil Goldschmidt. Revenue department Administrator James Brown said all legislation proposed by state agencies goes across Gov. Goldschmidt's desk before being introduced in the Legislature.

According to advertising and broadcasting industry analyses, the Oregon bill would apply the state's gross receipts tax to network revenues in a ratio determined by Oregon's percentage of the network's national viewing audience.

Because ad revenues comprise the bulk of network income, the Oregon initiative gives pause to advertisers.

"That apportionment scheme could be used in other contexts for national advertising," said American Advertising Federation Senior VP Wally Snyder. "We oppose this measure . . . and would want to discourage states from taxing corporations outside their borders. If all 50 states, or even two or three, do it, it becomes very burdensome for corporations, whether it's under a sales tax, gross receipts tax or what."

That formula of relying on state audience as percentage of national audience was at the heart of Florida's attempt to levy its sales tax on national advertising.

The Oregon measure was a major topic of concern within the ad industry last week as it pondered the bill's potential for setting a precedent and its reach for businesses outside the state.

The bill is so potentially troublesome that it overshadowed last week's introduction in the South Dakota Legislature of a bill to tax advertising. That bill would repeal in-state

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IBM's new shops roll out first ads

By JON LAFAYETTE

IBM Corp. has discharged most members of the "M*A*S*H" cast who'd been featured in the computer marketer's ads since April 1987.

Alan Alda, however, has a long-term contract, and any future role is "under development," the company said. The actor joined his former TV series colleagues in January 1988.

The slogan "The bigger picture" has also been scrapped, but its successor is unclear.

The first network TV commercials from Lintas:New York, one of IBM's two new agencies, began airing late last month for the PS/2. Those spots close with the line, "When you're thinking ahead, you're thinking IBM."

Though the line was part of Lintas' presentation that won the account, it probably won't be used in long-term campaigns.

IBM also launched a new print campaign last week for its AS/400 midrange computer via Wells, Rich, Greene, its other new agency.

The agencies replaced Lord, Geller, Federico, Einstein, which lost the $138 million account after its senior executives walked out to form a new agency last year.

IBM plans to launch an umbrella campaign in the second quarter for the PS/2, which is facing stiff competition from a group of rival personal computer marketers. Product-specific ads via Lintas will support the umbrella campaign, the IBM spokesman said.

At the same time, IBM plans to launch what it calls a market-image umbrella campaign via WRG. The effort is intended to show how IBM responds to customer needs and solves problems, the spokesman said. WRG is also working on a new corporate campaign.

In the meantime, WRG has placed a multipage corporate ad in current editions of business magazines. The ad, similar to one done by Lord Geller a year ago, shows new products and innovations.

IBM's plan for a layered advertising effort reflects the company's hierarchical and bureaucratic structure. Despite efforts to streamline its marketing and advertising departments, all decisions apparently still pass through a staggering number of approval layers, causing delays.

The process is made more complicated by continuing turnover in IBM's marketing ranks, sources said.

At the same time, the agencies' job has been made more difficult because the assignments given Lintas and WRG overlap to a certain extent. This arrangement already has led to intramural rivalries and turf fights.#

Alan Radding in Boston contributed to this story.

Yugo shop mulls filing $2.8M suit

By RAYMOND SERAFIN

Yugo America agency Lambert/-Dale says it plans to sue a Wall Street investment banking company if it can't collect on Yugo's approximately $2.8 million advertising-related debts.

Most of this debt is owed to media and production-related companies.

Paul Lambert, the New York agency's president, said Mabon, Nugent & Co., a major stockholder in Yugo parent Global Motors, directed operations for Yugo America, the importer and marketer of the low-price car.

But the investment company denied that its involvement extended beyond financial advice, setting the stage for a court fight that would be closely watched in ad circles if Global Motors fails in its reorganization attempt.

Global Motors last week filed for protection under Chapter 11 of the federal bankruptcy law. At the same time, the car's Yugoslavian manufacturer, Zavodi Crvena Zastava, assumed management responsibility and promised an infusion of cash to reorganize the company.

The Chapter 11 filing lists Lambert/Dale as the largest unsecured creditor. Mr. Lambert said the $2.8 million includes about $400,000 owed to the agency in fees, with the rest owed on orders placed by Lambert/Dale acting as agent for Yugo America.

Turner Broadcasting System pre-

(Continued on Page 62)

Special Report

College magazines—the next generation

Where publishing heavyweights tried and failed, a new batch tests their mettle with lean, highly targeted books

By Patrick Reilly

The sudden boom in new national magazines for the college market is proving that one publisher's debacle can be another's opportunity.

Following last spring's demise of three national college magazines from major publishers—*Newsweek on Campus*, McGraw-Hill Inc.'s *Business Week Careers* and Whittle Communication's *Campus Voice*—publishers appeared unable to bear the high costs of producing slick magazines for college students.

That shakeout has partly triggered a flood of new campus publications, many of which are more highly targeted and operate with lower overheads but still attract national advertisers.

"The campus market is really picking up again with some promising publications," says Shannon Eadon, VP-associate media director, Rosenfeld, Sirowitz, Humphrey & Strauss, New York. "What old and new publishers have learned is that distribution has to be targeted and the editorial has to speak to students' real needs."

A number of major publishers and media companies have kept their hand in the college market, where the estimated enrollment is more than 12 million, according to the Center for Education.

For example, Time Inc. acquired *Dorm* magazine in 1987, changed its name to *Student Life*, and redesigned the twice-a-year magazine in 1988. Whittle relaunched *Campus Voice* in August 1988 on 360 campuses as a free-standing kiosk, carrying editorial panels covering jobs & careers, news and leisure. And in November, U.S. News & World Report Inc. formed a partnership with the publisher of *CampusUSA* to launch CampusUSA Wallboards in March *(See story below)*.

Close behind them are many new or recently launched college magazines or media properties. While advertisers and agency media directors say they are cautious about the publications, observers say the new crop holds some promise.

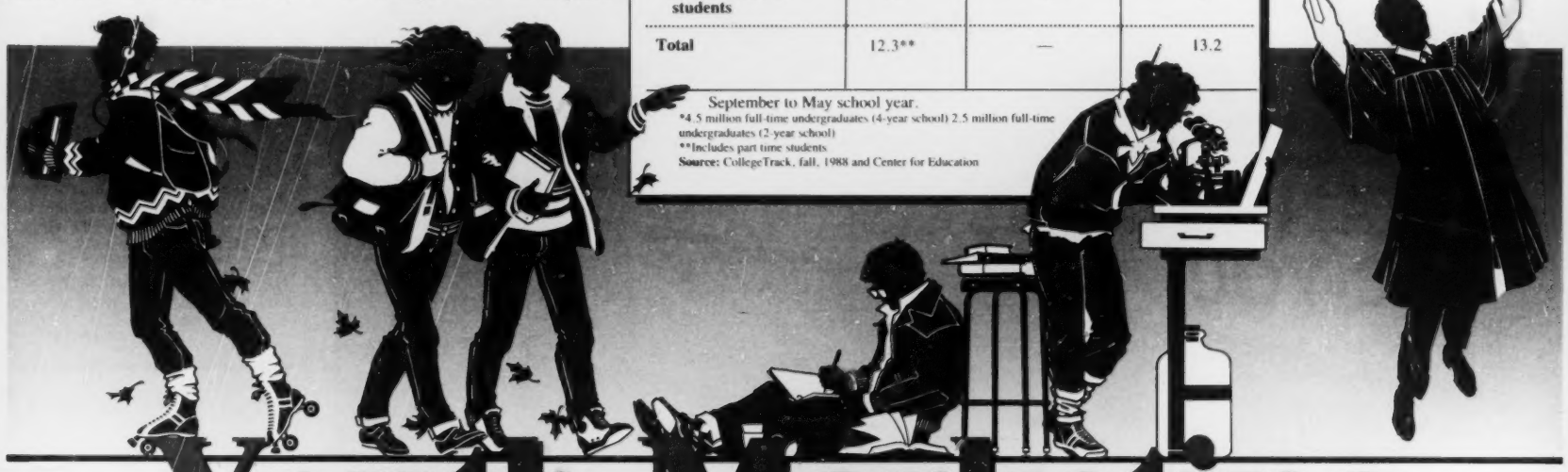
(Continued on Page S-2)

Mad money

Discretionary dollars a study of college market's power

	Number of students *(in millions)*	Monthly discretionary spending *(dollars per month)*	Total annual discretionary spending *(in billions)*
Full-time undergraduates *(2 and 4 year schools)*	7*	$155	10.5
Full-time graduate students	1.8	148	2.7
Total	12.3**	—	13.2

September to May school year.
*4.5 million full-time undergraduates (4-year school) 2.5 million full-time undergraduates (2-year school)
**Includes part time students
Source: CollegeTrack, fall, 1988 and Center for Education



Youth Marketing

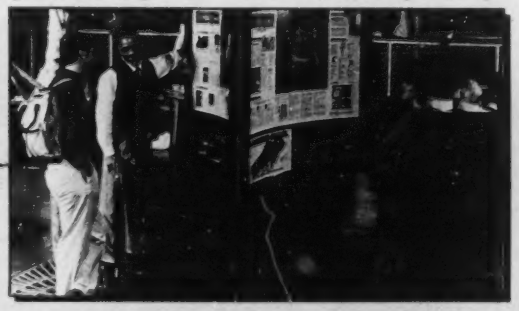
Taking college boards seriously

Whittle, CampusUSA battle for wall space, students' eyes as marketers try to capture attention on campus

By Leslie Gilbert

CampusUSA magazine is going to the wall for college students, launching its new Wallboard media program in March.

The program is similar to the editorial wall media programs Whittle Communications has championed for the last eight years, first as The Wallpaper Journal and now as Campus Voice. Unlike Whittle, CampusUSA, a joint venture between U.S. News & World Report Inc. and Collegiate Marketing & Communications, has no plans to preempt its quarterly magazine in favor of the every-other-weekly Wallboard program.



Campus Voice kiosks are on 360 campuses and are expected to hit gross revenues of $10.5 million for the school year.

According to Bill Harris, exec VP of *U.S. News & World Report*, "We want to keep a presence in [the college] market as much for the future as for today." CampusUSA should fare better than many of the college magazines because its costs are lower, he says.

"A magazine is a terrific vehicle to reach the broad-based college market," says Dan Snyder, CM&C president. "Wallboards reach market [segments] within the college market."

CampusUSA Wallboards focus on eight subjects: business, computers, health, men's life, music, night life, sports and women's life. Editorially, Campus Voice wall media focuses on three areas: news, leisure and careers.

Rebecca Scroggins, exec VP-publisher of Wallboards and former marketing director at Whittle Communications, says Wallboards make more sense than magazines for some advertisers. "Wallboard is designed for impact, awareness and continuous presence so it makes sense for impulse items and for new products."

Joe Venaglia, president of College Market Consultants, agrees. "For the advertiser who is now learning to communicate in 15 seconds, I would recommend [wall media] because they give maximum exposure, and immediate and repetitive impact."

David Pugliese, AT&T college market manager says, "Wall media is a critical component of our media plan because it's an interactive medium. College newspapers are the largest component and magazines vary the most from plan to plan because they come and go so frequently."

AT&T began advertising with Whittle when the wall media program still had one advertiser per board instead of the two now featured. "Personally, I like an exclusive position, but the key is that the actual editorial piece is at-

(Continued on Page S-5)

CampusUSA's Wallboards are single-sponsored units with information topics ranging from sports to computers.

Leslie Gilbert is an ADVERTISING AGE *correspondent based in New York.*

Back to school

Freshman class of magazines demonstrate potential

The market looked bleak for college magazines this time last year. Big-name publishers, backed by deep pockets, were dropping out, indicating a less than healthy future for college magazines.

A new class of magazines is stepping in to fill the vacancy, however, with an eye toward eliminating distribution glitches that have plagued the medium. A selection of new college publications includes:

■ *CV, The College Magazine* from Millicom Inc. The title stands for "career vision and campus vision," says Marian Salzman, president and editor in chief.

The premiere issue will be distributed to 250 colleges, including 60 "traditionally black" campuses, early this month with an estimated circulation of more than 1 million. *CV* will distribute about 60% through the career placement office on campus but will also insert copies into the campus newspaper. The magazine will appear six times a year with an editorial focus on careers and lifestyle. Advertisers in premiere issue include Nissan, Apple Computer and Smith-Corona.

■ *Volume*, a general-interest magazine due in the fall from Alan Weston Communications.

In prototype now, *Volume* will appear twice each semester, with 1.2 million controlled circulation, mailed directly to students at campuses. It will offer male/female demographic editions to advertisers.

The magazine will use "contract publishing" techniques such as offering product exclusivity for advertisers buying an entire year of issues, and limit the number of ad pages per issue to about one-third.

"Advertisers are being challenged to find ways to break through the clutter, and [*Volume*] offers them the chance," according to President Larry Smuckler. Each issue will be based around a special theme "universally important to the generation," he says. The four themes are sex, humor, photojournalism, plus an "interactive" issue.

The company is implementing one overall ad rate—$58,000 per page—for both b&w and color ads and have different rates for the women and men-targeted advertiser, $47,100 and $34,125 respectively.

■ *Eyes*, a "serious" monthly newsmagazine from TenFifty Publications due March 9 on several California campuses, including UCLA and Stanford. It is billed as the "newsmagazine for the next generation."

The circulation will be about 100,000 through inserts in college newspapers and direct mailings to students and parents. Plans are to expand to 200,000 circulation in 1990 and expand to national distribution.

■ Whittle Communications will launch a new college magazine in the fall with a single sponsor—possibly a major cosmetic marketer—according to sources close to the company. Chairman Christopher Whittle did not confirm the launch and says only the company is developing several new properties aimed at the college market.

■ *Great Opportunities For Today's Collegian*, a once-a-semester magazine that is essentially a catalog of ads with coupons.

The title comes from Follett Corp., the largest contract manager of college bookstores. Follett will distribute more than 1 million copies of *Great Opportunities* each January and August at about 300 Follett-operated bookstores. The debut issue in January carried ads from Radio Shack, Sears Discover card and CBS/Columbia House, among others.

—Patrick Reilly

Great Opportunities For Today's Collegian and Eyes join "upperclassman" Campus Connection in the college field.

Generation

(Continued from Page S-1)

Key to their success will be solving one problem that has plagued earlier attempts. Many magazines failed to attract national advertisers because of poor distribution.

"You can have the most wonderful editorial product and if it doesn't get into students hands, it's wasted for the advertiser," says Jonathan Bulkeley, publisher of *Student Life*. "You don't want to end up as campus junk."

A number of college magazines now use direct mail to ensure delivery. *Student Life*, with a circulation of about 1.2 million, is mailed directly to student post office box numbers at 570 campuses.

Campus Connection, a 6-year-old annual guide magazine, published by Uncommon Solutions uses a mass distribution method for its 81 different editions going to 256 campuses with copies distributed by local student organizations.

"The distribution has gotten better as the competition has increased," says Eric Weil, president of Strategic Marketing Communications, publisher of *College Marketing Annual*.

Beyond distribution, industry observers say the new batch of publications are simply offering a better editorial product.

Ms. Eadon says established magazines such as *Student Life* are now more credible, while new ones such as *CV* and *Volume* "look like they might be strong. The problem remains an editorial one. The successful college magazine is tuning into students' needs, providing information on campus entertainment or careers or general news issues that affect them directly." □

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Word of mouth travels fastest

Determining when kids become regular product users continues to be as elusive as the fountain of youth

By Beth Bogart

While marketers, researchers and ad agencies aren't sure when brand loyalty is established among youths, no one wants to enter the marketing fray too late.

"Companies are realizing the importance of the youth market, such as car companies who want to develop brand loyalty, knowing that college students who buy lower-priced models will eventually be upgrading," says Robin Sanderson, senior VP at MarketSource, a target marketing company.

"It appears loyalties are being formed earlier and earlier," says Stuart Hochwert, exec VP, American Passage, a full-service marketing and media company. The rise in single-parent households and the pervasiveness of TV advertising are major reasons, he says.

"Kids are doing more and more of the shopping," Mr. Hochwert says. "While parents may have a preference, a teen-ager often has a suggestion of his own."

Increasingly, companies are advertising to the age bracket just younger than the age group that actually will purchase and use their product, Mr. Hochwert says.

Marketers don't create trends, they simply alter strategies to meet existing trends, says Irving Plonskier, who monitors high school and college print publications as print services supervisor at Young & Rubicam, New York. "The way lifestyles have changed means teens have more money and freedom," he says. "They don't have to go to dad for $5 for the movies, they make that decision alone."

Beth Bogart is a free-lance writer based in Washington D.C.

Participation in household grocery shopping

I plan my household's meals:	
High school students	10%
College students	21%
Non-student youth	22%
Total youth	17%
I usually do some of the grocery shopping:	
High school students	10%
College students	23%
Non-student youth	24%
Total youth	21%
I usually choose which brands to buy:	
High school students	50%
College students	35%
Non-student youth	32%
Total youth	27%

Source: HTI division of The NPD Group, 1986

Ms. Sanderson contends teen loyalties are anything but permanent. MarketSource research indicates 50% of students switch brands on certain products when they enter college. Last December's The College Panel survey—a joint effort of MarketSource and Decisions Center Inc.—shows 66% switch shampoo; 45%, shaving cream; 42%, mouthwash, and 37%, toothpaste.

"It cuts both ways," she says. "You could say 50% not changing shows brand loyalty developed young, or the fact that 50% changed shows that college students are open to changing loyalty."

MarketSource began researching the college market in 1975, but has now expanded to include teens, young children and their mothers.

American Passage also is moving toward younger kids, having unveiled GymBoards last September. GymBoards consist of three panels: one a chalkboard, one for articles aimed at youths and the third for an advertiser. They are currently in the locker rooms of 2,000 junior and high schools, says Mr. Hochwert, adding that Gillette Co. and Procter & Gamble Co. have been regular advertisers.

Gillette recently launched an ad campaign for Atra razor blades aimed at high school and college men after company research indicated that loyalty was strong among men older than 40, but non-existent among younger men. "The commercials are an emotional appeal aimed at communicating a new, aggressive image for Atra," says Michele Szynal, assistant manager of corporate media relations. "We're targeting younger men to try and regain that loyalty."

Predicting the changing tastes of American youth is difficult because most studies target specific age groups and do not follow a group's preferences over time. Researchers may know that changes in preference have occurred, but may not know why, say industry sources. Ms. Sanderson says The College Panel is working on tracking changes in college students' tastes as they move into adulthood—one of the first efforts of its kind.

Mr. Hochwert says the most surprising trend he has seen in the last two years is cooking and baking supplies marketers placing ads that target the college market, once the sole domain of women's services magazines.

"Word of mouth velocity is very important to the youth market," he says. "News travels fast if it's good, twice as fast if it's bad." [ ]

'Kids are so fickle'

Children don't have long-term loyalties, according to Karen Forcade, president of Youth Research, Brookfield, Conn., a company that conducts studies with children as young as 6 years old for clients such as ABC, Chesebrough-Pond's, General Foods, Hallmark Cards, Nabisco Brands and Ralston Purina.

Karen Forcade

"Right now, there isn't any way to accurately forecast with children. Kids are so fickle, it's really either hit or miss," she says.

The key to gaining what loyalty kids have is to first use advertising to catch their attention and to then develop new accessories so they don't get bored with the product, Ms. Forcade says. "Everything for children and even teens is media driven, and if their peer group has it then they want it." To that end, Youth Research screens for "outgoing, trendsetting kids" in junior high and high school.

"We're looking for kids who are the captain of the football team or a cheerleader because they're the kids who are going to set the style," Ms. Forcade says.

Youth Research then centers its efforts on trying to reach these kids. "Developing media strategies is hard, even finding the right words," she says. "Two years ago it was 'awesome,' but that's passe now."

—Beth Bogart

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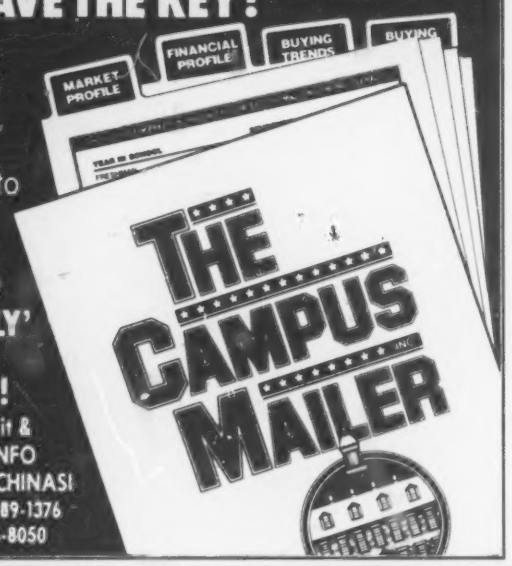

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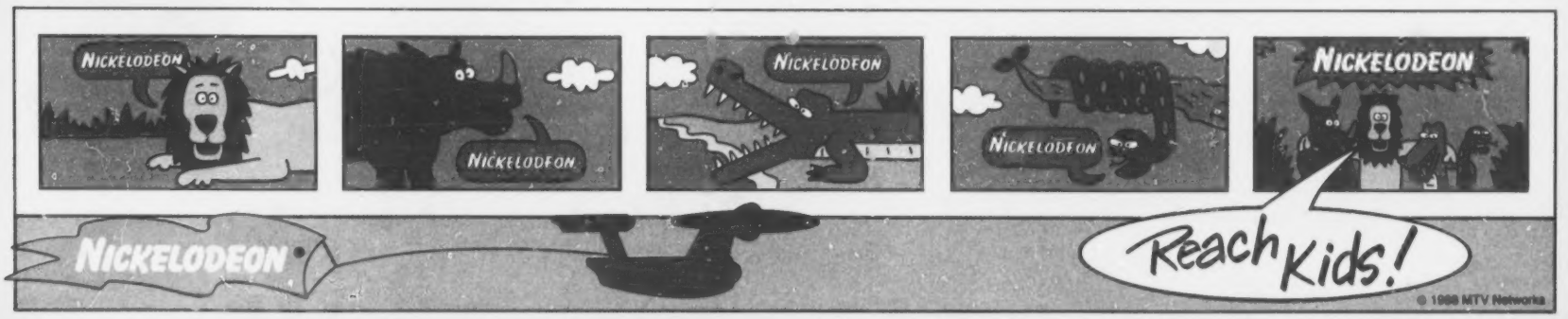


National college media use

College student daily TV viewing

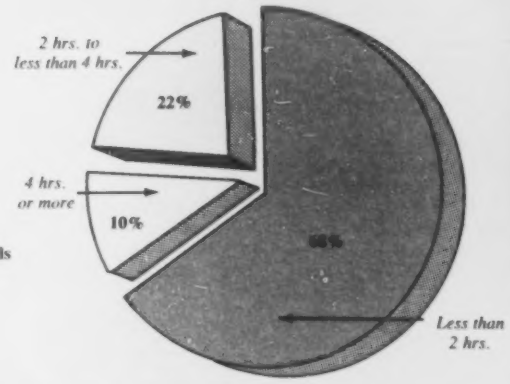
	Less than 1 hr./day	More than 1 hr./day
Before noon	94%	6%
Noon to 6 p.m.	75	25
6 p.m. to bedtime	38	62

Newspaper readership by college students

	Total students	Full-time undergrads
College newspaper read in one week	70.7%	85.2%

Source: SMRB Study of College Market Publications, 1988, sponsored by The American Collegiate Network

Time spent listening to the radio
(per day)



Calvin Klein's Obsession was chosen as the favorite print ad by students participating in the ADVERTISING AGE poll.

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MEDIA WATCH

Media use
(Average hours per day)

Radio—2 hrs. 32 min. **39.7%**
TV—2 hrs. 17 min. **35.8%**
Newspaper—50 min. **13.1%**
Magazine—44 min. **11.5%**

Do you read campus magazines?

Yes	No
48%	52%

Have you ever responded to the following?

	Yes	No
Direct-mail	21.4%	78.6%
Samples	29.3	70.7
On-campus promotion	56.6	43.4

Top 5 radio ads
(16.9% response rate)

1. Bud Light
2. Miller Lite
3. McDonald's Nutri-System
5. Motel 6

Favorite TV spot
(70.5% response rate)
Miller Lite

Favorite print ad
(53.4% response rate)
Obsession

TV spot that best represents your age group
(64.5% response rate)
Levi's 501

Print ad that best represents your age group
(48.8% response rate)
Obsession

Favorite TV shows
(89.2% response rate)

1. The Cosby Show
2. Cheers
3. L.A. Law
4. Thirtysomething
5. Family Ties
6. Growing Pains
7. Wonder Years
8. Days of Our Lives
9. David Letterman
10. MASH

Favorite magazines
(100% response rate)

1. Time
2. Glamour
3. Sports Illustrated
4. Cosmopolitan
5. Newsweek
6. Vogue
7. Elle (tie)
   People
   Rolling Stone
10. Mademoiselle

Source: Advertisng Age polled advertising/marketing/communications and journalism students at 12 colleges across the country
Compiled by Jill L. Sherer

Associate editor Anita M. Busch coordinated this report on Youth Marketing.

Coming
Next week ADVERTISING AGE's Special Report will focus on **Marketing to Hispanics.**

DIRECT MARKETING

Agencies see slowing growth

Wunderman reports billings drop

By ALISON FAHEY

Several of the nation's largest direct-response agencies failed to meet executives' expected 1988 growth rates.

Ogilvy & Mather Direct and FCB Direct fell short of projections of 10%-to-15% growth; other agencies had forecast "modest" increases.

Many direct-response agencies posted only single-digit gains in 1988, faced with a mature direct-marketing industry, cutbacks in client spending spurred by the October 1987 stock market tumble and an uncertain economy.

The gains represent a steep decline from direct-response agencies' heyday in the early 1980s when growth averaged 30% (AA, Jan. 11, 1988).

The single-digit growth rates for other leading direct-response agencies are in line with the overall expected 1988 gains for general ad agencies of about 7%.

Advertisers spent $2.4 billion in direct-response categories through agencies in 1987, the most recent year for which ADVERTISING AGE estimates are available.

A major client loss prevented Wunderman Worldwide, New York, from getting even a single-digit gain.

The Young & Rubicam direct-response agency saw a "modest decline" in billings in 1988, said Richard Stollenwerck, exec VP-group general manager. Yearend figures weren't available; in 1987, billings were $260 million.

Wunderman last year lost the IBM Corp. account to Grey Direct and completed a major portion of an AT&T Co. project.

"In general, clients were managing closer and asking more for less," Mr. Stollenwerck said.

"In the U.S., direct marketing is matured, established, and it's a market share fight," said Howard Draft, president, Kobs & Draft, Chicago.

Kobs & Draft's billings grew 5.9% to $90 million. Mr. Draft predicted 8%-to-10% domestic gains in 1989.

"The stock market crash contributed to the slowdown. Not only did financial services clients cut back spending but general companies spent more conservatively," said George Wiedemann, chairman and president at Grey Direct, New York.

"In the U.S., direct marketing is matured, established, and it's a market share fight."
—Howard Draft
President
Kobs & Draft

The agency's capitalized billings based on fee and commission income were up 5.9% to $108 million in 1988, but Mr. Wiedemann is feeling bullish about 1989.

"Grey Direct will do better [in 1989] than the category at large because of solid new business," he said.

During 1988, Grey picked up the U.S. Department of Treasury's $22 million U.S. Olympics coin account, along with business from New York Telephone Co. and Chemical Bank (AA, Jan. 23).

Grey expects double-digit gains in 1989 compared with single-digit growth for most direct-response agencies, Mr. Wiedemann said.

O&M Direct reported billings rose 4.6% to $272 million, said Howard Meiner, chief financial officer.

The slowdown is a result of spending cuts from financial services clients and a leveling off in growth of some key clients, said President William Morrissey.

But O&M's outlook for 1989 is one of the most optimistic among direct-response agencies. "We could easily get back to 15%-to-20% [gains], if not 10%," Mr. Morrissey said, noting a resurgence in new-client business.

Billings for FCB Direct, San Francisco, rose 2.7% to $151 million, said Freeman Gosden Jr., chairman-direct marketing, Foote, Cone & Belding Communications.

"It was not a magnificent year; it was generally tight," said Michael Seymour, president and chairman of MARCOA DR Group, New York, an Omnicom Group unit. "Our revenues are up and our income is up." Specific agency figures weren't available yet; in 1988, MARCOA's billings totaled $108 million.

Despite the leveling off of growth in recent years and the relatively dim forecast for 1989, many agency executives foresee another big growth curve in three to five years.

As data-base technology improves, direct-response agencies will be able to convince non-traditional fields to join the ranks of direct marketing.

Direct-response agencies "have to go after 'new tryers' that may not be using direct marketing," said Wunderman's Mr. Stollenwerck.#

DIRECT-RESPONSE BILLINGS

Most of the large direct-response agencies posted single-digit growth rates in 1988. (Billings in millions of dollars.)

	1987	1988	% chg
Ogilvy & Mather Direct	$260	$272	4.6%
Wunderman Worldwide*	260	—	—
FCB Direct	147	151	2.7
MARCOA DR Group	108	—	—
Grey Direct	102	108	5.9
Kobs & Draft	85	90	5.9

*Wunderman reported "modest declines" for 1988, but yearend figures aren't available.
Source: Agency reports.

Computers are standing by

By JUDITH GRAHAM

Network and cable TV stations could soon be jockeying for a larger share of promotional budgets because of new technology that greatly increases the number of callers who can respond simultaneously to TV spots.

The new, interactive telephone technology was developed by FDR Interactive Technologies, an American Express Co. affiliate.

It allows as many as 30,000 consumers to respond at once to promotional offers, advertising, consumer polls or other participatory programming.

"On an hourly basis, that translates into as many as 1.8 million calls.

Consumers can respond to offers via toll-free numbers or "900" numbers that carry a charge. At the direction of computerized voice messages, consumers can record responses by pressing buttons on the phone. The system also has the ability to "read" voices, translating them into digitized information collected by computers.

The system's capacity is its most distinctive feature. To match it, a live system would need 30,000 operators working the phones.

So far, the only national network equipped to handle 900-number calls, run by AT&T Co., is reported to have a capacity of 10,000 calls per minute.

Capital Cities/ABC Video Enterprises will be the first major broadcaster to test the FDR Interactive technology this spring through West Coast stations.

A launch of national programming could come as early as this fall, said Herb Granath, Cap Cities/-ABC Video president.

So far, no advertisers have signed up for the test.

"The most important use I see for cable and network is the potential to compete for promotional ad budgets," Mr. Granath said. "For instance, I could see Procter & Gamble running a one-minute spot for six products, with a $1-off offer at the end."

As many as 30,000 consumers can respond at once to participatory programming.

Consumers could call a toll-free number listed at the end of the commercial to get a coupon in the mail, he said.

Ronald A. Katz, FDR Interactive president-ceo, sees the same potential.

"Mass merchandisers have never really been able to move merchandise on TV" through promotions, he said, because there was no way to get immediate responses. "Now, it is highly likely that advertisers will find part or all of the cost of their advertising will be paid by the ability to sell through merchandise on TV."

Mr. Katz acknowledged that it's not clear yet how interested consumers will be in the technology.

MGM/UA Telecommunications also has signed on with FDR Interactive. MGM/UA plans to incorporate the interactive technology in "Hotline," a syndicated game show premiering this fall.

The show is believed to be the first major syndicated effort inviting interactive audience participation.

"The technology has tremendous potential to differentiate broadcasters," said Norman Horowitz, MGM/-UA president-ceo.

Also, Talisman Communications Corp. has signed with FDR Interactive and will be exploring applications for marketers. Talisman specializes in new interactive communications.

Its first effort will be a national time and weather 900-number sponsored by a major financial services or travel company, said Lisa Broderick, Talisman president-ceo. The line should be up and running in a few months, she said.

During the summer, another financial services marketer plans to test a toll-free response ad via network and spot commercials, she said.#

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FOCUS ON RETAILING

Modest ad gains

Retailers plan 3.9% boost in '89

By JUDITH GRAHAM

Despite pressure to slash operating costs, retailers plan modest boosts in their ad budgets this year.

Ad spending, excluding co-op, will rise an average 3.9%, according to the Retail Advertising Conference's first survey of retail ad plans. Co-op budgets will be up an average 5.7%.

"Retailers could have reined in advertising for any number of reasons," said Douglas Raymond, RAC president. "But instead, their response to radical changes in the industry seems to be healthy, with smart merchants continuing to be aggressive risk-takers looking for new ways to sell."

RAC mailed its survey to all 380 of its retail members. Results of the survey are based on 96 replies, or a response rate of 25.3%.

In the survey, the spending outlook varies considerably by retail category. For instance, among rapidly growing mass merchandisers, ad budgets are expected to rise 5.2%.

But in the beleaguered department store category, large chains are raising ad spending only 3.3%, while small chains are expected to cut budgets by 1.1%.

On the competitive front, all eyes will be trained on the nation's No. 1 merchant, Sears, Roebuck & Co., which is due to start an ad blitz supporting its new "everyday low-price" strategy on March 1 (AA, Jan. 16).

Despite enormous publicity related to the change, details of Sears' strategy still aren't clear, and competitors remain uncertain about how its moves will affect their business.

Still, regardless of its strategy, Sears is likely to provoke a flurry of advertising responses from rivals.

Despite indications from the RAC survey, ad budgets could be hurt by retailers' renewed emphasis on customer service, said Robert Gottlieb, senior VP-director of marketing at Jordan Marsh Co.

Funds for hiring, training and rewarding sales staff will be drawn from ad budgets, he said, leaving retailers scrambling to make less advertising more productive.

"We can't afford it all. We have to establish priorities, and the biggest payback without a doubt is in the store," Mr. Gottlieb said.

"The customer service culture will either make or break . . . merchants in the 1990s," he said. "The plain truth is that you can get the customer in the store with advertising, but if you mistreat her at the sales counter, you lose her."

In 1989, stores also will continue to experiment with new media mixes and fresh programs to cultivate and maintain customer loyalty.

Direct mail, in particular, will become more important as merchants explore ways to target messages to customers.

In the RAC survey, retailers reported that an average 9.2% of ad budgets will be spent on direct-mail catalogs and another 5.6% on direct-mail brochures.

Combined, that places direct-marketing efforts at 14.8%, just behind newspaper inserts, which will consume 18.3% of spending, and newspaper run of press, the largest spending category at 36.7%.

Large department stores and women's, men's and children's specialty stores lead the catalog charge, with catalog budgets of 15.6% and 15%, respectively.

Small department stores direct 9% of their budgets at brochures; women's, men's and children's specialty stores spend 8.9% on brochures.

Despite widespread interest in TV advertising, retailers said they would commit only 10.8% of their ad budgets to that medium, with another 1.3% spent on cable.

Home furnishings stores (with 19.4% of their budgets in TV) and home repair/-hardware stores (with 17.2%) expressed the strongest interest in TV.

Women's, men's and children's specialty stores showed the weakest interest, with only 0.9% of their budgets allocated to TV.

Large and small department stores were also lukewarm about TV: They said they'd commit 7.4% and 6% of ad budgets to the medium, respectively.

The most notable finding for co-op advertising was a 0.1% falloff predicted for women's, men's and children's specialty stores.

"Specialty stores are fighting to keep their identities, so they're turning away from co-op, which tends to sell vendors' products at the expense of the store itself," RAC's Mr. Raymond said.

In line with traditional arrangements, most retail marketers (76.3%) handle ad budgets, excluding co-op, in-house.

The same is true of those using direct mail (excluding co-op); according to the survey, 86% of those marketers handle direct efforts themselves.#

Retailers seek to end era of price cuts

By JUDITH GRAHAM

Retailers will struggle this year to break free of ingrained price-cutting habits and to create new store formats that respond to customers' changing needs.

If they succeed, retail advertising could be transformed.

"In my opinion, this will be one of the most important years in retail advertising in the last 25 years," said Morris Saffer, chairman of Saffer Advertising, Toronto, and the Retail Advertising Conference.

Retailers' major effort in 1989 will be to pry themselves loose from price-cutting habits. During the past several years, price-oriented appeals have assumed increasing importance, gradually training consumers to become avid bargain shoppers.

Merchants scored their first victory during the recently ended Christmas season by controlling inventory and reducing the number of unplanned promotions featuring deeply discounted merchandise.

"You'll see an honest attempt at curtailing the '40% off' syndrome," predicted RAC President Douglas Raymond. "Retailers will get back to selling the stores as brands and stop giving the store away."

Experimentation with new store formats, such as hypermarkets and superstores, also will be an important theme as retailers search for ways to make shopping easy and enjoyable for consumers.

"We've reached a watershed point when the original concepts that fed the growth of a Sears, Montgomery Ward and Penney no longer hold," Mr. Saffer said. "Stores have to change completely to prepare themselves for the 1990s."

In the new retail environment, consumers will demand better information from stores and shop elsewhere if they're not convinced that a retailer has anything special to offer.

"Consumers are the smartest they've ever been" and less inclined than ever to swallow pitches based on hype, said Carol Farmer, president of Carol Farmer Associates. "To the consumer of today, loyalty is nothing more or less than the absence of something better."

In terms of advertising, this translates into a movement away from pure image ads. "Superficial, glossy image advertising will not work the same way for retailers anymore," Mr. Saffer predicted.

Instead, retailers' advertising will concentrate on specific selling points, emphasizing selection, pricing policy, service or unique merchandising strategies. The goal will be to nurture relationships with customers, not to make the quick sale.

Once their basic messages become known, merchants will be able to depend less on advertising to stimulate sales and rely more on the intrinsic strength of their stores. The store itself will become the primary marketing vehicle, Mr. Saffer said.

Three merchants that have contributed to the transformation of the retail industry also have pointed the way to this marketing future.

One is Wal-Mart Stores, the nation's third-largest and fastest-growing retailer, which has taught the industry the meaning of "everyday low prices."

In 1987, the most recent full year for which figures are available, Wal-Mart spent only $80.4 million on advertising, compared with $886.5 million for No. 1 ranked Sears, Roebuck & Co. and $631.8 million for No. 2 ranked K mart Corp.

Unlike K mart, which distributes weekly ad circulars promoting merchandise and sales, Wal-Mart produces only 12 to 13 circulars a year. The rest of the time it relies on loyal customers to come to its stores for value and selection.

Another groundbreaker is Toys "R" Us. It transformed toy retailing from a seasonal to a year-round business, helping to create the "super specialty store" concept along the way.

Despite its undisputed leadership position, Toys "R" Us spent only $13.9 million on measured media in 1987, according to Leading National Advertisers.

"They have no veneer, no aura—the marks by which merchants have traditionally distinguished themselves. They just happen to be a better place to buy children's merchandise than anyplace else," Mr. Saffer said.

The third example is The Limited, the nation's most powerful specialty women's apparel chain. It spent only $3.2 million on measured media in 1987, according to LNA, or a fraction of what its lumbering department store competitors spent.

The trick employed by The Limited is to make the fashion excitement, the merchandising appeal, the store image happen in the store. Virtually all its marketing budget goes to carefully planned and regularly changed in-store displays, Limited executives said.#

K mart's Fare-sized store

American Fare, K mart Corp.'s first hypermarket, opened 20 miles east of Atlanta Jan. 29. The 244,000-square-foot store, a joint venture with the Bruno's grocery chain, offers everything from produce to bicycles to clothing under one roof. Dilorio, Wergeles, New York, handles advertising.

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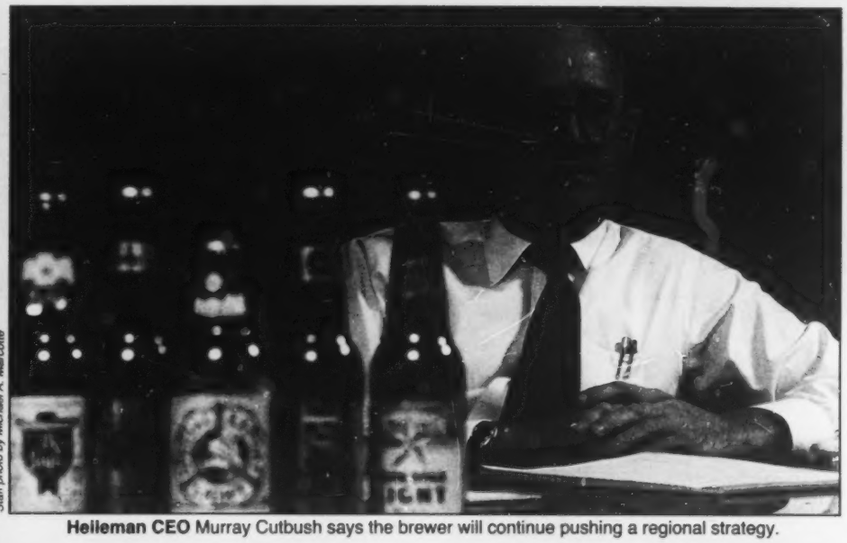


Staff photo by Michael A. Marcotte

Heileman CEO Murray Cutbush says the brewer will continue pushing a regional strategy.

Heileman in high gear

New beers will tap into $40M advertising budget

By IRA TEINOWITZ

G. Heileman Brewing Co. will test in the U.S. Castlemaine XXXX, a popular brew marketed by Bond Brewing in Australia and the U.K.

Castlemaine will be marketed as either an import or an Australian-style domestic brew. Sources say it will be supported with advertising that uses the award-winning work done overseas by Saatchi & Saatchi, London.

In addition, Heileman will test in several markets the first dry malt liquor, under its Colt 45 brand, and break five regional ad campaigns for its other brands.

In the process, the brewer, owned by Bond Corp. Holdings, will make good on its pledge to increase marketing expenditures by boosting ad spending 25% this year to about $40 million.

"Last year, we demonstrated that we are here for the long term," said Ian S. Crichton, senior exec VP-marketing and sales for Heileman, referring to the company's first year as a Bond division. "We didn't just walk in, pour money in and

(Continued on Page 66)

Nissan halts $35M print ad schedule

By CLEVELAND HORTON

Nissan Motor Corp. USA, in a stunning move, abruptly canceled its $35 million-plus consumer print schedule for the rest of the 1989 model year.

Nissan said it's shifting the entire print budget into additional spot TV time.

The print massacre hits *Time, Newsweek, People* and *Rolling Stone* the hardest. *Sports Illustrated* will get a limited number of racing-related ads; it, too, loses its larger product-ad schedule.

Only car and truck enthusiast publications escaped the knife.

"I'm in a state of shock," said Howard Smith, publisher of *Newsweek*, after getting the pullout confirmation from Nissan.

"We want to use the dollars freed up [from the print schedule] tactically, where they are needed," said Terry Foutz, Nissan national car advertising manager. "We want to align our national dollars with our regional dollars for a combined impact."

Mr. Foutz said the decision isn't an indictment of print. The company and agency Chiat/Day, Venice, Calif., debated the issue at length before taking the action, he said.

"It was a joint decision [between Nissan and the agency], and we support it," said Tom Patty, Chiat/Day exec VP-management supervisor, who called the move a response to a "tactical need."

"We had anticipated slightly lower pages from Nissan in 1989, but not to this extent," *Newsweek's* Mr. Smith said. "It is an abrupt and surprising turn for them."

Nissan's magazine ad spending had increased dramatically in recent years. The Japanese automaker spent $36 million in all consumer magazines last year, sources said, with $13 million, or 36%, going into the three major newsweeklies. In 1987, Nissan spent $19.6 million in all consumer magazines; $6.5 million, or 33%, of that went to the newsweeklies.

Nissan spends about $280 million in total media advertising through Chiat/Day—an estimated $200 million in national ads and $80 million in regional ads. The regional plan replaced spending formerly handled by Nissan dealer associations.

Nissan had "spent a lot of

(Continued on Page 67)

Military sounds TV retreat

By JANET MEYERS

WASHINGTON—Military recruitment advertising, accounting for about $200 million annually in recent years, is being slashed even as recruiting lags.

The deepest cuts are in TV, where the military in the 1980s used award-winning commercials to polish an image tarnished by Vietnam.

The U.S. Army, always the largest TV advertiser among the services, has cut its fiscal 1989 TV budget by 20% to $21.6 million. That's the Army's smallest TV spending plan in more than five years.

The Navy has no plans to buy TV time with its 1989 ad budget of $15 million. The Navy aired its first TV campaign from new agency BBDO Worldwide, New York, for six weeks last year; the effort's chances of resurfacing appear dim.

"We feel that with any budget below $20 million we don't have enough money to be on TV and make an impact," said Capt. Robert Kelly, Navy director of recruitment advertising. "We've gradually shifted from TV to radio, and next year we may have to downsize radio. Our purchasing power has never been lower."

The four services project combined paid TV spending of $40.8 million for the fiscal year ending Sept. 30, a 33% decline from 1986.

The 1987 figure was $53.9 million and 1988's was $51.8 million.

Total military ad spending for all media and production will be about $185 million this fiscal year, down 10% from a high of $206 million in 1986.

The Marines' budget has shrunk so much that the Corps is ending a flight of TV spots earlier than expected and overhauling a public service campaign to help bolster recruiting.

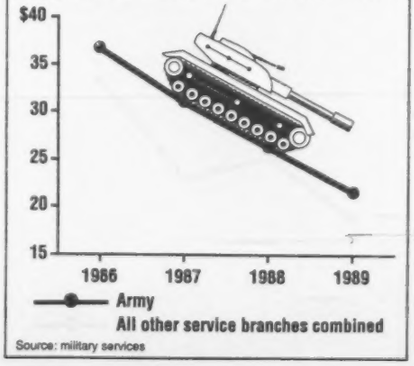
Only the military's "corporate," or joint service, effort has been on the upswing.

The joint program, a generic appeal for youth to join the armed

(Continued on Page 67)

ARMY LEADS THE WAY

Network and spot TV ad spending in millions of dollars by the military services for each fiscal year, Oct. 1 to Sept. 30. Figures for 1989 are service estimates.



Source: military services

JOHN HALL

Last Minute News

Maxwell House up for review

RYE BROOK, N.Y.—General Foods is reviewing its $50 million U.S. Maxwell House coffee account now at Ogilvy & Mather, New York. Besides the incumbent, other General Foods agencies including D'Arcy Masius Benton & Bowles, Young & Rubicam and Grey Advertising, all New York, are believed to be pitching the business. The company wouldn't say whether non-General Foods agencies are being considered.

BK asks Ayer to restructure

MIAMI—Burger King last week asked N W Ayer to restructure the way the agency handles the fast-food chain's $200 million account. Ayer offices that handle Burger King business (New York, Los Angeles, Atlanta and Chicago) will each handle account services, media and creative autonomously and report to Burger King's regional marketing

(Continued on Page 8)

Absolut plays dress-up—P. 4
Bert Sugar still boxes—P. 32
David Ogilvy returns—P. 47

Conn. catches ad-tax fever

By STEVEN W. COLFORD

Connecticut jumped to the head of the "let's-tax-advertising" brigade last week with a legislative proposal to extend its 7.5% sales tax to state and national advertising.

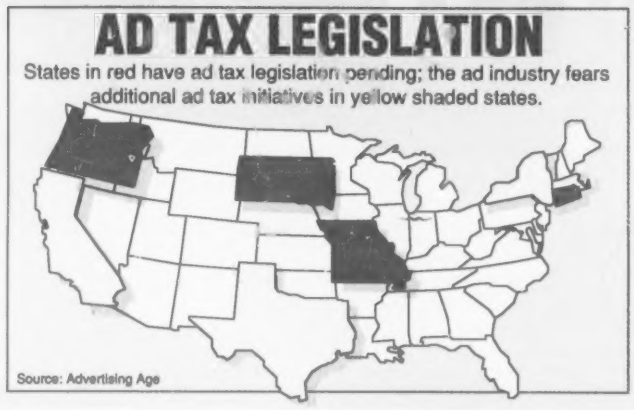
At the same time, a Connecticut legislative committee was exploring the possibility of limiting or even eliminating the deductibility of advertising expenditures at the state level.

That fiscal one-two punch from the East overshadowed tax maneuverings in South Dakota, where the House voted 36-29 to defeat a proposal to revoke advertising's exemption from the state's 4% sales tax. Rep. Mark Hollenbeck (R., Rapid City), the bill's chief sponsor, said he'd try to resurrect the bill today.

Dennis Brown, director of the State Advertising Coalition, last week shuttled between informational meetings with the Black Hills Ad Club in Rapid City, S.D., and monitoring developments in the capital city of Pierre, where the ad-tax bill had won committee approval early last week and was awaiting the full floor vote.

The coalition was formed in 1986 to monitor state legislative and regulatory initiatives affecting advertising.

The ad-tax fever also is high in two other states, Oregon and Missouri, which are forging ahead with their own initiatives that, directly or indirectly, tax advertising.


AD TAX LEGISLATION
States in red have ad tax legislation pending; the ad industry fears additional ad tax initiatives in yellow shaded states.
Source: Advertising Age
John Heiland

Most of the attention, however, was focused on Connecticut, where tax clouds appear darkest.

"Connecticut has all the earmarks of a full-scale battle," said Association of National Advertisers Senior VP Dan Jaffe. "They seem to be very serious about this, so we're asking our [members] to talk to their legislators there as soon as possible."

The American Advertising Federation—with its strong grass-roots networks of ad clubs, agencies and media—was similarly alerting its members, both in South Dakota and Connecticut, Senior VP Wally Snyder said.

Sen. William DiBella (D., Hartford), chief sponsor of the Connecticut tax initiative, appears to be well

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Shops are fighting agency raiders with huge counteroffers in hopes of holding onto top-level execs.

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S&L ads tout fiscal health

By KATE FITZGERALD

The nation's solvent savings and loan associations, which spend about $850 million on advertising annually, are scrambling to shore up their images.

With heavy media coverage of President Bush's $60 billion plan to bail out 220 insolvent S&Ls, many of the largest and healthiest institutions are increasing local advertising and cooperative promotions to tout their strength. Others have produced new ads aimed at building customer confidence in an industry under a cloud.

There are about 2,800 solvent S&Ls in the U.S., industry sources say.

Despite the new efforts, total industry spending may not increase this year because some consultants are counseling S&Ls to keep a low profile, say sources at the Financial Institutions Marketing Association, which keeps track of spending.

"For many S&Ls, it's better to lie low right now and cut back their advertising the way airlines pull their ads after a jet crash," said Kevin Tynan, president of Kevin Tynan & Associates, a marketing consultancy.

"There's a lot of guilt by association in the industry, and even if an institution's perfectly solvent and healthy, advertising won't change the minds of irrational people," he said.

The U.S. League of Savings Institutions said it doesn't have funds budgeted to resurrect its umbrella campaign promoting the nation's S&Ls. A $6 million network TV effort from Foote, Cone & Belding, Chicago, ran last year.

"We haven't budgeted for additional advertising, and it doesn't appear likely," said Allan Friedman, VP-public relations for the league.

Instead, the league is sending out

(Continued on Page 67)

Winners inspire 'Yearn to Learn'

CHICAGO—The "Yearn to Learn Challenge" advertising competition co-sponsored by ADVERTISING AGE and Scholastic Inc. has produced a dozen winners.

Entrants were invited to submit ads that would encourage youngsters to stay in school.

The 12 winners *(see ads on Page 55)* were selected from among 1,045 ads submitted by agencies, advertisers and individuals throughout the U.S. and Canada. The 40 certificate-of-merit winners will be notified soon.

"We were overwhelmed by the response to the 'Challenge,' " said Rance Crain, AD AGE editor in chief. "The caliber of entries was consistently high and reflected a great deal of care and research. We're grateful to everyone who took the time to submit an entry.

"In a competition of this sort, everyone is a winner—but the real satisfaction for all participants is in helping a discouraged youngster to see why it makes sense to finish school."

Leo Burnett Co. donated the creative work for the "Challenge" brochures and announcement ads, and R.R. Donnelley & Sons Co. donated printing for the brochures.

Judges were Gordon Ambach, executive director, Council of Chief State School Officers; Hall "Cap" Adams Jr., chairman-ceo at Burnett; Fred Danzig, editor, AD AGE; Philip B. Dusenberry, vice chairman and director, BBDO Worldwide, New York; Dick Robinson, president-ceo, Scholastic Inc.; Robert Wehling, VP-marketing services, Procter & Gamble Co.; New York City public high school students; associate editors of AD AGE; and editorial and design directors of Scholastic Inc.

Coordination was handled by Stephanie Feuer, public relations manager at Scholastic Inc., and Laura Zuckert, corporate projects manager at Crain Communications Inc.#

Shops wage war over top execs

By JON LAFAYETTE

With high-power talent scarce, agencies are scrambling to hold onto top executives by matching the tempting offers they're getting from competitors.

At least four times in the past year, senior admen at various agencies received salary offers of more than $300,000 but rejected them after getting counteroffers from their current agencies, said Judy Wald, president of the Judy Wald Agency, a leading executive recruiting company.

Ms. Wald said such overwhelming counteroffers have been rare in the past, but these days "huge agencies don't want to lose good people."

Sometimes an agency can't afford to let one of its top people go, Ms. Wald said.

Some of the executives who accepted counteroffers stayed with agencies that were about to be sold, merged or restructured, she said. Without key executives in place, the deals could have fallen through.

Efforts to attract and keep talent are at a fever pitch, with three of the nation's top dozen agencies looking for creative directors (AA, Jan. 30). Many smaller agencies are also looking for leaders and are assembling equity packages they hope will lure executives from big shops.

For example, Hill, Holliday, Connors, Cosmopulos was able to offer former Young & Rubicam Creative Director John Ferrell equity to get him to join its relatively small New York operation as exec VP-chief creative officer (AA, Jan 9).

Agencies are willing to spend more time and money to find good top-level candidates, said Laura Murphy, a principal at Baeder/Murphy/Associates, an executive search company.

With several new agencies establishing themselves on the West Coast and other agencies growing rapidly, "it's never been a healthier marketplace" for headhunters, she said.

Ms. Murphy said her company is sometimes tapped to keep an executive at a shop. "Agencies don't want us simply to place people," she said. "They want us to be a partner . . . sometimes we're called in to keep talent there."

But some agencies say they won't dismantle their salary structures to keep an employee who's received an incredible offer.

"If someone walks in and says someone else is going to double their salary, I'm not going to do anything," said Spencer Plavoukos, chairman-ceo of Lintas:New York. "But if it's someone we want and a raise is justified, we'll try to put something together."

Mr. Plavoukos said by the time a person has accepted an offer "he's made a psychological commitment to leaving," making it hard to change his mind.

Then again, some people seek better offers solely to improve the situation at their current agencies.

"Six years ago, I offered someone in account services [at another agency] a job and made him wealthy where he was," Mr. Plavoukas recalled.

"Our people get calls all the time for offers of over $200,000," said Mike Hughes, vice chairman at the Martin Agency, Richmond, Va. "We tell them to go ahead and take it."

Some creative people have actually taken cuts in salary to work at the Martin Agency because of its creative reputation, Mr. Hughes said.

"Some agencies have stars," he said. "But they pay a quarter of a million to a few people and everyone else makes $35,000. We have major people on every account."#

Cleveland Horton in Los Angeles and Janet Meyers in Washington contributed to this story.

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President of Saatchi unit quits

By CLEVELAND HORTON

The third in a series of setbacks has hit Toyota Motor Sales USA's Lexus division as David W. Wager abruptly resigned as president of Saatchi & Saatchi Team One.

Mr. Wager, 41, left the Torrance, Calif., agency Feb. 1, immediately after representing Lexus' shop at the National Automobile Dealers Assn. annual meeting in New Orleans. Mr. Wager said he was taking an unidentified job opportunity.

Stuart B. Upson, chairman and co-ceo of parent Saatchi & Saatchi Advertising Worldwide, will assume the role as president of Team One, the unit formed specifically to handle the estimated $60 million Lexus account.

Mr. Wager's departure "couldn't have come at a worse time," said George Peterson, president of the AutoPacific Group, a research company. Most carmakers are starting to "cross the t's and dot the i's" on creative strategy for the 1990 model year, he said.

Lexus plans to introduce its first two cars next fall.

The loss of Mr. Wager follows several unexpected changes for Lexus.

Late last year, Toyota lost the first round of a legal dispute with Mead Corp. over the name of its new division (AA, Dec. 19 [illegible] *seq.*). As the lawsuit lingers in appeal, Lexus can't run any national advertising.

Early this year, the division's highly regarded general manager, Jim Perkins, left the company to become assistant general manager of General Motors Corp.'s Chevrolet division (AA, Jan. 23).

He was replaced by J. Davis Illingworth, Lexus corporate manager-sales and operations.

Mr. Wager cited change of man-

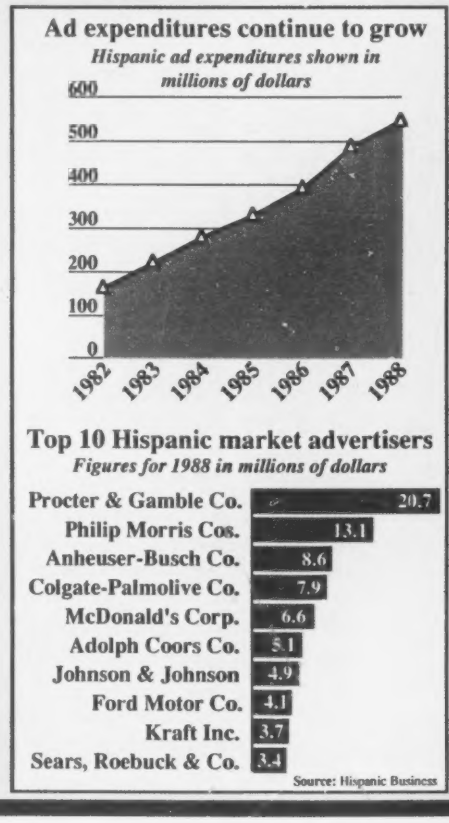
(Continued on Page 64)

CORRECTIONS & CLARIFICATIONS

- Norman Campbell, who retired this month as president-ceo of BBDO Worldwide (AA, Feb. 6, P. 49), doesn't remain a vice chairman of that company. He will be a director at Tracy-Locke, which he headed until 1986.
- *Mademoiselle* has corrected its 1988 ad page total (AA, Jan. 23, P. 40). The Conde Nast publication finished the year with 1,781.4 pages, two more than it carried in 1987.#

Special Report

Marketing to Hispanics



Hills Bros. push percolates from bottom to top

By Alice Z. Cuneo

Hills Bros. Coffee entered the Hispanic market in 1988 hoping for instant results. By introducing its Hills Brothers and MJB instant coffees to the Hispanic market, the company demonstrated its commitment to listen to its sales force.

"Communications [at Hills Bros.] don't just go from management down," says Laura Lynn Liptai, Hills Bros. Coffee product manager. The impetus to get into the Hispanic market came from two members of its field staff, she says.

For two years, Kenneth Hogue, Hills Bros. Los Angeles division sales manager, listened to his sales force lament the company's lack of attention to the area's expanding Hispanic market.

> ***The program was intended to produce quick sales, not hope for long-term results.***
>
> **Laura Lynn Liptai**
> **Hills Bros.**

" 'We need to do something for the Hispanic community,' 'We're limited with our point-of-sales materials,' is what they told me," Mr. Hogue recalls. Finally, he approached Southwest Regional Sales Manager Gene Gilruth, who analyzed the sales force's request.

The project then went to VP-Marketing Barry Reis, who put everything together—"someone like me who had experience in the market, and those pushing the company to get into the market," Ms. Liptai says. Before coming to Hills Bros., Ms. Liptai handled Hispanic marketing for Procter & Gamble Co.'s Folgers coffee and Citrus Hill orange juice. By conducting focus groups and performing quantitative analysis, the company discovered a market of "particularly significant users of instant, and we weren't catering to it," Mr. Hogue says.

Thirty-two percent of the nation's 19 million Hispanics reside in California, a state that accounts for roughly 20% of instant coffee consumption, Ms. Liptai says. "You've got a big instant coffee market, coupled with a very big Hispanic community," she says.

The company's research revealed that many of the area's Mexican immigrants used instant coffee to make *cafe con leche*, a mixture of warm milk and instant coffee, and that many Hispanic parents served the mix to their children. "A number of studies show that Hispanics drink 30% more coffee than the Anglo population," adds Ms. Liptai.

According to a 1987 Strategy Research Corp. market study, U.S. Hispanics index 6.9% higher than non-Hispanics for use of instant coffee, and 48.9% higher for total coffee usage, including Latin-style ground coffee.

At the time, Hills Bros.' general-market effort was focused on couponing, Ms. Liptai says. "In the Hispanic market, you don't start with coupons but with another proven medium," she says.

The 1987 SRC study showed that only 38.1% of U.S. Hispanics used cents-off coupons. However, a recent survey by coupon distributor Donnelley Marketing reports that 66% of Hispanic households redeem three or more coupons weekly.

Illustrations by Steve Musgrave

Genesis: Entering the market

To help select the medium and create a test campaign for the two brands, Hills Bros. last March signed La Agencia de Orci & Asociados, Los Angeles, to handle both brands. Funding for the Southern California Hispanic test came from a discretionary trade and consumer promotion fund allotted to each regional office.

Orci and Hills Bros. launched the campaign in August on Los Angeles radio outlets KLVE (AM, FM), KWKW-AM and KTNQ-AM. The test, which consisted of one 30-second Spanish-language spot for each brand, ran until December.

With close to 4 million Hispanics residing in greater Los Angeles, agency president Hector Orci says the decision to test in Los Angeles was "very efficient."

The MJB spot, in which a mother takes an instant-coffee break after sending her children off to school and husband off to work, uses the theme, "When it's time for coffee, savor the moment with a rich delicious cup of MJB." Although not a drastic departure from general-market executions, the ad played upon the idea of mother and family, an effective pitch in the Hispanic market, says Ms. Liptai.

The Hills Bros. instant spot touched on a similar theme, focusing on Hispanic women as gracious hostesses. During a discussion of the just-finished dinner, the hostess says her recipe for coffee was simple: Hills Bros. instant. The guests agree that the coffee was perfect for *sobremesa*, the time spent talking at the table after the meal is complete.

Ms. Liptai says the test program was unusual because "we turned it around so quickly. We went from concept to execution in about 12 weeks."

The program was intended to produce an immediate sales increase "not just go in and hope for long-term results," she says. Test results show a 15% to 20% increase in sales for both brands based on pre- and post-evaluation studies.

Ms. Liptai adds that Hills Bros.' 1989 campaign "will basically repeat the elements of the 1988 test" and may start as early as next month. A second phase, scheduled for 1990, will involve bringing vacuum or ground coffee into the market, she says. "Instant is the most important coffee type to the Hispanic market so that was the place to start, but we will branch out."

Mr. Orci also says TV is being considered, as are promotions and trade events.

Ms. Liptai says the company may expand into other Southern California markets, with possible rollout into Northern California and other major Hispanic areas nationwide. "What we've got here is a successful test, and now we're looking to expand," she says. □

Hills Bros. has it made in the shade with high Hispanic coffee consumption.

Alice Z. Cuneo is San Francisco-based correspondent.

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Last Minute News

BK unearthing old creative?

MIAMI—Burger King is believed to be reviving TV spots from former agency J. Walter Thompson USA, New York, in the wake of continued dissatisfaction with N W Ayer creative, sources said. The spots will air nationally. New York-based Ayer will propose yet another campaign to Burger King owner Grand Metropolitan this week, the sources said, adding that Ayer's hold on the $200 million fast-food account may slip if the British conglomerate still nixes Ayer's ideas.

Whittle plans Hispanic magazine

KNOXVILLE, TENN.—Whittle Communications is developing a national magazine for Hispanic women. Sources close to the company said the magazine would also involve another form of media, possibly TV. Whittle officials wouldn't comment on the project, but sources said the magazine's distribution would be similar to Whittle's *Special Report* magazines launched last year. *Special Report* magazines are distributed exclusively in the waiting rooms of family doctors' offices.

Sun Diamond units drop D'Arcy

SAN FRANCISCO—D'Arcy Masius Benton & Bowles last week lost almost half its $25 million in billings here. Two Sun Diamond Growers of California units—Sun-Maid Growers, Kingsburg, and Sunsweet Growers, Pleasanton, named new agencies. Sun-Maid selected Grey Advertising, Los An-

(Continued on Page 8)

Kraft wins big in food merger

Is ad agency consolidation next?

By JUDANN DAGNOLI
and JULIE LIESSE ERICKSON

Philip Morris Cos. shifted the power base of its food operations to Kraft by merging General Foods Corp. and Kraft into a single unit called Kraft General Foods Group.

The new group will be headquartered in Glenview, Ill., Kraft's home, and be headed by Kraft Chairman John Richman, who becomes chairman-ceo of the new unit effective March 1.

But Kraft President-CEO Michael Miles, named president-chief operating officer of the new group, will take the ceo post from Mr. Richman in 1990.

The restructuring forms seven operating units: General Foods USA; Kraft USA; Kraft General Foods International; Kraft General Foods Canada; Oscar Mayer; Kraft General Foods Frozen Products; and the U.S. Commercial Group.

Previously, General Foods was structured into three units and Kraft was divided into five.

Philip Morris kills General Foods line to focus on Kraft's Chillery—P. 28

One industry analyst, John Maxwell of Wheat First Securities, said the new structure may free more ad dollars for General Foods and Kraft brands. "They can now cut overhead and spend more on marketing and advertising," he said.

Kraft's dominance in the merged company is reflected in the presence of Messrs. Miles and Richman and other Kraft executives in key positions.

Four of the seven new division presidents are Kraft executives; three are General Foods executives.

Some of Kraft's best managers have been moved into troubled operations and key growth areas.

Miles Marsh, 41, Kraft's operations-technology president, becomes president of General Foods USA, which will now include troubled Maxwell House coffee.

Thomas Herskovitz, who engineered a turnaround as group VP of the Kraft Dairy Group, takes charge of the new frozen foods group, a growth vehicle that

(Continued on Page 73)

WPP hunts big research buy

By GARY LEVIN
and IRA TEINOWITZ

WPP Group is on the acquisition warpath, aiming to become one of the largest players in the lucrative research industry, sources say.

WPP is eyeing several research companies as part of what these sources say is an aggressive strategy to expand the operations of MRB Group, acquired in the JWT Group takeover of 1987.

"He wants to [own] the second-biggest market research company in the world," one source said, referring to Martin Sorrell, WPP Group's chief executive.

Last week, WPP narrowly lost out on a bid for the Burke research division of SAMI/Burke.

Frank Stanton, president-ceo of MRB, confirmed that WPP had made a bid for Burke but said the deal was scuttled last week over disagreements on who should bear the cost of the planned shutdown of Burke's Test Marketing Group, said to be losing $1 million a month.

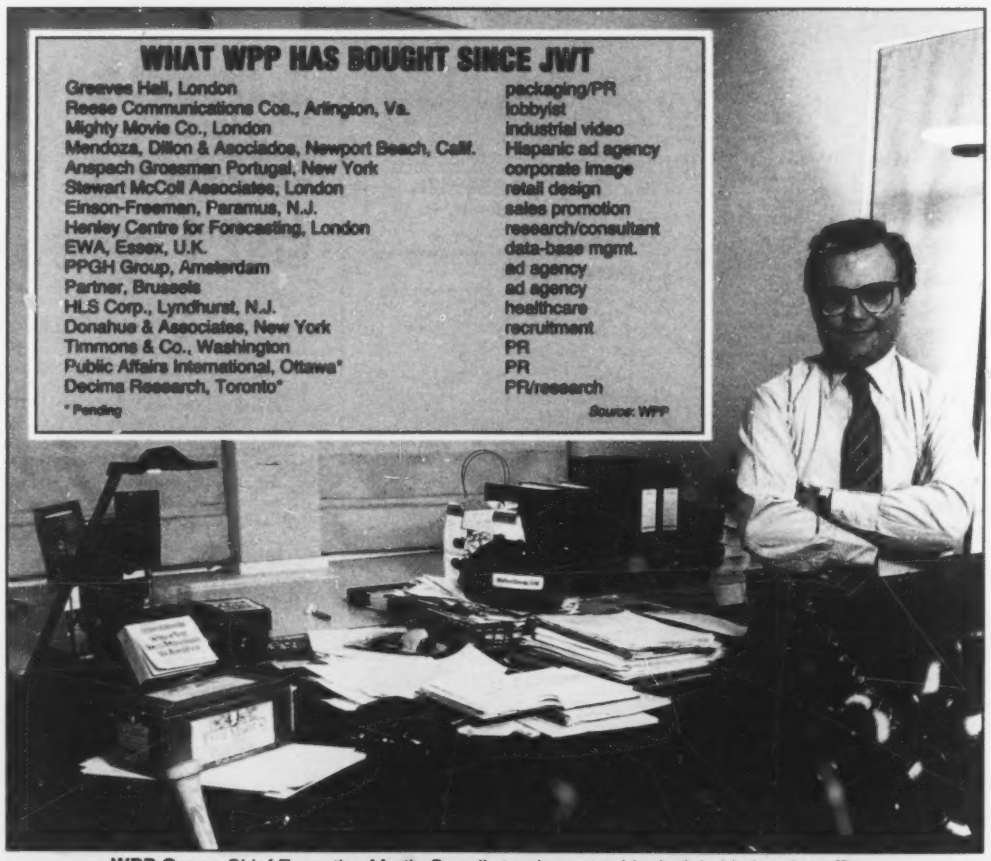
The closing of that unit is expected to result in 250 to 300 layoffs at a projected cost of several million dollars, and, Mr. Stanton said, "We [didn't] want to go in, immediately restructure and lay off several hundred people.

"The test market group is a disaster; it has to be closed down," he said. "But, especially in our acquiring mode, we would prefer a cleaner acquisition. We didn't get where we are by restructuring and firings."

WHAT WPP HAS BOUGHT SINCE JWT

Greeves Hall, London	packaging/PR
Reese Communications Cos., Arlington, Va.	lobbyist
Mighty Movie Co., London	industrial video
Mendoza, Dillon & Asociados, Newport Beach, Calif.	Hispanic ad agency
Anspach Grossman Portugal, New York	corporate image
Stewart McColl Associates, London	retail design
Elnson-Freeman, Paramus, N.J.	sales promotion
Henley Centre for Forecasting, London	research/consultant
EWA, Essex, U.K.	data-base mgmt.
PPGH Group, Amsterdam	ad agency
Partner, Brussels	ad agency
HLS Corp., Lyndhurst, N.J.	healthcare
Donahue & Associates, New York	recruitment
Timmons & Co., Washington	PR
Public Affairs International, Ottawa*	PR
Decima Research, Toronto*	PR/research

* Pending — Source: WPP



WPP Group Chief Executive Martin Sorrell stands next to his desk in his London office.

WPP officials said talks ended after a meeting on Feb. 13, but Burke sources said WPP's bid remained on the bargaining table until week's end, when SAMI/Burke parent Control Data Corp. agreed to sell the Burke unit to a management group.

The management group has a specified amount of time to raise enough money for the buyout or it won't go through.

Also, a source said executives at a crucial part of the company, Burke Marketing Research, have signed a letter of intent giving the option for a separate buyout of that group at a later date if they can raise the cash. Burke officials declined comment.

It's unclear what Burke's new owners would do with Test Marketing Group's AdTel service.

Analysts projected Burke's price tag at $70 million, equal to its estimated 1988 revenues; terms weren't disclosed.

Other WPP executives confirmed interest in Burke "cooled" as a result of disagreements.

Control Data put Burke on the auction block after acquiring Time Inc.'s interest in SAMI/Burke and folding SAMI into its Arbitron Ratings Co. unit.

WPP's Mr. Sorrell declined to be interviewed, but he's made no secret of his desire to beef up the company's strength in the research business as well as other areas, such as public relations.

He's trying to vault its Hill &

(Continued on Page 73)

Reebok responds to Nike

'Power marketing' plan backed by $60M

By PAT SLOAN

Reebok International will boost the ad budget for Reebok brands by 50% this year, to $60 million, as it fights off rival Nike.

In the $4.3 billion athletic-shoe industry's version of the cola and burger wars, Reebok is unleashing a new "power marketing strategy" built around three ad campaigns.

"What we're doing is something only the biggest companies can do. It's a pre-emptive program of advertising and merchandising that, other than Nike, no one else in the category has the resources to do," said Mark Goldston, Reebok's senior VP-chief marketing officer.

Nike last year spent an estimated $70 million on advertising and watched its sales jump by almost 60% to $1.5 billion. Reebok's sales also increased, but by less than 20% to $1.79 billion, so that in the fight for market dominance, Nike edged a bit closer to No. 1 Reebok.

Mr. Goldston, however, doesn't attribute 1989's ad increase to a race with Nike but rather to Reebok's conclusion that "we think we need to spend $60 million to effectively communicate three different messages on TV." Eighty percent of the budget will go to network and cable TV, and the rest to print, radio and outdoor boards.

Like its sister division Avia Athletic Footwear and competitor Nike, Reebok is now taking a serious tone in three campaigns combining performance and image messages.

The three-tiered strategy segments Reebok's consumer audience, Mr. Goldston said. As a "billion-dollar company, you can't have just one campaign to reach everyone from housewives to inner-city youths to a 50-year-old post-heart attack victim," he explained. The new ad program has no ties to last year's "U.B.U." effort that's been laid to rest (AA, Feb. 6).

Of the $60 million budget, $25 million will go to Reebok's Energy Return System shoes. Introduced last year, the shoes are now engineered with windows on the soles showing color-coded iridescent tubes that are supposed to return energy to the wearer.

The Energy Return System commercial, from Chiat/Day, New York, is subdued, not sexy, and visually evocative of cuts from ABC's "Wide World of Sports."

The commercial, scheduled to air this summer, compares the Energy Return System with sports technology breakthroughs and ends with the line "Who knows what records will fall next?"

On March 27, Reebok will break the $20 million "The physics behind the physiques" TV campaign, also from Chiat/Day (AA, Feb. 6). The campaign has two versions: one for women and one for men.

Consisting of 15- and 30-second spots, plus a :60 for women, the commercials were shot by Tony Scott, director of "Top Gun."

The women's version shows quick cuts of women working out, panting through sit-ups and on treadmills as a voice-over says, "For every action, there is an equal and opposite reaction. . . . A body at rest tends to stay at rest."

But the quick-cut spots also show them decked out in body-hugging and baring fashions, a miniskirted

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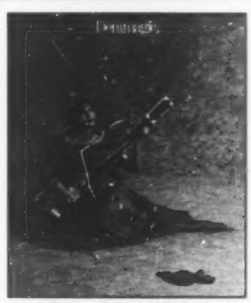

GLOBAL GALLERY: India gets draped in denim. P. 44.

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Upscale meals face a big chill

By JULIE LIESSE ERICKSON and JUDANN DAGNOLI

The $500 million high-price frozen-dinner market is groping for survival.

The continued success of Kraft's lower-price Budget Gourmet is slowly squeezing the life from this once-popular category. Marketers have resorted to slashing ad budgets and cutting prices.

Although premium-price dinners represent about half of dollar sales of frozen dinners, the category experienced a 2.1% drop in 1988 and is losing shelf space rapidly, according to SAMI/Burke.

Sales reached $500 million last year, after hitting the $1 billion high mark in 1984.

The sales decline is a dramatic setback for marketers such as Campbell Soup Co., ConAgra and Stouffer Foods Corp. They'd banked on consumers paying extra for top-quality microwaveable meals.

Campbell, for example, introduced Le Menu with great fanfare in 1982. The upscale and pricey Le Menu was so successful that it was said to have served as the stepping-stone for Herb Baum's ascent to the presidency of Campbell USA.

But as consumers became more price-conscious, the popularity of Le Menu, marketed at about $3.89 in the mid-1980s, began to wane under stiff price competition from Budget Gourmet, priced around $2.39.

Campbell began lowering Le Menu's price to near the $2.89 mark and diverting its money from media advertising to price promotion and couponing.

An in-house report from Campbell said Budget Gourmet's sales have surpassed the $400 million

(Continued on Page 72)

Lintas:Worldwide snares Day to fill int'l creative role

NEW YORK—Barry Day, who worked for McCann-Erickson Worldwide for 18 years, is moving to Lintas:Worldwide, a sister Interpublic Group of Cos. agency.

At Lintas, he will be vice chairman-director of international advertising development, effective April 1. He will be responsible for the agency's creative product and for helping to deliver Lintas' "integrated" communications approach for clients.

Mr. Day, 54, began his career with Lintas in 1956. In 1970, he moved to McCann, where the flamboyant creative executive spearheaded the agency's drive to create global advertising images for its multinational clients.

He left his post as vice chairman at McCann last November to become assistant to Interpublic Chairman-CEO Philip H. Geier Jr. and worked on assessing the implications of the breakdown of European trade barriers in 1992.

B. Day

"When Barry Day left McCann-Erickson to join Phil Geier at Interpublic, we began to explore the possibility of acquiring his talents for Lintas," said William Weithas, chairman-ceo.#

SPECIAL ADVERTISING SUPPLEMENT:
Directory of Cable Networks starts after Page 40.

'Modern Maturity'—no signs of gray

By IRA TEINOWITZ

The aging of America is proving to be a bonanza for *Modern Maturity*.

The six-times-a-year publication, provided as part of the American Association of Retired Persons' $5 annual membership, saw its circulation jump 15.4% to 19,301,820 for the second half of 1988 compared with a year ago, the Audit Bureau of Circulations reported.

Just six months ago, *Modern Maturity* passed *Reader's Digest* and *TV Guide* to become the biggest paid-circulation magazine in the U.S. (AA, Aug. 22).

The Audit Bureau's latest FAS-FAX report found that *Modern Maturity* on average now has a nearly 3 million-copy circulation advantage over its nearest rival.

Modern Maturity increased its rate base 11.5% to 19.4 million with the February/March issue. Ad rates rose 7.5% to $154,330 for a b&w page and $171,000 for color.

Peter Hanson, advertising director, said *Modern Maturity* this year began offering advertisers a national mix of a fourth or half its circulation.

"It has never been done before, but then no magazine has been this big," he said.

Mr. Hanson also said the magazine may continue to grow. He noted that there are 30 million AARP members. (Only one copy of *Modern Maturity* is sent to each household.)

"There are 62 million people over the age of 50," he said.

While *Modern Maturity* grew, other magazines reported mixed circulation results. The FAS-FAX numbers are publishers' reports of their circulation before Audit Bureau auditing.

Reader's Digest blamed a subscription drop of 1% for an overall circulation decline of 0.7%, to 16,452,422.

TV Guide, purchased last year by Rupert Murdoch, reported its circulation dropped 3.9% to 16,302,705, virtually all of the decrease due to newsstand sales.

Better Homes & Gardens reported a 1.6% increase in circulation, *Family Circle's* circulation rose 2.6% and *Good Housekeeping* increased 0.4%.

The other Seven Sisters magazines—*Woman's Day, Ladies' Home Journal, Redbook* and *McCall's*—all reported decreases.

Peter Diamandis, president and ceo of Diamandis Communications Inc., publisher of *Woman's Day*, cautioned about drawing too many conclusions from the circulation numbers.

He said DCI has been moving to refine circulation through cover-price boosts and other steps designed to offer advertisers a more committed audience.

"The trade press is under the impression that bigger is better," Mr. Diamandis said. "But target marketing suggests advertisers are interested in getting a more salient audience. Smart publishers are taking their circulation down in a managed way. They try to give you the hard-core readers."

Mr. Diamandis said his company's "contained circulation" policy was responsible for *Woman's Day's* price increase to $1.09 from 99¢ and its circulation drop to 5,571,573, down 7.5% from a year ago.

He said *Woman's Day* and most other company publications are now at the circulation level they should be, and no further cuts are necessary.

The only exception is *Elle*, which will see a rise in circulation this year, Mr. Diamandis said.

The FAS-FAX report traditionally ignores Sunday magazines such as *Parade*, distributed free with newspapers.#

TOPS IN CIRCULATION

Twelve of the 27 magazines reporting paid circulation of more than 2 million gained circulation over the past year.

	Six months ending Dec. 31		
	1987	1988	% change
Modern Maturity	16.73	19.30	+15.4%
Reader's Digest	16.57	16.45	−0.7
TV Guide	16.97	16.30	−3.9
National Geographic	10.50	10.57	+0.7
Better Homes & Gardens	8.01	8.14	+1.6
Family Circle	5.77	5.92	+2.6
Woman's Day	6.02	5.57	−7.5
Good Housekeeping	5.20	5.22	+0.4
McCall's	5.35	5.14	−3.9
Ladies' Home Journal	5.12	5.09	−0.6
Time	4.68	4.65	−0.6
National Enquirer	4.38	4.28	−2.3
Guideposts	4.29	4.26	−0.7
Redbook	4.09	3.95	−3.4
Star	3.77	3.68	−2.4
Playboy	3.73	3.56	−4.6
People	3.31	3.35	+1.2
Sports Illustrated	3.15	3.33	+5.7
Newsweek	3.20	3.23	+0.9
Prevention	2.88	3.14	+9.0
American Legion	2.75	2.82	+2.5
Cosmopolitan	2.93	2.76	−5.8
U.S. News & World Report	2.23	2.30	+3.1
Southern Living	2.30	2.29	−0.4
Smithsonian	2.24	2.26	+0.9
Glamour	2.31	2.19	−5.2
Penthouse	2.25	2.11	−6.2

Note: Scholastic Inc. didn't file a publisher's statement by the Audit Bureau's press time.
Source: Audit Bureau of Circulations FAS-FAX report.

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A brighter 'New Yorker'

Color cartoons, upfront section 'evolve'

By LENORE SKENAZY

What's that? The president's been shot? The U.S. attacked? The world ending?

No, no—this is *important!* We're talking color cartoons in *The New Yorker*. Yes, *The New Yorker!*

Readers perusing the 64th annual Eustace Tilley edition of Feb. 20 had better sit down first. In addition to four pages of color yuks, the venerable institution has revamped its upfront "Goings On About Town" section and enlarged some of its illustrations.

"We don't use the word 'change' around here; we use the word 'evolution,' " said President-CEO Steve Florio.

Quickie essays on the arts now precede most of the listings categories, interspersed with paragraph-long tidbits on New York in all its quirky glory. Instead of roll-top desks and kittens lapping milk, moreover, the "Goings On" drawings actually illustrate the featured people and events. A first! This week, mugs of Andy Warhol, Tom Hanks and Michelle Pfeiffer appear.

"*The New Yorker* grew up on caricatures and illustration, but somehow, over the years, they disappeared," said Editor Robert Gottlieb.

"It's just a natural extension," said Conde Nast Associate Editorial Director Rochelle Udell, who worked with Mr. Gottlieb and others on the revamp.

Mr. Gottlieb came to *The New Yorker* three years ago, after its purchase by S.I. Newhouse's Advance Publications in 1985.

"For a while when he first got here the staff was scrutinizing his every move, and he was more or less trying to do what [William] Shawn had been doing all those years," Mr. Florio said. Now Mr. Gottlieb seems determined to assert his own voice even while recapturing a bit of the old Harold Ross spirit.

"Harold Ross was an irreverent, funny guy," Mr. Florio said. "He ran the magazine in the '20s, '30s and '40s. Then we had Shawn for the '50s, '60s, '70s and most of the '80s. I asked Shawn, 'How come we aren't very funny any more?' and he said, 'Because these aren't very funny times.' "

Under Mr. Shawn, the magazine ran groundbreaking stories on pollution, politics and the atom bomb.

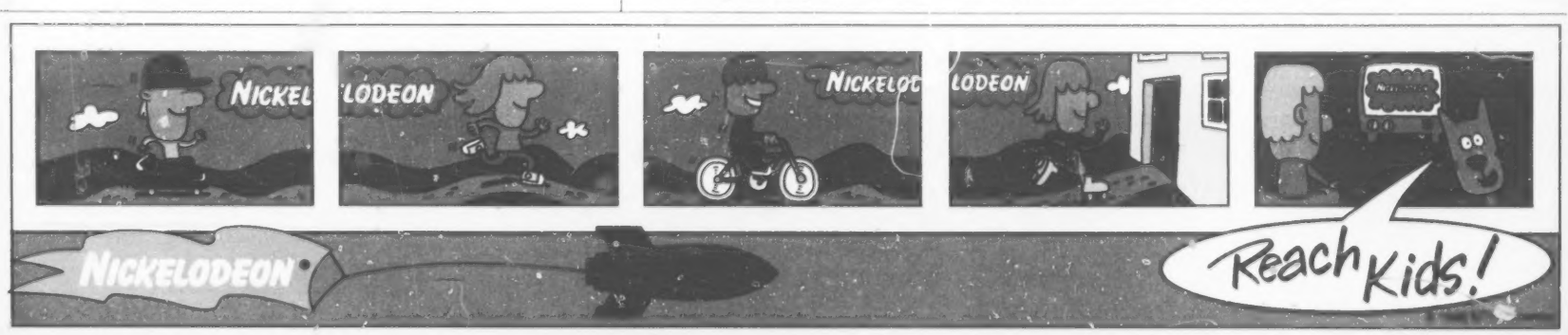
"Now we've got a guy who's probably more like Ross," Mr. Florio said. "Bob Gottlieb happens to be a very jokey guy. Brilliant, but very funny."

Perhaps as tribute to the Ross era, this Tilley anniversary issue includes a nine-page John Updike article on Ralph Barton, a *New Yorker* cartoonist of the '20s and '30s.

Although it's too soon to gauge advertiser reaction, Mr. Florio said 1989 will herald "the renaissance of *The New Yorker*." Ad pages fell 15.2% to 2,293 in 1988 but will be up this year, he said. Circulation is up about 3% to 613,275.

And wait'll folks get a load of those color cartoons!

Whoa. Don't get so excited. These will appear only sporadically. "I have no plans for colorizing *The New Yorker*," Mr. Gottlieb said. Still . . .#



Top-selling beers are heavy with lights . . .

By IRA TEINOWITZ

Anheuser-Busch's Bud Light moved up one notch in 1988 to become the third-best-selling beer in the U.S., and for the first time three of the top five brands in the country are light beers.

The yearend tally of industry newsletter *Beer Marketer's Insights* showed A-B held three of the top five spots in beer shipments. Budweiser remained No. 1, and Busch stayed in fifth place. A-B's Michelob was No. 10.

Miller Brewing Co.'s Miller High Life fell to sixth from third. Miller Lite repeated as No. 2, though it showed little growth. Miller's Milwaukee's Best was ninth; in 1987, it was 10th.

In other changes in the top 10, Adolph Coors Co.'s Coors Light passed A-B's Busch to become No. 4 (up from No. 6 in 1987). Stroh Brewery Co.'s Old Milwaukee moved up from No. 8 to pass regular Coors, which was No. 7 last year.

The newsletter also reported that Bud Light sales showed the biggest percentage increase in the top 10, up 18% to 9.7 million barrels. But Miller Genuine Draft, which ranked No. 11, showed the biggest percentage gain of any national brand, a 50% increase to 4 million barrels.

A-B sold 50.45 million barrels of Budweiser—a 2% increase and more than double the 19.3 million for second-place Miller Lite.

D'Arcy Masius Benton & Bowles, St. Louis, handles Budweiser and Busch; DDB Needham Worldwide, Chicago, is the agency for Bud Light and Michelob.

Miller Lite and Miller Genuine Draft are handled by Backer Spielvogel Bates, New York; Miller High Life recently was assigned to Leo Burnett USA, Chicago, from Backer. Milwaukee's Best was unadvertised last year.

Coors uses GSD&M, Austin, Texas, for Coors, and Foote, Cone & Belding, Chicago, for Coors Light. Stroh's Old Milwaukee is handled by Grey Advertising, New York.#

TOP 10 DOMESTIC BEERS

Miller Brewing's Miller High Life tumbled to sixth from third place in 1988. As a result of the realignment, three of the top five beers now are light beers. Estimated shipments below are in millions of barrels.

Rank '87	Rank '88	Brand	Shipments '87	Shipments '88	% chg
1	1	Budweiser	49.5	50.5	+2.0%
2	2	Miller Lite	19.2	19.3	+0.5
4	3	Bud Light	8.2	9.7	+18.3
6	4	Coors Light	7.9	8.9	+12.7
5	5	Busch	8.2	8.7	+6.1
3	6	Miller High Life	9.2	8.4	−8.7
8	7	Old Milwaukee	7.2	7.0	−2.8
7	8	Coors	7.2	6.3	−12.5
10	9	Milwaukee's Best	5.1	5.7	+11.8
9	10	Michelob	5.1	4.4	−13.7

Source: Beer Marketer's Insights

. . . Corona may join in

By IRA TEINOWITZ

The two importers of Corona Extra are betting a new line extension will turn around the beer's declining sales.

Although the importers won't say what the line extension will be, they're expected to introduce Corona Light this spring, industry sources said (AA, Jan. 30).

The importers are in a defensive mood following last year's decline in sales on the heels of Corona's great success in 1987.

"Everybody is quick to claim the brand is going south for good," said Michael J. Mazzoni, exec VP-general manager at Barton Beers, which imports the Mexican beer into Western and some Midwestern markets. Gambrinus Importing Co. markets Corona in other areas of the U.S.

Barton and Gambrinus last year introduced Corona's first network TV advertising, via Campbell-Mithun-Esty, Chicago.

The importers will continue the "What you see is what you get" campaign this year, though with some additional executions. The new product won't get a separate campaign.

Impact, a liquor industry newsletter, estimated 1988 Corona sales at 22 million cases, down 4.3% from 1987. Heineken, the import leader, sold an estimated 34.3 million cases, up 14.8%. Van Munching & Co. imports Heineken.

Corona was distributed primarily in the Midwest and West until last year, when distribution expanded nationwide.

Mr. Mazzoni said the No. 2 imported beer's sales last year dropped as much as 15% in the Western half of the U.S. but were up in Indiana, Illinois and Washington state.

Earlier production problems were a factor in the drop, Mr. Mazzoni said. The problems restricted U.S. Corona shipments in 1986, so bars and stores purposely overordered, he said.

The bars and stores again overordered in 1987, only to find production capacity had been increased and shipments weren't being cut.

Mr. Mazzoni also blamed lower sales on domestic brewers' decision to target import buyers.#

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January consumer magazine ad linage

	Current month		Year-to-date	
	1989	1988	1989	1988
■ Auto/cycle/rec. vehicles				
ATV Sports	22.5	28.5	22.5	28.5
AutoWeek (52X)	197.0	121.0	197.0	121.0
Car & Driver	115.6	103.0	115.6	103.0
Car Collector & Car Classics	18.0	19.4	18.0	19.4
Car Craft	53.1	50.5	53.1	50.5
Circle Track	55.6	47.7	55.6	47.7
Cycle	27.5	29.8	27.5	29.8
Cycle World	27.5	29.8	27.5	29.8
Dirt Rider	31.2	28.0	31.2	28.0
Dune Buggies & Hot VWs	69.4	67.8	69.4	67.8
Family Motor Coaching	196.0	196.5	196.0	196.5
4 Wheel & Off-Road	64.5	63.2	64.5	63.2
Four Wheeler	71.9	71.0	71.9	71.0
Hot Rod	79.3	93.8	79.3	93.8
Motorcyclist	21.0	15.7	21.0	15.7
Motor Trend	67.0	45.8	67.0	45.8
Motorhome	80.4	81.6	80.4	81.6
Rider	22.9	29.7	22.9	29.7
Road & Track	91.0	100.4	91.0	100.4
Trailblazer	44.0	36.0	44.0	36.0
Trailer Life	89.5	84.9	89.5	84.9
Total Group	**1,444.9**	**1,344.1**	**1,444.9**	**1,344.1**
% change	**7.5%**		**7.5%**	
■ Boating & yachting				
Boating	201.8	189.7	201.8	189.7
Chesapeake Bay	37.8	40.8	37.8	40.8
Cruising World	104.9	108.1	104.9	108.1
Lakeland Boating (11X)	90.0	77.0	90.0	77.0
Motor Boating & Sailing	188.0	216.1	188.0	216.1
Sail	106.6	97.5	106.6	97.5
Trailer Boats (11X)	88.7	67.3	88.7	67.3
Western Boatman (6X)	51.0	56.0	51.0	56.0
Yachting	194.8	218.9	194.8	218.9
Total Group	**1,063.6**	**1,071.5**	**1,063.6**	**1,071.5**
% change	**-0.7%**		**-0.7%**	
■ Civic/fraternal				
American Legion	41.4	42.7	41.4	42.7
Elk (10X)	17.3	17.8	17.3	17.8
Kiwanis	14.2	14.0	14.2	14.0
Lion (10X)	—	—	—	—
Rotarian	11.2	13.5	11.2	13.5
V.F.W. (11X)	34.3	32.8	34.3	32.8
Total Group	**118.4**	**120.8**	**118.4**	**120.8**
% change	**-2.0%**		**-2.0%**	
■ General				
American Health (10X)	70.3	69.5	70.3	69.5
American Heritage (8X)	—	—	—	—
American West (6X)	—	—	—	—
Art & Antiques	58.2	56.2	58.2	56.2
The Atlantic A.	66.1	59.8	66.1	59.8
Bon Appetit A.	65.9	66.5	65.9	66.5
Cable Guide	32.7	27.6	32.7	27.6
Changing Times	48.0	52.6	48.0	52.6
Children	38.1	20.9	38.1	20.9
Conde Nast's Traveler	53.3	34.0	53.3	34.0
Connoisseur	55.7	50.4	55.7	50.4
Consumers Digest (6X)	21.2	17.5	21.2	17.5
Ebony	74.6	70.3	74.6	70.3
European Travel & Life	34.7	28.4	34.7	28.4
Fifty Plus	29.8	33.0	29.8	33.0
Finance (10X)	33.4	54.0	33.4	54.0
Food & Wine	46.2	38.3	46.2	38.3
Games (6X)	12.5	9.5	12.5	9.5
Golden Years	—	—	—	—
Gourmet	57.6	69.4	57.6	69.4
Harper's Magazine A.	32.9	27.6	32.9	27.6
Harrowsmith (6X)	62.0	62.8	62.0	62.8
Islands (6X)	56.5	27.8	56.5	27.8
Let's Live	45.0	48.0	45.0	48.0
Life	70.8	49.5	70.8	49.5
Modern Maturity (6X)	—	—	—	—
Money	86.6	104.2	86.6	104.2
Money Maker	—	—	—	—
Mother Earth News	72.4	63.0	72.4	63.0
National Geographic	10.9	9.3	10.9	9.3
National Geographic Traveler (4X)	15.2	—	15.2	—
Natural History	38.1	34.4	38.1	34.4
Prevention	54.2	50.1	54.2	50.1
Psychology Today	41.1	31.7	41.1	31.7
Reader's Digest A.	66.6	68.1	66.6	68.1
Saturday Evening Post (9X)	43.9	39.0	43.9	39.0
Smithsonian	68.8	84.1	68.8	84.1
Town & Country	67.2	97.7	67.2	97.7
Travel-Holiday	24.5	28.7	24.5	28.7
Travel & Leisure	68.6	69.3	68.6	69.3
Travelhost	1,169.0	1,198.0	1,169.0	1,198.0
Vanity Fair	45.7	33.0	45.7	33.0
Writer's Digest	27.0	26.4	27.0	26.4
Yankee	60.4	69.4	60.4	69.4
Total Group	**3,025.5**	**2,979.7**	**3,025.5**	**2,979.7**
% change	**1.5%**		**1.5%**	
■ Home				
Americana (6X)	21.6	16.7	21.6	16.7
Architectural Digest A.	108.7	82.5	108.7	82.5
Better Homes & Gardens	73.4	75.2	73.4	75.2
Colonial Homes (6X)	52.4	42.7	52.4	42.7
Columbus Monthly-Homes (4X)	29.8	30.2	29.8	30.2
Cooking Light	49.3	36.7	49.3	36.7
Country Home (6X)	45.7	41.9	45.7	41.9
Country Living	65.1	56.2	65.1	56.2
Family Handyman (10X) A.	36.2	49.1	36.2	49.1
Florida Home & Garden	108.8	46.0	108.8	46.0
Flower & Garden (6X)	55.8	41.7	55.8	41.7
Home	41.5	45.1	41.5	45.1
Home Mechanics	38.3	41.1	38.3	41.1
The Homeowner (10X)	41.1	43.6	41.1	43.6
Horticulture	42.1	48.8	42.1	48.8
House Beautiful	44.6	37.4	44.6	37.4
House & Garden	44.3	59.3	44.3	59.3
Metropolis	66.8	55.9	66.8	55.9
Metropolitan Home	56.7	50.3	56.7	50.3
Midwest Living	52.3	35.6	52.3	35.6
1,001 Home Ideas	51.1	46.4	51.1	46.4
Organic Gardening	54.5	58.2	54.5	58.2
Phoenix Home/Garden	66.3	70.8	66.3	70.8
Practical Homeowner	—	—	—	—
San Diego Home/Garden	57.7	51.8	57.7	51.8
Southern Accents (6X)	71.9	82.1	71.9	82.1
Southern Living	83.7	67.8	83.7	67.8
Sunset Magazine A.	76.4	85.2	76.4	85.2
Workbench (6X)	39.7	48.4	39.7	48.4
Total Group	**1,575.8**	**1,446.6**	**1,575.8**	**1,446.6**
% change	**8.9%**		**8.9%**	
■ In-flight & other passenger				
Aboard Group (6X)	35.3	28.0	35.3	28.0
Alaska Airlines	58.8	54.7	58.8	54.7
America West Airlines	69.0	61.5	69.0	61.5
American Way (24X)	119.8	127.4	119.8	127.4
East/West Network:				
Continental Profiles	51.3	52.0	51.3	52.0
Eastern Review	56.0	61.2	56.0	61.2
Northwest	43.5	43.2	43.5	43.2
Pan Am Clipper	33.7	43.3	33.7	43.3
Southwest Spirit	54.7	59.7	54.7	59.7
TWA Ambassador	43.5	51.0	43.5	51.0
Vis `A Vis	69.3	40.7	69.3	40.7
Halsey Publication:				
Delta Sky	80.7	80.7	80.7	80.7
Pace Communications:				
Braniff Magazine	26.1	—	26.1	—
US Air Magazine	35.8	56.5	35.8	56.5
Spirit of Aloha (6X)	25.2	20.8	25.2	20.8
Total Group	**802.7**	**780.7**	**802.7**	**780.7**
% change	**2.8%**		**2.8%**	
■ Men's				
Esquire A.	72.0	47.3	72.0	47.3
Firehouse Magazine	39.8	38.0	39.8	38.0
Gentlemen's Quarterly A.	82.1	84.2	82.1	84.2
M Magazine	35.0	43.6	35.0	43.6
Muscle & Fitness	146.6	120.4	146.6	120.4
Penthouse A.	54.3	55.9	54.3	55.9
Playboy A.	97.5	53.0	97.5	53.0
Salute (10X)	—	—	—	—
Total Group	**527.2**	**442.5**	**527.2**	**442.5**
% change	**19.1%**		**19.1%**	
■ Metropolitan				
Aloha	29.7	31.3	29.7	31.3
Atlanta	55.0	51.1	55.0	51.1
Baltimore	50.0	51.5	50.0	51.5
Boston	119.2	124.4	119.2	124.4
California	36.4	47.4	36.4	47.4
Chicago	118.6	105.9	118.6	105.9
Chicago's North Shore	89.5	93.3	89.5	93.3
Cincinnati	34.1	47.7	34.1	47.7
Cleveland	40.6	52.9	40.6	52.9
Coast (39X)	39.0	42.0	39.0	42.0
Columbus Monthly	58.7	69.9	58.7	69.9
Connecticut	78.2	75.1	78.2	75.1
D/Magazine	55.0	70.6	55.0	70.6
Denver	22.3	28.2	22.3	28.2
Detroit Monthly	57.3	51.4	57.3	51.4
Grand Rapids	30.3	27.6	30.3	27.6
Gulfshore Life (10X)	103.3	86.0	103.3	86.0
Honolulu	49.3	55.4	49.3	55.4
Houston Metropolitan Mag.	43.7	40.3	43.7	40.3
Inside Chicago	38.5	30.7	38.5	30.7
Louisiana Life	28.8	24.2	28.8	24.2
Madison	38.0	44.0	38.0	44.0
Memphis	67.2	74.0	67.2	74.0
Mid Atlantic Country	26.2	17.2	26.2	17.2
Milwaukee	41.3	47.5	41.3	47.5
Minneapolis/St. Paul	71.8	67.9	71.8	67.9
Minnesota Monthly Mag.	50.0	31.5	50.0	31.5
Nashville	52.0	44.0	52.0	44.0
New England Monthly	54.1	46.5	54.1	46.5
New Jersey Monthly	77.2	70.0	77.2	70.0
New Mexico	95.9	92.3	95.9	92.3
Ohio	53.0	55.0	53.0	55.0
Orlando	87.8	91.0	87.8	91.0
Palm Beach Life	97.4	85.7	97.4	85.7
Palm Springs Life	178.4	155.0	178.4	155.0
Philadelphia	123.1	122.6	123.1	122.6
Phoenix	48.2	49.5	48.2	49.5
Pittsburgh	42.8	49.3	42.8	49.3
Rhode Island Monthly	43.7	—	43.7	—
Sacramento Magazine	47.0	44.0	47.0	44.0
St. Louis	45.7	49.6	45.7	49.6
San Diego	105.8	175.7	105.8	175.7
San Francisco Focus	68.9	54.7	68.9	54.7
South Florida Magazine	128.7	89.0	128.7	89.0
Texas Monthly	75.3	53.1	75.3	53.1
Ultra	52.5	23.3	52.5	23.3
The Virginian (6X)	58.7	60.5	58.7	60.5
Washington (7X)	48.0	47.4	48.0	47.4
The Washingtonian	157.5	113.7	157.5	113.7
Total Group	**3,213.7**	**3,060.9**	**3,213.7**	**3,060.9**
% change	**5.0%**		**5.0%**	
■ Music/entertainment				
Audio	110.0	109.9	110.0	109.9
Dance Magazine	59.2	54.0	59.2	54.0
Playbill	40.6	35.4	40.6	35.4
Video Magazine	66.0	70.0	66.0	70.0
Total Group	**275.8**	**269.3**	**275.8**	**269.3**
% change	**2.4%**		**2.4%**	
■ Outdoor & sport				
Alaska	31.7	32.1	31.7	32.1
The American Handgunner (6X)	54.0	49.0	54.0	49.0
American Hunter	15.8	17.6	15.8	17.6
American Rifleman	20.6	24.8	20.6	24.8
Backpacker (6X)	—	—	—	—
Bass Master (10X) A.	67.0	82.9	67.0	82.9
Bicycling (9X)	99.0	85.6	99.0	85.6
Cross Country Skier	47.0	43.4	47.0	43.4
Ducks Unlimited (6X)	29.6	23.6	29.6	23.6
Field & Stream	50.3	57.5	50.3	57.5
Fins & Feathers A.	32.2	30.1	32.2	30.1
Fishing World (6X)	40.3	43.0	40.3	43.0
Florida Sportsman	125.9	133.7	125.9	133.7
Golf Digest	111.9	87.1	111.9	87.1
Golf Illustrated	38.3	23.2	38.3	23.2
Golf Magazine	164.4	150.2	164.4	150.2
Gun Dog (6X)	40.0	26.2	40.0	26.2
Guns	34.0	33.0	34.0	33.0
Guns & Ammo	37.4	38.7	37.4	38.7
In-Fisherman (6X)	—	—	—	—
Outdoor Life	68.9	55.6	68.9	55.6
Outside Magazine	38.4	35.0	38.4	35.0
Petersen's Hunting	37.7	36.4	37.7	36.4
Runner's World (12X)	29.4	35.8	29.4	35.8
Salt Water Sportsman	194.5	200.3	194.5	200.3
Shooting Times	30.7	34.8	30.7	34.8
Sierra (6X)	53.4	34.5	53.4	34.5
Ski (8X) A.	133.1	104.5	133.1	104.5
Skiing (7X) A.	83.5	113.0	83.5	113.0
Skin Diver	102.7	91.1	102.7	91.1
Southern Outdoors (9X)	36.7	44.6	36.7	44.6
Southern Saltwater (8X)	58.3	39.4	58.3	39.4
Sport Magazine	23.0	34.7	23.0	34.7
Sports Afield	46.4	43.8	46.4	43.8
Tennis	34.5	46.0	34.5	46.0
Waterski (8X)	96.5	47.2	96.5	47.2
Western Outdoors (10X)	31.1	37.6	31.1	37.6
Wildfowl (6X)	—	—	—	—
WindRider (8X)	—	—	—	—
Wing & Shot (6X)	16.8	15.5	16.8	15.5
World Tennis	20.5	20.0	20.5	20.0
Total Group	**2,175.5**	**2,051.7**	**2,175.5**	**2,051.7**
% change	**6.0%**		**6.0%**	
■ Photography				
American Photographer	36.5	37.9	36.5	37.9
Petersen's Photographic	26.9	23.7	26.9	23.7
Popular Photography	85.3	81.5	85.3	81.5
Total Group	**148.7**	**143.1**	**148.7**	**143.1**
% change	**3.9%**		**3.9%**	
■ Science/electronic/mech				
Discover	37.2	39.1	37.2	39.1
Home Office Computing	49.3	46.4	49.3	46.4
Omni	55.2	53.9	55.2	53.9
Personal Computing	195.7	220.7	195.7	220.7
Popular Mechanics	49.6	59.0	49.6	59.0
Popular Science	56.6	59.8	56.6	59.8
Scientific American	33.9	18.3	33.9	18.3
Spectrum	81.3	86.8	81.3	86.8
Total Group	**558.8**	**584.0**	**558.8**	**584.0**
% change	**-4.3%**		**-4.3%**	
■ Woman/fashion/service				
Beauty Digest (6X)	—	—	—	—
Bride's Magazine (6X) A.	—	—	—	—
Cosmopolitan A.	129.2	142.0	129.2	142.0
Elle Magazine	75.2	72.7	75.2	72.7
Essence	70.3	58.1	70.3	58.1
Family Circle (17X) A.	96.0	56.2	96.0	56.2
Glamour	79.0	91.8	79.0	91.8
Good Housekeeping A.	94.6	66.5	94.6	66.5
Harper's Bazaar	41.2	61.7	41.2	61.7
Health	34.3	27.1	34.3	27.1
Imagen	42.0	59.0	42.0	59.0
Ladies' Home Journal	85.1	74.5	85.1	74.5
Mademoiselle	56.6	62.0	56.6	62.0
McCall's	75.0	55.1	75.0	55.1
Military Lifestyle (10X)	47.7	33.6	47.7	33.6
Modern Bride (6X)	—	—	—	—
Ms.	61.0	36.7	61.0	36.7
New Woman	62.5	56.4	62.5	56.4
Parents Magazine A.	73.1	80.6	73.1	80.6
Redbook	78.9	72.9	78.9	72.9
Savvy	43.4	39.7	43.4	39.7
Self	72.4	51.7	72.4	51.7
Seventeen	48.4	43.7	48.4	43.7
Shape	64.6	60.2	64.6	60.2
Soap Opera Digest (26X)	31.2	24.2	31.2	24.2
Soap Opera Update	10.0	—	10.0	—
Teen Magazine	22.2	32.1	22.2	32.1
True Story A.	36.0	39.4	36.0	39.4
Vogue	98.6	103.6	98.6	103.6
W Magazine	87.6	83.1	87.6	83.1
Weight Watchers	32.2	29.0	32.2	29.0
Woman (10X)	—	—	—	—
Woman's Day (15X) A.	95.0	86.8	95.0	86.8
Workbasket	25.5	25.5	25.5	25.5
Working Mother	44.7	54.3	44.7	54.3
Working Woman	73.6	67.1	73.6	67.1
Total Group	**1,987.1**	**1,847.1**	**1,987.1**	**1,847.1**
% change	**7.6%**		**7.6%**	
■ Youth				
Boys' Life	22.1	15.1	22.1	15.1
Campus Life (10X)	52.2	50.8	52.2	50.8
Total Group	**74.3**	**65.9**	**74.3**	**65.9**
% change	**12.7%**		**12.7%**	
■ Business/national				
Barron's	137.1	152.2	137.1	152.2
Black Enterprise	35.9	36.9	35.9	36.9
Business Month	30.8	22.7	30.8	22.7
Business Week (52X) A.	246.7	204.0	246.7	204.0
Financial World (26X)	36.9	39.4	36.9	39.4
Forbes (26X)	225.5	207.0	225.5	207.0
Fortune (26X)	275.8	164.7	275.8	164.7
Frequent Flyer	30.4	49.0	30.4	49.0
Futures	44.5	53.3	44.5	53.3
Inc. Magazine	79.1	54.0	79.1	54.0
Income Opportunities	—	—	—	—
Industry Week (25X) A.	61.1	53.1	61.1	53.1
Nation's Business (12X) A.	39.9	35.0	39.9	35.0
Venture	42.7	58.9	42.7	58.9
Total Group	**1,286.3**	**1,130.2**	**1,286.3**	**1,130.2**
% change	**13.8%**		**13.8%**	
■ Business/regional				
Advantage-Nashville's Bus. Mo.	52.0	63.0	52.0	63.0
Arizona Bus. Gazette (52X)	41.0	49.0	41.0	49.0
Baltimore Bus. Jrnl.	63.5	47.0	63.5	47.0
Boston Bus. Jrnl. (52X)	119.6	100.1	119.6	100.1
Bus. First of Buffalo	57.1	37.3	57.1	37.3
Bus. Jrnl.-Milwaukee	141.3	143.1	141.3	143.1
Bus. Jrnl.-Sacramento	68.9	59.3	68.9	59.3
Bus. North Carolina	18.2	31.5	18.2	31.5
Capital Dist. Bus. Review (52X)	84.2	54.7	84.2	54.7
Caribbean Business	64.6	73.6	64.6	73.6
Corporate Rpt. Minnesota	—	—	—	—
Crain's Chicago Bus. (52X)	93.8	95.0	93.8	95.0
Crain's Cleveland Bus. (52X)	69.0	44.5	69.0	44.5
Crain's Detroit Bus. (52X)	66.0	56.2	66.0	56.2
Crain's New York Bus. (52X)	38.0	34.0	38.0	34.0
Florida Trend (13X)	56.7	60.7	56.7	60.7
Georgia Trend	48.3	63.8	48.3	63.8
Grand Rapids Bus. Jrnl.	48.6	42.2	48.6	42.2
Hawaii Business	37.8	30.9	37.8	30.9
Houston Bus. Jrnl. (52X)	57.0	46.0	57.0	46.0
Indianapolis Bus. Jrnl. (52X)	133.2	109.3	133.2	109.3
Manhattan Inc.	27.8	30.9	27.8	30.9
New England Bus. (20X) A.	31.7	37.3	31.7	37.3
New Orleans City Bus.	44.9	35.4	44.9	35.4
Pacific Bus. News (52X)	97.4	72.1	97.4	72.1
Pittsburgh Bus. Times (52X)	107.6	90.0	107.6	90.0
Providence Bus. News	70.0	53.1	70.0	53.1
Regardie's/Washington Review Publication:	164.0	106.0	164.0	106.0
Broward Review	66.4	34.1	66.4	34.1
Miami Review	67.7	48.5	67.7	48.5
Palm Beach Review	54.5	26.3	54.5	26.3
San Jose Bus. Jrnl.	—	—	—	—
St. Louis Bus. Jrnl. (52X)	118.5	78.1	118.5	78.1
Warfield Monthly Baltimore	42.7	45.5	42.7	45.5
Total Group	**2,251.9**	**1,898.4**	**2,251.9**	**1,898.5**
% change	**18.6%**		**18.6%**	
■ National Sunday mags				
Parade (52X)	58.0	59.7	58.0	59.7
USA Weekend (52X)	55.1	48.0	55.1	48.0
Vista Magazine	16.5	11.8	16.5	11.8
Total Group	**129.6**	**119.5**	**129.6**	**119.5**
% change	**8.4%**		**8.4%**	
■ Newspaper Sunday magazine				
Boston Globe	183.0	208.0	183.0	208.0
Chicago Tribune	64.9	70.2	64.9	70.2
Cleveland Plain Dealer	30.7	37.7	30.7	37.7
Columbus Dispatch	24.0	23.9	24.0	23.9
The Dallas Morning News	42.5	73.2	42.5	73.2
Detroit Free Press	33.4	32.3	33.4	32.3
L.A. Times	67.2	50.8	67.2	50.8
Louisville Courier-Jrnl.	35.0	36.0	35.0	36.0
New York Times Mag.	201.5	178.4	201.5	178.4
Philadelphia Inquirer	59.8	64.4	59.8	64.4
Seattle Times	54.0	42.0	54.0	42.0
St. Louis Post Dispatch	66.3	62.9	66.3	62.9
Toledo Blade Magazine	24.6	26.5	24.6	26.5
Washington Post	121.9	78.5	121.9	78.5
Total Group	**1,008.8**	**984.8**	**1,008.8**	**984.8**
% change	**2.4%**		**2.4%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	210.3	157.4	210.3	157.4
Army Times Military Group:				
Air Force Times (52X)	145.3	132.5	145.3	132.5
Army Times (52X)	136.4	124.3	136.4	124.3
Navy Times (52X)	158.6	147.7	158.6	147.7
Capper's (26X)	50.5	24.3	50.5	24.3
Commonweal (22X)	10.8	9.9	10.8	9.9
Golf World (40X)	127.0	120.8	127.0	120.8
Grit (52X) A.	44.6	38.1	44.6	38.1
National Journal (50X)	43.0	56.3	43.0	56.3
National Review (25X)	18.6	27.3	18.6	27.3
New Republic (48X)	41.2	32.4	41.2	32.4
New York Magazine (50X)	166.4	162.1	166.4	162.1
New Yorker	152.7	132.4	152.7	132.4
Newsweek (52X) A.	157.5	135.6	157.5	135.6
People (51X)	209.2	151.0	209.2	151.0
Rolling Stone (25X)	81.4	68.2	81.4	68.2
Sporting News (52X)	53.0	52.8	53.0	52.8
Sports Illustrated (52X) A.	191.5	249.0	191.5	249.0
Time (52X) A.	187.6	140.2	187.6	140.2
TV Guide (52X) A.	307.1	345.2	307.1	345.2
US Magazine (26X)	30.8	26.2	30.8	26.2
U.S. News & World Report (50X) A.	119.5	94.5	119.5	94.5
Total Group	**2,643.2**	**2,428.1**	**2,643.2**	**2,428.1**
% change	**8.9%**		**8.9%**	

NOTES: (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. All figures represented in this table are supplied by the magazines. AD AGE makes no attempt to verify them and therefore is not responsible for inconsistencies or errors.

Casinos chance targeted ads

By LAURA LORO

ATLANTIC CITY, N.J.—Casinos here are anteing up more advertising dollars to meet intensified competition and a shrinking pool of gamblers.

They're also getting more sophisticated, segmenting advertising to target high rollers, older adults, families and younger players.

Still, advertising alone won't do it: Most executives agree growth will depend on better transportation into the city.

"Expansion and improvement of the airport is critical to the success of the industry," said Patrick Killian, director of casino industry economics, Casino Association of New Jersey.

Executives are optimistic about planned improvements for the Atlantic City International Airport and the "Gambler's Express," a shuttle train to Philadelphia set to begin service by June.

The hottest development is real estate mogul Donald Trump's purchase of Eastern Airlines' shuttle that operates between Washington, New York and Boston. Some say Mr. Trump may divert flights to Atlantic City on weekends and holidays, although Trump Organization executives say nothing has been decided. Trump's Taj Mahal casino is scheduled to open in early 1990.

Better transportation could break the market wide open, said Bruce Smith, publisher, *Gaming & Wagering Business*. But for now, casinos are fighting for the 50 million-plus daytrip gamblers who drive in from Connecticut, Maryland, New Jersey, New York, Pennsylvania and Washington.

In 1988, the 12 casinos here grossed $2.7 billion, a 9.6% increase over 1987, according to the New Jersey Casino Control Commission. In 1986, 11 casinos grossed $2.2 billion, the commission reports.

Harrah's, Caesars and Trump Plaza are the most profitable, said William Cradle, director of communications, Casino Association of New Jersey.

But ad restrictions handicap casinos. The New Jersey Casino Control Commission prohibits all advertising from giving a casino's size, the number of its games or gambling odds. On-site advertising must carry the disclaimer: "Bet with your head, not over it."

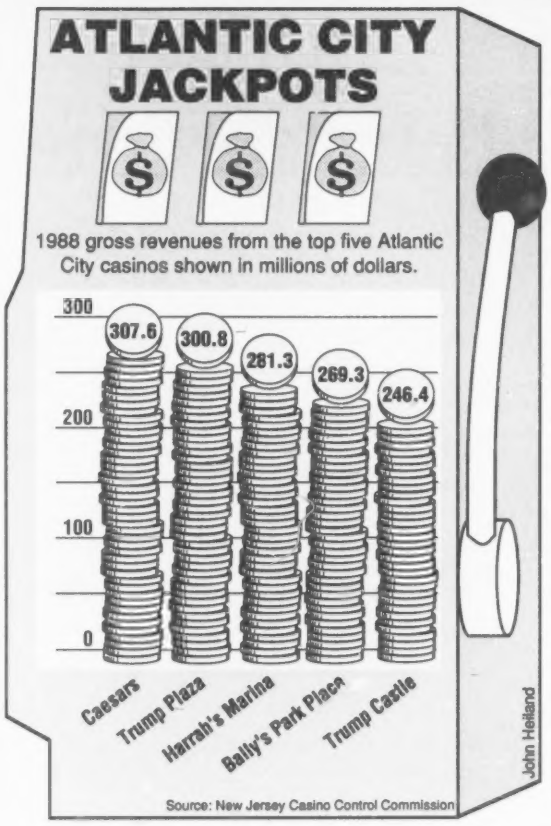
Under Federal Communications Commission restrictions on broadcast advertising, the word "casino" may be used only as part of an establishment's official name, and showing identifiable gaming halls is prohibited, said Ben Halprin, FCC attorney.

The FCC prohibits cable TV system operators from airing spots that promote casino activities, and would pursue system operators, not casinos, in the event of a violation, Mr. Halprin said.

"What it amounts to is we can't advertise our product," said Alan Rosenzweig, Bally's Park Place director of advertising and public relations.

Advertising has become increasingly more targeted, with direct marketing playing a large role, said Gary Selesner, Trump Plaza director of marketing. But that also is restricted.

"It is in violation of federal law to communicate information about gambling across state lines," said Robert Pickus, VP-general counsel, Trump Castle. Out-of-state mailings focus on restaurant, hotel or entertainment promotions and not casino activity, although in-state mailings do tout them, he said.



Direct mail "is as important as mass media," Mr. Selesner said. Trump Plaza uses different mailings to reach high rollers, daytrippers and slot machine players. Trump Plaza recently moved its estimated $7 million account to VanSant Dugdale, Baltimore, from Smith Burke & Azzam, Baltimore, when three of the agency's five partners moved to VanSant Dugdale (AA, Feb. 6, *et seq.*).

"Direct mail is outdoing mass media due to escalating costs," said Alyssa Ruby-Mako, TropWorld director of marketing services.

Bally's Park Place mailed invitations to a closed-circuit viewing of a November prizefight between Sugar Ray Leonard and Donny Lalonde; more than 3,000 attended, Mr. Rosenzweig said.

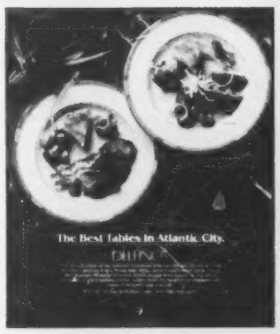
The casino handles advertising, themed "Bally's is slots!" in-house. Bally's print and outdoor advertising emphasize its slot machines; its parent, Bally Manufacturing Corp., Chicago, makes slot machines.

Casinos also maintain intensely competitive bus programs, offering passengers complimentary packages including gambling chips, restaurant coupons and show tickets.

While Las Vegas casinos have been very successful in attracting younger players and families, it hasn't worked as well here. The Showboat opened in March 1987, targeting families with advertising touting amenities including a bowling center, but hasn't met with great success, industry sources say. Showboat now targets premium players, Mr. Smith said. Kelly & Reber handles advertising, themed "Get that winning feeling."

Resorts International is expected to boost its ad spending significantly under new owner Merv Griffin. Its ad plans are up in the air since the ownership change; the casino may review agencies, said George Meredith, VP, Gianettino & Meredith, Short Hills, N.J., agency on the $3 million account. Mr. Griffin will appear in all upcoming advertising.

Current advertising targets "the middle market, drive-in player, the everyday Joe," Mr. Meredith said.



Restricted from showing their casinos, Trump Castle (top) touts restaurants, and Harrah's uses testimonials.

Harrah's Marina targets upscale players with TV spots themed "This one's for the better people. This one's for you." Trahan, Burden & Charles, Baltimore, handles.

The upscale Trump Plaza touts itself as "The happening place" with invitations to special events mailed to households in the U.S. as well as in Europe, the Orient and South America.

Trump Castle will reach high-end players when hotel suites open in the spring. Smith Burke & Azzam handles that $7 million account, but Trump Castle reportedly is looking to bring advertising in-house.

Trump's Taj Mahal recently named Laurence, Charles, Free & Lawson, New York, to handle advertising, expected to begin in the fall. Billings may reach $12 million.

TropWorld, formerly Tropicana, positions itself as "The gambling world of Atlantic City" for younger players, touting Tivoli Pier, an amusement center. Barnes, Dennis & Associates, Greensboro, N.C., handles the estimated $5 million-to-$10 million account.#

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East NewsWatch

PHILADELPHIA—**Geographic Marketing Group**, a local ad agency handling several Pepsi-Cola bottler assignments, was acquired from Tracy-Locke, Dallas, in a management-led buyout. Included in the management group are Arthur Broll, chairman; Mel Korn, president-ceo; and Margaret Dembowczyk, exec VP-chief operating officer. Geographic Marketing reported 1988 billings of $20 million.

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DiMaggio softens up bank pitch

NEW YORK—Bowery Savings Bank has launched an $8 million campaign, its largest ad effort.

Four TV spots that broke Feb. 16 feature baseball great Joe DiMaggio, Bowery's spokesman of 18 years. The nostalgic spots show Mr. DiMaggio recounting stories from his days on the field and historical footage from actual games.

"You've never seen Joe like this. These show him at a very human, intimate level," said Director Bob Giraldi.

The campaign, Bowery's first TV effort in more than five years, is supported by product-oriented newspaper, outdoor and transit ads. Chiat/Day handles.

Newspaper ads introduce Bowery's relationship with Home Savings of America, one of the largest savings institutions in the U.S. Home Savings parent H.F. Ahmanson & Co. purchased Bowery for $200 million, gaining an entry into the New York market, in early 1988.

Bowery has 25 branches here.#

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February 27, 1989

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Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

The party's over

Food giants pull back on marketing, but boost promotion

By JULIE LIESSE ERICKSON and JUDANN DAGNOLI

FORT LAUDERDALE, FLA.—Food marketers are putting the brakes on big marketing budget increases as they focus more attention on the bottom line.

At the same time, these marketers increasingly are favoring consumer and trade promotion at the expense of media advertising.

"Marketing and advertising budgets are coming down across the board—and that's for good," said Eric Larson, analyst with First Boston Corp. "With increasing commodity costs and changes in trade relationships, companies need to watch the bottom line."

Wrestling with such issues as drought-related hikes in commodity costs, continuing takeover fears, unrelenting price promotion and more demands from retailers, marketers attending the Consumer Analysts Group of New York's annual meeting here predicted sharply lower increases in marketing budgets.

For example:

- Quaker Oats Co. said it will halve its budget increase to an estimated 10% to 12% from its traditional 20% to 25%. "Our marketing increases will be more in line with sales increases than in the recent past," Chairman-CEO William Smithburg said.
- Michael Miles, president-chief operating officer of the newly merged Kraft General Foods Group, projected "substantial" marketing increases but probably at about half the 1988 rate, when Kraft spending was up 18%.
- Anheuser-Busch will try to make up some of its $100 million in drought-related costs by "re-evaluating its marketing expenditures this year," said Jerry Ritter, exec VP-group executive. Because A-B won't incur any Olympic-related expenses, the company's marketing expenditures will decline. But Mr. Ritter said ongoing beer advertising won't be cut.
- Kellogg Co. plans to reduce marketing expenses by "re-evaluating the way we remunerate our agencies, the way we buy media and how many new products we introduce," said Horst Schroeder, president-chief operating officer.

Industry ad spending will "go up more in line with sales," said John Maxwell, an analyst at Wheat First Securities. In the past, marketers had raised ad budgets 20% or more when sales had gone up only 15%, he said.

Whatever the increase, the bulk isn't expected to go into advertising. Instead, food marketers will shift those increases into price promotions, couponing and trade allowances.

"There's a great transfer of dollars into promotion at the expense of advertising," said Ralston Purina Co. Chairman William Stiritz.

Mr. Stiritz said he's worried about "how the emergence of a format like Wal-Mart or hypermarkets as the retail prototype of the future will affect the package-goods companies." His concern is the large chains' ability to demand lower prices and more promotional discounts.

Other companies that are high on promotion include Hershey Foods Corp., which told analysts that while its ad spending remained flat in 1988, at $97 million, its promotional spending soared 40% to $245 million.

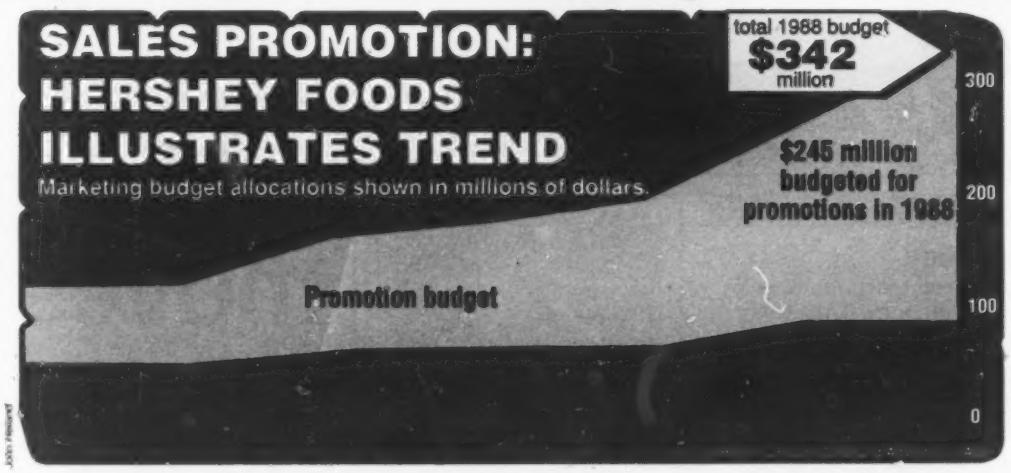
Borden said its promotional spending will leap 20% in 1989, compared with a 4% jump in ad spending.

And Campbell Soup Co. said promotional activity will increase this year for frozen-food products and Prego spaghetti sauces, where Campbell is locked in a war with Chesebrough-Pond's Ragu.

It's possible the food marketing mix could eventually reach 70% promotion and 30% advertising, said Bonnie Rivers, a Salomon Bros. analyst.

"Dry grocery is growing at only 1% on a year-to-year basis. Every one of us food companies is aiming for 5% growth. That means

(Continued on Page 78)



Last Minute News

Conn. lawmaker backs ad tax

HARTFORD, CONN.—An influential state senator Friday introduced an ad-tax bill that appears virtually identical to a measure passed and then repealed in Florida two years ago. The bill introduced by Sen. William DiBella (D., Hartford) would extend the state's 7.5% sales tax to in-state and national advertising. Sen. DiBella, who co-chairs the Taxation, Finance & Bonding Committee that has jurisdiction over his bill, estimates the measure would bring in at least $100 million a year. Ad groups that had expected the bill's introduction hope their clout in Connecticut—home to at least 100 companies belonging to the Association of National Advertisers—will prevail and the measure will be defeated.

RJR ready to sell two units

ATLANTA—RJR Nabisco's first asset sales since its acquisition by Kohlberg Kravis Roberts were said to be "imminent" at press time. The spinoffs of Del Monte and Chun King foods are likely to happen first, with Castle & Cooke and an unidentified Japanese company, respectively, mentioned as the likeliest acquirers. McCann-Erickson Worldwide, San Francisco, is Del Monte's main agency; Lowe Marschalk, New York, is Chun King's main agency. The Planters LifeSavers division is believed to be next to go on the auction block. Separately, executives are close to naming a new RJR ceo, sources said. Analysts' speculation centered on James Morgan, staff senior VP-marketing and planning for

(Continued on Page 8)

Hot magazine exits Murdoch unit, hurt by 'TV Guide' push

By PATRICK REILLY

One of the country's fastest-growing magazines has defected from Rupert Murdoch's U.S. distribution company because it fears losing newsstand and checkout-counter clout to Mr. Murdoch's *TV Guide*.

Soap Opera Digest last week dropped Murdoch Magazines Distribution Division for Time Distribution Services, the national magazine distributor jointly owned by Time Inc. and New York Times Co. Magazine Group.

Gerry Ritterman, president of *Soap Opera Digest* parent Network Publishing Corp., cited indications that *TV Guide* had become top priority at Murdoch Magazines.

His prime concern was getting prominent display space for *Soap Opera Digest* at a time of heightened promotion of similarly sized *TV Guide*.

"I need a distributor who will defend us as well as expand us,-and I mean defend us from *TV Guide*," Mr. Ritterman said. "I feel safe with TDS. They don't have any digest-size magazines. And we are looking at going weekly, and TDS, with magazines like *Time* and *People*, understands weekly."

Mr. Ritterman added, "Before Murdoch, Triangle handled all the premier digest-size magazines—*TV Guide*, *Soap Opera Digest* and *Reader's Digest*—and everybody got an even shake. Now they want as much circulation for *TV Guide* as possible. If my boss had paid $3 billion for something, I would pay attention to it first, too."

Soap Opera Digest's single-copy sales have grown from about 400,000 four years ago to the current level of 857,357 every two weeks. It now has an average total circulation of more than 1.1 million.

Joe Elm, Murdoch's VP for single-copy sales, said *Soap Opera Digest* left because

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Rushdie's days as an adman
Page 4

Sears breaks biggest blitz

By KATE FITZGERALD

Sears, Roebuck & Co. breaks the biggest ad campaign in its history today, and it will follow that media blitz with a significant boost in consumer contests and promotions.

The nation's largest retailer makes its long-anticipated switch this week to "everyday low pricing," with plans to be a more visible promotional marketer. Programs include a national sweepstakes tied to the numbers on Sears' 45 million charge cards.

Sears closes its 824 stores tomorrow and reopens March 1 with an intensive three-week ad campaign using TV, print and radio to announce its new merchandising strategy (AA, Feb. 20).

A pool of eight 30-second commercials will air a total of 700 times during the next three weeks on broadcast and cable TV networks and syndicated programming, Sears said.

Sears will air its TV spots 700 times to support its move to everyday low pricing.

During this first week, Sears commercials will air every half-hour during network prime-time programming.

Sears says this will result in "roadblocks" on the Big 3 networks twice tonight (at 9 p.m. and 9:30 p.m. ET) and four times on Feb. 28 (8 p.m., 8:30 p.m., 9 p.m. and 9:30 p.m. ET).

Sears also has bought between 100 and 150 network radio slots a day during the three-week launch.

Print ads touting the lower pricing on some 50,000 Sears items start today in 900 newspapers.

Ogilvy & Mather, Chicago, is Sears' agency.

After the big launch, Sears' new marketing game plan calls for a significant level of promotional marketing activity later in the year, said Thomas E. Morris, VP-advertising, and dramatic shifts in its newspaper advertising program.

"Instead of weekly inserts focusing on price-off ads, we'll be theming more preprints around promotions and events that will bring flash and excitement to our stores and our advertising," he said.

One of those promotions is believed to be a nationwide, newspaper-advertised sweepstakes using customers' Sears charge card ac-

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Ayer makes new regional moves for BK

By GARY LEVIN and SCOTT HUME

N W Ayer is moving ahead with plans to restructure and regionalize its Burger King Corp. account despite questions raised by last week's reappearance of creative work from previous agency J. Walter Thompson USA.

This week, Ayer will announce "working arrangements" with sales promotion agencies for regions surrounding New York and Atlanta, an Ayer executive said. The move is part of the agency's continuing effort to restructure the account.

Burger King's national sales promotion agency, Einson-Freeman, Paramus, N.J., won't be involved with the local promotional efforts—also part of the chain's regional restructuring—but will continue to handle national promotions.

Jeff McElnea, president of the WPP Group-owned Einson, said the actions don't "mean our work for Burger King on the national level will be undercut at all."

The nature of Ayer's "working arrangements" couldn't be determined, but the agency said it has similar plans for the two remaining regions surrounding Los Angeles and Chicago.

"We're not buying any companies," said the Ayer official, who asked not to be identified.

The regional restructuring previously reported means that essentially autonomous "agencies-within-an-agency" in New York, Chicago, Los Angeles and Atlanta will report to regional Burger King marketing directors. The national account group is still supervised by Ayer Exec VP-Managing Director of Account Services Dominick Rossi in New York.

The Los Angeles and Chicago units already existed; a regional Burger King account group was created in New York (separate from the national group), and a smaller one is being "beefed up" in Ayer's Atlanta office.

Ayer Chairman Louis Hagopian confirmed that two TV spots that broke last week for a Big Cheese double cheeseburger promotion use footage created in 1984 by JWT, New York, for a promotion of a product then called Cheeseburger Deluxe (AA, Feb. 20).

A JWT official said footage from that agency is also being used in other Burger King ads but said the practice isn't unusual since Burger King owns the rights to all its advertising.

Mr. Hagopian denied that a major campaign was being presented to Burger King management or its franchisees this week. Sources said franchisees will be meeting this week in Miami with top Burger King executives and executives from owner Grand Metropolitan.

LOUIS HAGOPIAN

Mr. Hagopian said a spring campaign was presented and approved three to four weeks ago and production of new TV spots will start soon.

Burger King marketing executives couldn't be reached for confirmation.

Also, Mr. Hagopian said Burger King "never was $200 million," despite press reports and the tacit confirmation of that figure by Burger King and Ayer when it won the account. Burger King spent $150 million last year, Mr. Hagopian said, including advertising for all local promotional activity.

In 1987, the year Ayer took over the account from JWT, spending on network and local TV alone was $163 million. In 1986, it was $166 million.

Several Burger King franchisees said they don't expect major changes in marketing until Grand Met finishes hand-picking its top management team for Burger King.#

Olds effort pays off in ad-recall survey

By SCOTT HUME

General Motors Corp.'s Oldsmobile Division finally got a return on its advertising investment last month when its ads placed seventh among the top 10 best-recalled advertisers in ADVERTISING AGE's monthly adWatch survey.

Before its new ad campaign, sales for the once-proud Oldsmobile nameplate were down nearly 30% from two years earlier.

To halt that slide, Oldsmobile and Leo Burnett USA, Chicago, created a new campaign intended to reposition the line in consumers' minds, especially young consumers for whom the Olds name often connoted stodginess more than excitement.

Boldly announcing a "New generation of Olds," the new campaign began Sept. 15 during NBC-TV's Summer Olympics coverage. The commercials feature such celebrities as actors William Shatner and Priscilla Presley, singer Frankie Avalon, game show host Monty Hall, former astronaut Scott Carpenter, auto racer Gary Bettenhausen and musician Dave Brubeck, along with each one's son or daughter (AA, Sept. 12).

"This is not your father's Oldsmobile," the ads insist.

To ensure that people saw and remembered the commercials, Oldsmobile increased its ad budget by 20% to about $120 million.

The company undoubtedly will be cheered to learn that consumer recall for its advertising was strongest among respondents ages 35 to 44, presumably the target audience for the new pitch.

Oldsmobile's newfound recall strength continued when respondents were asked to name the first car or truck advertising that came to their minds. Olds placed fourth in January, with 3.8% of first mentions, compared with fifth and 3.2% in December.

Ford maintained its hold on the top spot with a 22.6% share of first mentions; GM's Chevrolet was second with 21.9%; Toyota was third with 9.6%.

Missing from the top 10 overall were any of the other new campaigns unveiled during the Summer Olympics broadcast. The Beef Industry Council, for example, also invested in celebrity faces for its $30 million "Real food for real people" campaign but didn't make the top 10.

Neither did Xerox Corp., GTE Corp. or Eastman Kodak Co. All three broke new creative during the Games that seems not to have outlasted the Olympics in viewers' memories.

One other advertiser that made an impact in January was Anheuser-Busch. Its Budweiser/Bud Light team is in the top 10 in almost every monthly survey. But in January, advertising for Budweiser and Bud Light was the best recalled for the first time since the December 1987 survey.

The January adWatch survey was conducted by the Gallup Organization before the Jan. 26 Super Bowl telecast during which A-B's "Bud Bowl I" commercial series appeared.

Other studies suggested that the commercials, showing a mock football game between bottles of Bud and Bud Light, were among the best-recalled from the Super Bowl.

Following Bud and Bud Light, others in January's top 10 were, in descending order, Coca-Cola, Chevrolet, McDonald's Corp., Ford, Pepsi-Cola, Oldsmobile, Miller Brewing Co., the California Raisin Advisory Board and Procter & Gamble Co.'s Tide.

AdWatch is a joint project of AD AGE and the Gallup Organization. Advertising awareness is measured by asking a nationally projectable sample to name the first advertising that comes to mind from all seen, heard or read in the previous 30 days. Last month, 1,000 adults were polled by phone. The margin of error is 3.1%.

Among other changes last month:

- What happened to Apple Computer? Its share of first mentions had been building for the past three months (up 4.8 points in October, up another 4.4 in November and then up 3.5 in December).

But last month, when respondents were asked which **computer** advertising they recalled first, Apple was named by 34.6%, down 7.4 points from its 42% share in December.

IBM Corp. remained in the No. 2 spot and posted a modest 2.9-point gain with a 24.8% share of first mentions. Radio Shack was third with 2.5%.

- The fight for the top spot in the **soft-drink** category continues. In January, Coca-Cola won the recall race, garnering 36.7% of first mentions, compared with Pepsi's 36.1%. In December, Pepsi had been in front by a similarly slim margin, 36.6% to 35.9%.

Diet Coke, which Coca-Cola Co. has been heavily promoting, took the No. 3 spot with a 6.8% share of mentions, its strongest showing ever.

- McDonald's continues to redefine the meaning of strong showing. Last month, it topped the adWatch record of 52.5% (which it set in December) by getting 53.2% of first mentions in the **fast-food** category.

Burger King Corp. was a distant second with 12.4%, followed by Wendy's International with 5.4%.#

For more information, contact the Gallup Organization, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

ADWATCH SURVEY OF ADVERTISING AWARENESS TOP 10 IN JANUARY

Last month, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Source: Gallup Organization, Lincoln, Neb.

Rank 1/89	12/88	Advertiser	Agency
1	7	Budweiser/Bud Light	DMB&B/DDB Needham Worldwide
2	10	Coca-Cola	McCann-Erickson Worldwide
3	3	Chevrolet	Lintas:Campbell-Ewald
4	1	McDonald's	Leo Burnett USA
5	2	Ford	J. Walter Thompson USA
6	5	Pepsi-Cola	BBDO Worldwide
7	—	Oldsmobile	Leo Burnett USA
8	4	Miller	J. Walter Thompson USA/Backer Spielvogel Bates
9	6	California raisins	Foote, Cone & Belding
10	—	Tide	Saatchi & Saatchi Advertising

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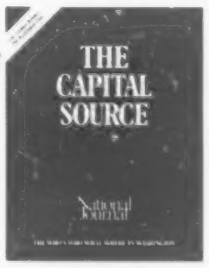

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From the publishers of

National Journal

What the Leaders Read.

Coke gives screen test to new cinema ad idea

By CHRISTY FISHER

Coca-Cola Co. will test consumer reaction to four types of theater advertising, including a new concept that pairs an ad message with a music video.

The soft-drink giant plans to conduct the test for a weekend starting March 10 in United Artist and American Multi-Cinema theaters in Dallas, New York and southern California, said Peter Caparis, Coca-Cola director of theater and prestige advertising.

The purpose of the 12-theater test is to determine which type of advertising is most effective in reaching people ages 12 to 30.

Before the movie, each theater will show the same made-for-cinema Sprite commercial, either on-screen; on-screen with a slide; on a TV monitor in the lobby; or paired with a music video.

Coca-Cola is working on the music video with Dallas-based Avatar's Music Cinema Network. Lowe Marschalk, New York, created the 60-second spot.

When the spot is paired with a music video, an opening on-screen board will give information about the song and artist, said Skip Honeycutt, Avatar president. The presentation closes with the sponsor's logo.

The test probably will use a music video of Boy Meets Girl singing "Bring Down the Moon."

"When you look what happened to network TV and the erosion and fragmentation of the audience, cinema advertising is a great way to supplement that buy," Mr. Caparis said. "But we're not sure how consumers feel about it, and that's why we're doing the test. We've seen mixed consumer reaction."#

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Special Report

Upjohn takes a shine to balding women

As Rogaine's potential with male market thins, marketer eyes new target for hair-growth drug

By Laurie Freeman

Bald women. Top-flight models and actresses have shaved their heads to play roles, gain attention, assume an exotic look.

For millions of American women, however, baldness is neither glamorous nor something they are paid to do. It is unsightly, unacceptable and totally unwanted. It is also a condition Upjohn Co. is betting they will pay handsomely to reverse.

The men's market for hair-growth products has thinned, analysts say. Now, Upjohn is setting its sights on the potentially lucrative women's market for its anti-baldness drug, Rogaine Topical Solution.

The size of the women's market is open to question. Analysts estimate that 20 million of the approximately 55 million balding U.S. adults age 20 to 45 are women. This represents 15.5% of U.S. women.

However, a recent Gallup Organization survey commissioned by ADVERTISING AGE puts the total number of balding women at 7.2 million or 5.6% of U.S. women.

"Thinning hair in women is a much more sensitive subject," says Neil Sweig, drug and healthcare analyst at Prudential-Bache. "Hair is a major part of a woman's total look."

To cash in on women's hair-loss concerns, Upjohn is introducing Progaine shampoo. The hair thickener is considered a companion to Rogaine and could benefit from its sound-alike name. The Progaine ad campaign, which targets both men and women, breaks today.

Women may be a responsive buying segment for hair-replacement products such as Rogaine. They spent most of the $24 billion in 1987 on over-the-counter and salon haircare, and analysts estimate the market for women's hair-growth treatments could reach $105 million in sales annually.

According to AA's Gallup findings, 13.3% of surveyed women losing their hair have sought treatment while only 9.9% of balding men have done so. The survey also shows that 38.6% of women would seek treatment if they were losing their hair; 30.4% of men say they would seek treatment.

Upjohn is betting women will be loyal purchasers because it is less socially acceptable for them to go bald. According to the marketer's estimate, 90% of the women losing their hair have male pattern baldness, which Rogaine is designed to treat.

Upjohn will set out to reach the women's market by seeking Food & Drug Administration approval this summer to market Rogaine to women. Last August, it won FDA approval to market the drug, a hair-growth stimulant comprising 2% minoxidil, to men. The ads and TV commercials do not mention Rogaine because federal regulations prohibit the use of brand names in prescription-drug advertising to consumers.

The FDA spent 2½ years sifting through Upjohn's application and 70,000 pages of documents before granting approval for Rogaine. Analysts say the FDA typically does not take as much time to approve a new application for the same product.

According to an Upjohn spokeswoman, initial 1982 and 1983 clinical trials included too few women for the company to draw "hard and fast" conclusions about how well minoxidil works on them. Upjohn began studying Rogaine's effect on women in 1987.

But women are not waiting, responding to ads for the product that show a balding man. The spokeswoman says Upjohn has received inquiries from women who have asked their physicians for Rogaine prescriptions.

Anything that broadens Rogaine's target audience would be welcome, analysts say. "Wall Street was overly excited about how well the product would do," says Robert Uhl Jr., pharmaceutical industry analyst with Salomon Bros. "Rogaine is more of a consumer product, which takes longer to build a franchise than a drug."

Rogaine also is expensive, costing about $700 to $900 annually—including visits to a physician. Once the regimen has been started, it must be used twice daily *forever* to prevent losing restored hair.

Based on his monthly prescription sales report, Mr. Uhl downgraded his estimate of 1989 Rogaine sales in the U.S. to $80 million from $125 million, and to $110 million from $175 million in 1990. Rogaine had about $30 million in U.S sales in 1988, according to Mr. Sweig.

Upjohn is not the only company trying to get a headstart in the market. Proanagen Corp. is conducting trials of its anti-hypertensive drug diazoxide to determine if the drug is effective in the treatment and prevention of hair loss. The company began clinical studies of its topical solution in mid-1987.

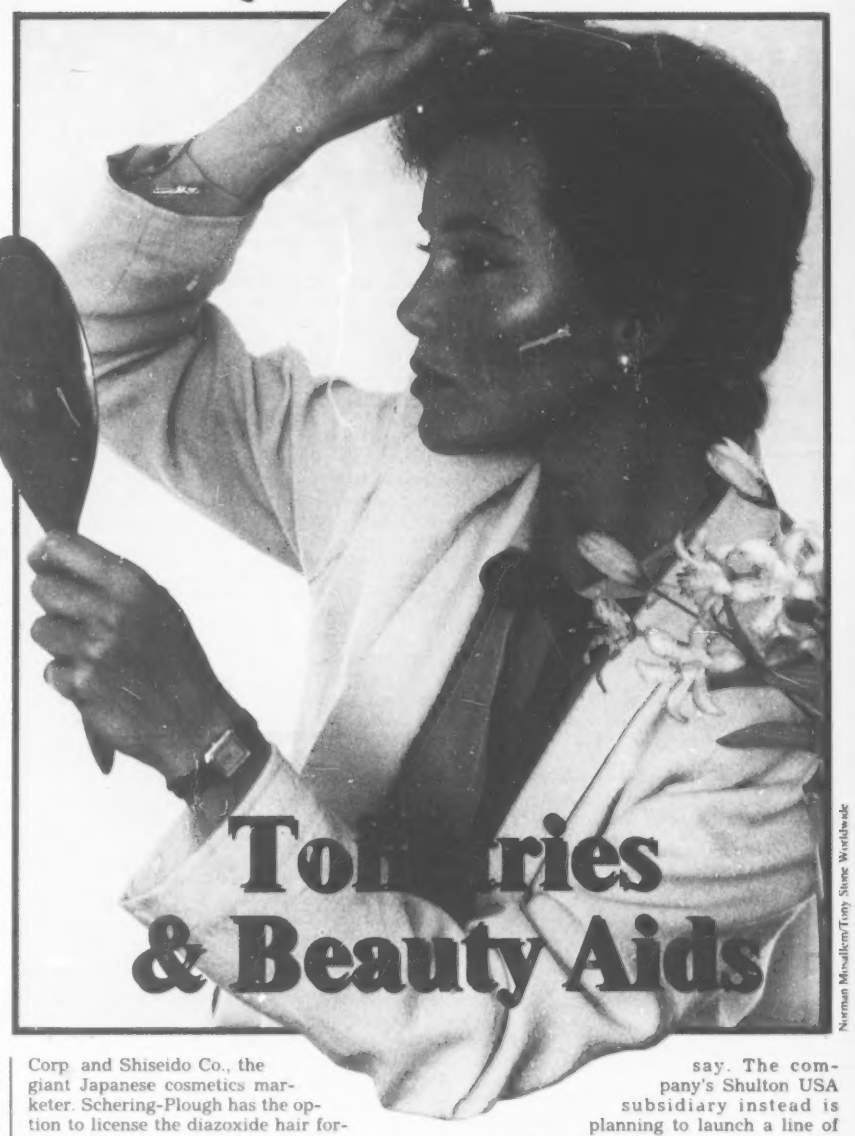
The development of diazoxide is a joint venture between Proanagen, Schering-Plough Corp. and Shiseido Co., the giant Japanese cosmetics marketer. Schering-Plough has the option to license the diazoxide hair formula for sale as a prescription drug in the U.S. and in international markets other than Japan and Southeast Asia, where Shiseido has marketing rights.

The diazoxide formula has a long way to go before it is submitted to the FDA for approval, Mr. Lufkin says. The company only recently began clinical trials to complete the regulatory agency's New Drug Application process.

Another potential competitor to minoxidil dropped out of the category in mid-1988. American Cyanamid Co. halted trials of its viprostol because of its modest response rate and cost of further studies, industry observers say. The company's Shulton USA subsidiary instead is planning to launch a line of mass market non-prescription cosmetic hair-thickener products this year.

Despite the interest in hair-growth drugs among marketers, industry analysts remain skeptical about the category's long-term prospects. But if second and third-generation products can stimulate hair growth less expensively and more effectively than Rogaine, analysts say the market likely will increase substantially.

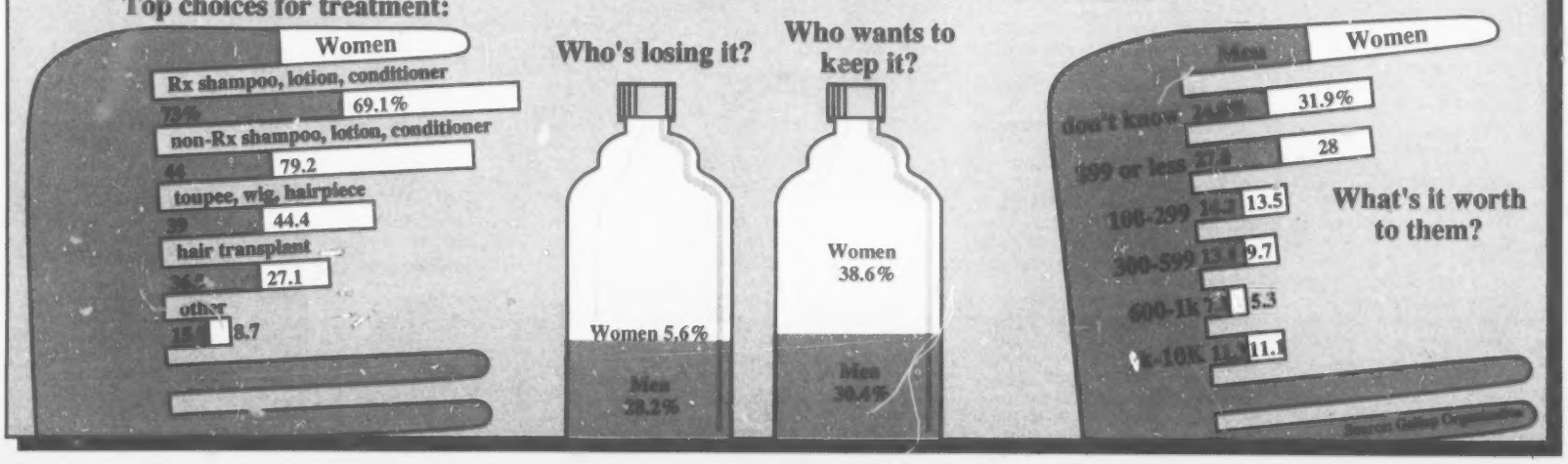
The market's total potential will be known later rather than sooner, Mr. Sweig says. "It's a category that is heavily dependent on consumers' desire to keep their own hair." □



Norman Mosallem/Tony Stone Worldwide

Beauty and the balding market

The chart on "Who's losing it" represents survey respondents experiencing hair loss; other charts reflect opinions of total phone survey pool of 1,000 adults.



'Beautyspeak' runs deep in facial skincare

While talk of Desensitizing Extract or Biomimitism is norm, others go easy

By Pat Sloan

Deciphering the product claims of many skincare treatments is a little like opening up a book on etymology. The words look part Latin, part English and part French; what they mean is anyone's guess.

Under scrutiny from the Food & Drug Administration for using words such as "renewal" and "rejuvenate" too freely, most facial skincare marketers have been coining scientific-sounding terms to sell anti-wrinkle products. Because the words stop short of making actual drug claims, they do not offend the FDA.

But consumers may be confused or turned off by talk of Biomimitism and tissue matrix fluid, so some cosmetic marketers are abandoning bio-babble altogether.

Revlon Group's Ultima division is introducing a product that goes beyond toning down its claims. It makes none.

No Digitized Image Analysis here. No Micro-Targeted Microsomes or Desensitizing Extract. Ads for The Moisturizer, to be introduced in April, will make no claims, and packaging will list only standard benefits, such as hypo-allergenic, non-irritating and fragrance-free. The campaign, created in-house, breaks in May.

Lancome's Niosome system: Is it Biomimitism or is it beauty bio-babbling?

"It's a very straightforward product story," says Ultima President Andrea Robinson. "What we're putting into it are basic [ingredients] that any good product should have."

She says the claim-free ads are consumer driven and not a response to the FDA's crackdown. "It's a gut feeling on my part that women are tired of and confused by testimonials," she says.

Avon Products also is advocating a toned-down message. "Women don't know what words like Biomimisis mean," says Kathy Dwyer, Avon's skincare marketing director. "This creates skepticism; there's a feeling of 'they're trying to pull the wool over my eyes.'"

Avon last year developed Visible Improvement, six skincare products formulated with vitamins and other commonly known natural ingredients, because its research showed that "women are tired of hype," she says.

Instead of promising to minimize signs of aging and revitalize tautness, as many facial-care products do, ads for Visible Improvement, created by N W Ayer, New York, describe the product line as "... Not cure-alls. Not magic. Just simple, single-minded beauty treatments."

Additionally, the company changed advertising for its more technical BioAdvance anti-wrinkle treatment because of FDA pressure. Previous ads claimed to help invigorate the skin's biomatrix; copy now says "BioAdvance with Retinol ... Featured on national TV news and talk shows."

Several marketers are touting derivatives of vitamin A, including retinol and retinyl, in their product claims. But while they may sound like Retin-A, the only anti-wrinkle product the medical community agrees can banish wrinkles, they're not. Johnson & Johnson's Ortho Pharmaceutical unit is seeking FDA approval to market its patented Retin-A as an anti-wrinkle drug.

While Avon and Ultima minimize their ad claims along with pores, others are looking for a middle ground. Germaine Monteil Cosmetiques Corp., another Revlon division, has developed a skincare pitch that combines the simple and complex.

Two 30-second TV spots via Arnell/Bickford, New York, started running this month for Monteil's Triple Action Infusion Firmer. "Unlike some traditional ads that are claims laden, we try to go into the actual mind of the consumer and how she feels about using the product," says Jackie Hadley, VP-marketing for Revlon's Fashion and Designer Group. The product appears throughout the spots, but its scientific name is not mentioned until the end.

Not all skincare marketers are convinced that less is more when it comes to advertising youthful looks. The top three department store brands, accounting for roughly 50% of skincare sales in these outlets, all sport some tie to science.

No. 1 Clinique uses imagery in its ads, which include laboratory technicians and beakers. Its sister product line, No. 2 Estee Lauder, and rival Cosmair Inc.'s No. 3 Lancome, are heavy users of scientific language as well as symbols.

Lauder's ads for Future Perfect from "Estee Lauder Laboratories" include words such as targeted microsomes and lipids. Lancome talks up its Niosome Systeme Anti-Age and Biomimitism.

Now, Elizabeth Arden Inc. is introducing Micro 2000 Anti-Stress Complex, which like Future Perfect suggests technological advances by pointing to the future.

The marketers have been using technological jargon in product names and ad claims to replace words such as "repair, rejuvenate" and "renew," which the FDA disapproves for cosmetics skincare.

Last fall, Lauder sued the agency

(Continued on Page S-4)

Vital statistics

Skincare puts its best face forward

Overall beauty sales at retail ($ billions)

Category	1987	1988	% change
Skincare	$2.4	$2.6	8.3%
Color cosmetics	4.6	4.9	6.5
Haircare	3.4	3.6	5.9
Fragrance	3.7	3.9	5.4
Total	$14.1	$15.0	6.4

Source: Goldman Sachs

Skincare shows it's a shiny spot

Skincare represents the most promising segment of the beauty business.

A proliferation of new products such as anti-aging facial treatments continues to buoy the category's sales, says Sheldon Kasowitz, research analyst at Goldman Sachs. "There's a lot of competitive activity," he notes.

Anti-aging products and facial moisturizers accounted for a large percentage of sales in 1987 and 1988, retailers say. Greater unit sales generated by higher ticket items helped many department stores register double-digit increases in 1989.

However, while many department stores continue to promote higher-price treatment items, sales of mid-price products are sagging, reports Allan Mottus, a leading industry analyst with Mottus & Associates.

"Many marketers simply aren't promoting mid-priced brands and it is hurting the business," he says. "There are consumers who are more price resistant."

This year, mass-market outlets are meeting the void with reasonably priced skincare products. Mr. Mottus says there's a myriad of products scheduled to hit the retailers' shelves in the coming weeks, including skincare lines from Clarion Cosmetics and Cosmair Inc.'s L'Oreal division.

Carey Ahsler, senior consultant at Kline & Co., believes the rush of new entries boosted sales in 1987 and 1988. But she is cautious about the future. She says category growth may be affected by the Food & Drug Administration's efforts to crack down on ad and product claims.

Jeffrey Ashenberg, an analyst at Dean Witter, echoes her concern and adds, "Believable taglines are very important in retaining customers in this category."

Most analysts agree that suncare is the category's brightest spot. In 1987 and 1988, the sub-segment "benefited from all the publicity and warnings of how bad the sun is for your skin," says Paul Cohen, publisher-editor of *Beauty Age*, a leading trade publication.

Top-selling facial-care products

Department store
Clinique
Estee Lauder
Lancome

Broad distribution
Oil of Olay
Vaseline and Pond's
Noxema

Source: Allan Mottus, Mottus & Associates

Customizing catches on

Specially positioned products, items with moisturizing and anti-aging benefits and new entries boasting mistake-proof, custom color have given the color cosmetics category a much needed 6.5% boost.

However, "the basic business is not seeing the kind of increases desired," Mr. Mottus says. "During the holiday season, the big bulk promotions created impact but not the regular stock items.

"In 1988, color cosmetics slid through with a 3% to 4% unit growth," he adds, citing specially positioned products such as Terracotta and Meteorites from Guerlain Inc. as being among the winners.

Face powder showed tremendous growth in 1987, says Ms. Ahsler, and she expects to see similar increases in 1988 when final sales figures are analyzed.

The entire foundation sub-category is continuing on an upward trend, reports a cosmetics buyer at a major Northeast department store chain. "Foundations are the strongest segment of our makeup business," she says.

Although still a very small portion of overall sales, custom color has potential, she says, adding that new, innovative products will continue to fuel category sales.

"Consumers are gravitating toward products that are good for the skin. The Lauder Perfect Lipstick is a good example because it contains moisturizing and anti-aging properties," she says. Shiseido's repositioned color cosmetics also are right on track, she says.

Top-selling color cosmetics

Maybelline
Cover Girl
Clinique
Lancome
Estee Lauder

Source: Allan Mottus, Mottus & Associates

Line extensions bolster haircare

The haircare industry continues to shine as consumers concentrate on keeping their locks clean and healthy.

"There is momentum left in many line extensions in the haircare category. Many existing brands [such as Helene Curtis Industries' Finesse] are being repositioned," Mr. Kasowitz says.

Ms. Ahsler says hair-styling aids, the No. 1 subsegment, is showing sizable sales gains.

"We saw a boom in specialty haircare and styling products," she adds.

Women continue to use hair fixatives, but Mr. Mottus says "they have become more cautious about coloring and perming their hair.

"Women are more active and are shampooing and conditioning more frequently," he says.

The quest for healthy, clean hair has been a boon to higher price salon products and brands sold at mass market but positioned as salon-inspired brands, such as Helene Curtis' Salon Selectives, Vidal Sassoon and Paul Mitchell Systems, Mr. Mottus says.

Top-selling haircare products

Head & Shoulders
Suave
Finesse
Flex
Vidal Sassoon

Source: Allan Mottus, Mottus & Associates

Prices cool fragrances

The fragrance category, posting the slowest growth in the beauty industry, is awash in high prices and an overabundance of new entries, analysts say.

"The fragrance category is flat unit wise," says Mr. Ashenberg. "Dollars are up only slightly. Part of the problem is the [product] life cycle continues to grow shorter."

Additionally, consumers are becoming increasingly price resistant, Mr. Mottus says. He attributes sagging sales in part to higher prices at retail. "Many of the new entry points have climbed above $30," he says.

There has been an emergence of new fragrances, "but it does not represent a category of high growth," reports Ms. Ahsler. "We reported a 3.5% growth for women's fragrances in the middle-priced categories and a mere 2.5% growth for men's fragrances."

Major retailers echo Ms. Ahsler's assessment. Karen Durham, corporate merchandising manager for Jack Eckerd Corp., a 1,600-plus drugstore retailer, says 1988 holiday sales were disappointing.

"Women's fragrance sales were flat to down about 2% this year. Men's fragrance sales were flat as well," she reported at the annual Fragrance Foundation Review of Christmas Past.

One bright spot in this lackluster category is the bath sub-category. Another sub-category to watch, although still small, is environmental fragrances. In 1987, consumers reportedly spent more than $250 million on environmental fragrances, including scented candles, sachets, potpourri, solid perfume oils and scent discs. □

Top-selling fragrance marketers

Avon Products
Revlon Group
Estee Lauder Inc.

Source: Kline & Co.

Researched and written by Donna Italiano, a Fort Lee, N.J.-based free-lance writer.

MAXWELL'S MARKET SHARES

Liquor sales to stay on downward course

By JOHN C. MAXWELL JR.

The overriding theme of the liquor industry last year was predictability, as sales fell again.

Total distilled spirits sales were off 3.3%, domestic spirits dropped 4.1% and imports fell 0.7%.

As has been the case for the past few years, some segments experienced growth. But whiskey, including bonds, blends, straights, Canadians and scotches, declined.

Imported vodka again outperformed all other categories, and domestic vodka followed on the imports' success.

The other spirit that exhibited impressive growth in 1987 and 1988 was tequila, largely attributable to Heublein's Jose Cuervo, up about 15.1% in unit volume last year.

In the 1980s, brown spirits have had a downward drift in sales, with a proportional increase in white spirits sales.

The outlook for 1989 is for yet another year of slight volume decline in spirits, with the exception of specific imports such as vodka.

The top 10 brands of 1988 were the same as in 1987. Bacardi Imports' Bacardi remained No. 1, showing a modest 0.4% decline, though actually increasing market share 0.2 share points to 5%. Four of the top 10 showed volume declines.

Of the 1988 leading brands (those that sell more than 1 million cases), only 15 of the 34 brands showed volume gains. Carillon Importers' Absolut vodka moved up from 21st to 18th place on a 28.6% volume increase. Jose Cuervo tequila moved from No. 19 to No. 17.

In addition to Absolut's growth, Finlandia vodka (Heublein) sales jumped 25% to 375,000 cases and Stolichnaya (Monsieur Henri) sales increased 18.1% to 905,000 cases.

It appears that drinking vodka on the rocks is becoming more of a status symbol among younger drinkers, thus explaining the demand for higher-quality imports. As a result, Glenmore Distilleries has introduced Elduris' Icelandic vodka at the superpremium price of $12 to $14 a bottle.

One of the other significant developments of 1988 may turn out to be the decrease in cordials and liqueurs, down 6.5% in case sales.

Notable is a slowdown in James B. Beam Distilling Co.'s DeKuyper business, which was responsible for much of the category's growth in the past. The cordial/liqueur segment is expected to remain relatively stable; this type of drink has appeal in the accelerating trend toward lower-proof "healthier" alcoholic drinks.

Among the liquor companies, Seagram Co. remained No. 1, increasing market share to 13.5% from 13.2% while total sales declined slightly. The only rank change was Hiram Walker Inc.'s move to fourth from fifth place, edging out Brown-Forman Corp.#

Mr. Maxwell is with Wheat First Securities, Richmond, Va.

TOP LIQUOR COMPANIES — 1988

Top liquor companies by unit volume.

Company	9-liter cases (000) 1987	Mkt. share	1988	Mkt. share
Seagram Co.	22,550	13.2%	22,200	13.5%
Heublein (IDV/GM)	19,850	11.7	20,085	12.2
James Beam (AB)	17,030	10.0	15,942	9.7
Hiram Walker Inc.	11,462	6.7	11,418	6.9
Brown-Forman Corp.	11,908	7.0	9,895	6.0
Schenley (Guinness)	9,118	5.4	9,016	5.5
Bacardi Imports	9,109	5.4	8,950	5.4
Glenmore Distillers	8,555	5.0	8,089	4.9
Schieffelin & Somerset	3,820	2.2	3,810	2.3
Paddington (IDV/GM)	3,553	2.1	3,450	2.1
Buckingham Wile (WB)	2,708	1.6	2,691	1.6
Carillon Importers (IDV/GM)	2,005	1.2	2,423	1.5

Source: John C. Maxwell Jr., Richmond, Va.

TOP-SELLING LIQUOR BRANDS

Domestic depletions of brands selling more than 1 million cases.

Rank	Brand	Company	9-liter cases (000) 1987	% of mkt.	1988	% of mkt.
1	Bacardi	Bacardi Imports	8,179	4.8	8,150	5.0
2	Smirnoff	Heublein (IDV/GM)	7,690	4.5	7,815	4.7
3	7 Crown	Seagram Co.	4,485	2.6	4,440	2.7
4	Popov	Heublein (IDV/GM)	4,050	2.4	4,111	2.5
5	Canadian Mist	Brown-Forman Corp.	3,778	2.2	3,800	2.3
6	Jim Beam	James Beam (AB)	3,670	2.2	3,685	2.2
7	Jack Daniels	Brown-Forman Corp.	3,375	2.0	3,435	2.1
8	Seagram's gin	Seagram Co.	3,200	1.9	3,360	2.0
9	V.O.	Seagram Co.	2,520	1.5	2,480	1.5
10	Gordon's gin	Schenley (G)	2,455	1.4	2,425	1.5
11	Dewar's	Schenley (G)	2,370	1.4	2,350	1.4
12	Canadian Club	Walker (HWI)	2,250	1.3	2,250	1.4
13	Gordon's vodka	Schenley (G)	2,170	1.3	2,205	1.3
14	Windsor Supreme	James Beam (AB)	2,210	1.3	2,200	1.3
15	Black Velvet	Heublein (IDV/GM)	1,900	1.1	1,900	1.2
16	J&B Rare	Paddington (IDV/GM)	1,995	1.2	1,895	1.2
17	Jose Cuervo	Heublein Inc. (IDV/GM)	1,590	0.9	1,830	1.1
18	Absolut	Carillon Importers (IDV/GM)	1,400	0.8	1,800	1.1
19	Kahlua	Walker (HWI)	1,750	1.0	1,750	1.1
20	Kamchatka	James Beam (AB)	1,840	1.1	1,725	1.0
21	Ancient Age	Ancient Age	1,475	0.9	1,372	0.8
22	Tanqueray	Schieffelin & Somerset	1,325	0.8	1,350	0.8
23	Early Times	Brown-Forman Corp.	1,387	0.8	1,340	0.8
24	Gilbey's vodka	James Beam (AB)	1,282	0.8	1,330	0.8
25	Southern Comfort	Brown-Forman Corp.	1,258	0.7	1,320	0.8
26	Gilbey's gin	James Beam (AB)	1,365	0.8	1,300	0.8
27	Kessler	Seagram Co.	1,275	0.7	1,250	0.8
28	Crown Royal	Seagram Co.	1,154	0.7	1,230	0.7
29	Johnnie Walker Red	Schieffelin & Somerset	1,270	0.7	1,200	0.7
30	Skol	Glenmore Distillers	1,140	0.7	1,160	0.7
31	Beefeater	Buckingham Wile (WB)	1,143	0.7	1,130	0.7
32	Cutty Sark	Buckingham Wile (WB)	1,015	0.6	1,035	0.6
33	Lord Calvert	Seagram Co.	1,050	0.6	1,000	0.6
34	Wolfschmidt	Seagram Co.	1,000	0.6	1,000	0.6

Key to parent corporations: (AB) American Brands, (IDV/GM) IDV/Grand Metropolitan, (HWI) Hiram Walker Inc., (G) Guinness and (WB) Whitbread. *Source:* John C. Maxwell Jr., Richmond, Va.

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New tune for Hit Video

Programmer adds to broadcast base

By CHRISTY FISHER

Hit Video USA, the music video network that challenged MTV Networks' market dominance, is working aggressively to expand its affiliate base both domestically and abroad.

At the National Association of Television Program Executives convention in Houston last month, Hit Video said it had reached an agreement with International Broadcast Systems, which distributes TV programming to 92 countries abroad.

In addition, Hit Video believes it received enough commitments from U.S. broadcast affiliates at the NATPE show to reach at least half the 90 million U.S. TV households. When that goal is attained, it plans to start wooing national advertisers.

The music video programmer can look to its future since settling in November its 3-year-old lawsuit against MTV Networks.

In 1985, Hit Video filed a $250 million antitrust suit against MTV Networks, challenging MTV's exclusivity agreements with cable operators and certain video artists. Terms of the settlement weren't disclosed.

"There is room for a peaceful co-existence between Hit Video USA and MTV—although there will always be a competitive spirit," said Connie Wodlinger, president-ceo of Wodlinger Broadcasting, Hit Video's parent.

The reason for the abrupt about-face? Hit Video no longer competes head-on with MTV Networks' MTV: Music Television or VH-1: Video Hits One and it won't compete with MTV Europe.

It has repositioned from a 24-hour music video service primarily for cable to an all-day or partial-day service for network and independent broadcast affiliates.

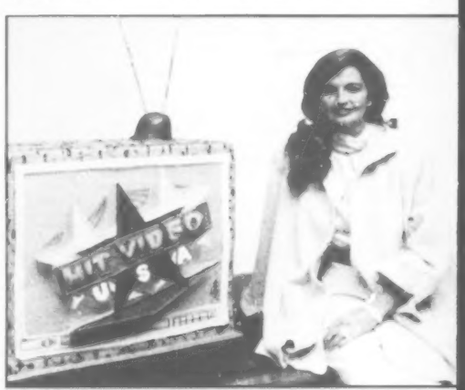
Hit Video now claims to be the largest producer and syndicator of music programming for broadcast TV. It offers 70 hours a week or 10 hours a day of original programming that serves 38 affiliates and reaches more than 41 million TV households.

By yearend, the company expects to reach 60 million to 65 million U.S. households and show its first profit since its inception in 1985.

Hit Video is targeting 245 full-power stations now under construction. These new stations are most likely to need economical programming, and Hit Video offers this through barter syndication, Ms. Wodlinger said.

Under the arrangement, the programming is free, but Hit Video and the station sell commercial time.

A print campaign in trade publications could follow in the third and fourth quarters. West Associates Advertising, Leawood, Kan., handles.



Hit Video USA President-CEO Connie Wodlinger hopes to get more viewers to tune in domestically and abroad.

Despite the new-station emphasis, Hit Video could achieve most of its growth by offering more flexible program packages, Ms. Wodlinger said.

Instead of its standard 70-hour-a-week package, Hit Video is pushing a variety of packages in which programming can be purchased as needed. By doing this, Hit Video hopes to capture more affiliates and gain more daytime presence and prime advertising time.

If there's enough interest, Hit Video may even eventually return to 24-hour cable programming, Ms. Wodlinger said.

But David Benjamin, producer of NBC-TV's "Friday Night Videos," questions whether the music video programming industry has already seen its glory days.

"The heyday of music video was a couple of years ago," Mr. Benjamin said. "What [the industry] is into now is improving programming and holding audience share."

But not all industry observers agree. Mitchell Rowen, publisher of *CVC Video Report*, said that though there's been a shakeout, the industry has stabilized and "there certainly is a large market in local broadcast TV that has not been fully exploited."#

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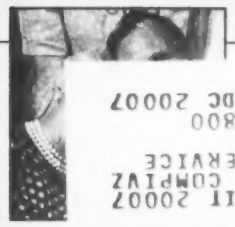

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What's new in suncare marketing—P. 67

Garfield sings praises of Pepsi's Madonna—P. 76

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NEWSPAPER

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Controversial TV scenes that have spurred new consumer complaints include those from "thirtysomething" (l.) and "Favorite Son."

Decency debate

Angered by 'lewd' TV programs, groups threaten sponsor boycotts

By WAYNE WALLEY

A new wave of action by the public and major advertisers was unleashed last week against leniency in TV programming.

Coca-Cola USA, Campbell Soup Co., Ralston Purina Co., Kimberly-Clark Corp. and other marketers are upset, both with programs they deem unacceptable ad vehicles and with embarrassing letter-writing campaigns castigating them for time buys.

This controversy appears likely to lead to a new round of attempted consumer boycotts of product marketers that sponsor programs deemed offensive.

Much of this was triggered by a one-woman crusade against Fox Broadcasting Co.'s "Married . . . With Children." Coca-Cola and other companies appear to have answered the Bloomfield Hills, Mich., woman's complaints by either pulling ads from the show or expressing concern.

Terry Rakolta's letter-writing campaign was reported last week in a front-page story in *The New York Times (see story on Page 74)*.

The 41-year-old woman said on ABC-TV's "Nightline" March 2 she'd organize a group to boycott sponsors that support programs such as "Married . . . With Children."

"Married . . . With Children," the most popular Fox show and often described as the antithesis of the more wholesome "The Cosby Show," has lost support of advertisers including Kimberly-Clark and Tambrands.

Those marketers were said to have re-evaluated their sponsorship of the show in part because of Mrs. Rakolta's complaints.

Kimberly-Clark advertised in two episodes of "Married . . . With Children" but said it previously had decided not to continue advertising and emphasized its action wasn't a result of Mrs. Rakolta's letter to the company.

> *"They are allowing things like the word 'bastard' to naturally flow in 'L.A. Law,' but they won't approve of a commercial with the word 'damn.' "*

In a letter to Mrs. Rakolta, Tambrands said the company is "continually reviewing editorial content of our advertising, and upon further review of 'Married . . . With Children,' we have canceled our participation for the remainder of 1989."

Although Fox Broadcasting executives wouldn't discuss the matter, they issued a statement claiming "the article that appeared in *The New York Times* was inaccurate."

They said none of the three advertisers cited in the *Times* article—Coca-Cola, Procter & Gamble and McDonald's Corp.—had actually pulled any national ads because none of their spots had been scheduled to run.

Fox officials said the show was sold out for the year, with a waiting list of sponsors.

The public furor over TV programming, which resurfaces every few years, is fueled this time by the apparent relaxation of network TV standards

(Continued on Page 74)

Carnation links pay, research

By MARCY MAGIERA

LOS ANGELES—Carnation Co. is installing an unusual agency incentive payment system based on how advertising scores in research.

This could mean higher or lower compensation, depending on the testing results.

The Nestle subsidiary's agencies will earn higher pay if their advertising hits pre-established, negotiated target scores in testing done by Advertising Research Systems, Evansville, Ind.

J. McMennamin

The testing will be done before a campaign breaks, but the incentive-pay tabulations will be done at the end of the year, said John McMennamin, Carnation VP-marketing services.

Work also needs to come in on time and on budget, he said.

Carnation spends an estimated $60 million annually on advertising. That figure is steadily increasing, said Mr. McMennamin, though he declined to share how much.

Mr. McMennamin said the system is based on research rather than sales, profits or market share "because there's not a way of tying those explicitly to advertising."

He said Carnation's program, developed in-house with the help of its lead agency, Lintas:New York, is the only compensation plan he knows of based on ad research.

Alvin Achenbaum, chairman of marketing consultancy Canter Achenbaum, Associates, echoed Mr. McMennamin's statement and praised Carnation's choice of research test scores as its incentive base.

"One positive thing [about Carnation's plan]—it's related to advertising as opposed to related to sales, which are a function of many things," Mr. Achenbaum

(Continued on Page 74)

Last Minute News

Saatchi gets new cigarette

NEW YORK—Saatchi & Saatchi Advertising will handle Lorillard's new Spring Lemon Lights cigarette. Like R.J. Reynolds Tobacco's Chelsea (AA, Feb. 6), the Lorillard cigarette emits a pleasant aroma from the lit end. Also at Saatchi, Thompson Medical Co. has reassigned its Dexatrim brand to the agency, which launched the appetite suppressant in 1979. Laurence, Charles, Free & Lawson had handled the $20 million-to-$25 million account since 1986. The new account is the largest Saatchi has won since the merger of Saatchi & Saatchi Compton and Dancer Fitzgerald Sample in 1987.

McElligott leaves ad world for year

MINNEAPOLIS—Tom McElligott last week said he won't do advertising work for one year because of contractual obligations to his former shop, Fallon McElligott, and its parent, Scali, McCabe, Sloves, New York. Mr. McElligott, 45, severed his ties with Fallon in December (AA, Dec. 12).

Coke beats Pepsi to MTV deal

ATLANTA—Coca-Cola USA beat out Pepsi-Cola Co. to win a sponsorship deal for Diet Coke as the official soft drink of MTV's "Spring Break '89"

(Continued on Page 8)

Comart fires Boston chief Loconte over rift

By ALAN RADDING

BOSTON—A key executive at Comart/KLP Group's 3-month-old sales promotion shop here was suddenly dismissed last week, causing the shop to briefly shut down.

Comart/KLP President Vincent Sottosanti, based in New York, gave John Loconte his walking papers after what Mr. Sottosanti described as a "business disagreement." Mr. Loconte was Comart/KLP exec VP as well as head of this office.

The shop, which closed on Feb. 28 and reopened March 2, is the first U.S. start-up for London-based Comart/KLP Group.

The group positions itself as the world's biggest international sales promotion and direct-response marketing company, and traditionally grows through acquisitions.

Exec VP Irwin Towers, based in New York, temporarily will head the office until a permanent, locally based manager can be found.

Mr. Sottosanti, who is also president of the Council of Sales Promotion Agencies, said Mr. Loconte's dismissal isn't an indication that Comart is disillusioned with the opening of the office here.

"We're trying to verify some numbers," he added, declining to elaborate.

Chief Financial Officer Donna Pantaleo accompanied Mr. Sottosanti to Boston.

According to figures provided by Mr. Loconte, the office generated more than $1.2 million in revenue since opening in late October (AA, Feb. 20). It hadn't yet been named agency of record for any clients.

Mr. Loconte said he was surprised by the dismissal

(Continued on Page 74)

Saatchis feel new pressure as exec exits

By LAUREL WENTZ

LONDON—Saatchi & Saatchi Co., under pressure from the financial community to keep up its strong earnings growth, was under a different kind of pressure last week.

An executive defection and complaints from one of the group's key U.S. agency executives about bonuses have exacerbated the Saatchis' already delicate task of satisfying the "City," London's version of Wall Street.

In a major change, David Newlands, 42, is leaving his post as group finance director at the Saatchi holding company here to become finance director of General Electric Co.'s London operation.

Mr. Newlands will be replaced by Andrew Woods, 45, the New York-based group deputy chairman and chairman of Saatchi & Saatchi Holdings USA. Mr. Woods was in charge of acquisitions and responsible for building U.S. operations.

Saatchi watchers here suggest the company no longer wanted a heavyweight finance executive at the small U.S. unit now that the company isn't doing large deals there. The departure of another S&S Holdings USA executive, Deputy Chairman Anne McBride, was announced in January.

"Saatchi has bought what they're going to buy in America [on the communications side], and now they're going to concentrate on growing what they've got," a U.K. analyst said. "They're running down the [holdings unit]. Saatchi is good at [redeploying] resources."

Later in the week came the news that Carl Spielvogel, chairman-ceo of Saatchi's Backer Spielvogel Bates Worldwide, was "surprised" to read in Saatchi's annual report that the company's directors had voted themselves stock options during the past year.

The annual report records a 25% pay increase for Saatchi Chairman Maurice Saatchi and an unnamed director, presumed to be Charles Saatchi, to $1.1 million each in 1988, following a 77% increase in pretax profits the previous year. This compares with 1987, when the brothers enjoyed a 40% salary hike.

Mr. Spielvogel said he'd tried to get stock for his senior executives and was told there was none available.

The Saatchis have problems issuing large amounts of stock to employees because the price is depressed and so much stock has been issued for acquisitions.

"I'm trying to protect the interest of our key people," said Mr. Spielvogel. He said receiving stock is important because "we've thrown in with the worldwide parent company. There is supposed to be synergy, and you get that by everyone working to increase the value of the stock."

He said he was surprised that Mr. Newlands resigned. "We had a very good working relationship," Mr. Spielvogel said.

The latest developments don't help the Saatchis, who are grappling with an up-and-down image within the financial community.

"I think they're still viewed with suspicion," a U.K. analyst said. "They've used the City like a piggy bank [to raise money]. . . . But Maurice [Saatchi] hasn't come out from his closet. . . . People feel that unless they can talk to the key movers, they can't really trust them."#

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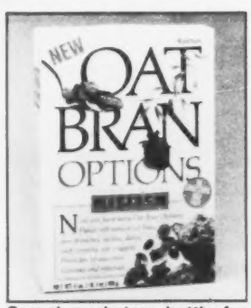
48 U.K. agencies a margin above
High salaries take the blame for considerably lower operating profit margins in U.S. publicly held agencies, compared with those in the U.K.



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Ayer feels the heat as BK, FCB meet

By SCOTT HUME

Burger King Corp. may decide soon whether to keep N W Ayer, and retention isn't the likeliest of the company's three options, insiders say.

The betting is that Burger King will choose between throwing the account open to a full review or simply putting the $150 million-to-$200 million account in the lap of Foote, Cone & Belding.

FCB's chances appeared to have strengthened after several top-level Burger King executives visited the agency's Chicago offices March 1.

The following day, Ayer Vice Chairman Jerry Siano visited Burger King on what agency sources say was an attempt to get continuing approval for the New York agency's work on a successor to the "We do it like you do it" campaign.

A Burger King spokeswoman said she "wouldn't say that FCB was pitching the account" but didn't deny the meeting concerned the No. 2 hamburger chain's national account.

The agency had already pitched the account last fall and believed it had the business until the unexpected ouster in December of Exec VP-Marketing Anthony Lavely.

An agency decision could come before parent Grand Metropolitan puts a new chief marketing executive in place at the chain.

One source said Burger King Exec VP-Director of Marketing Don Dempsey wanted CEO Barry Gibbons "to see what FCB has come up with before making any decision. FCB is ready to go on the account; they're an option."

FCB's Chicago office already is on Grand Met's roster, handling its Pearle Health Services unit.

FCB executives didn't return phone calls.

Ayer wasn't told about last week's FCB meeting, Ayer insiders said. Neither were any of the franchisees contacted.

"There is an awful lot of pressure right now to make changes" throughout Pillsbury Co., including Burger King, said one company insider. "Pressure to remove Ayer is part of that."

But Burger King maintained "nothing really has changed."

"N W Ayer is still our agency of record," the spokeswoman said.#

Gary Levin in New York contributed to this story.

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FOCUS ON AGENCIES

Shops shape up for foreign growth

By GARY LEVIN

Dramatic increases in international ad spending—and a simultaneous slowdown in U.S. growth—is leading major U.S. agencies to reorganize.

These agencies are focusing their attention on getting better management, more services and better profits in overseas operations *(see related story, Page 75)*.

Much of their attention is focused on Europe, where the removal of panregional marketing barriers by 1992 is causing account consolidation and market expansion.

Some shops are also narrowing their lists of primary competitors by the nature of the business they pitch, and an elite group of truly "global" agencies is emerging to chase panregional accounts.

In recent moves:

- BBDO Worldwide and Lintas: Worldwide set up a European board of directors and an "executive group," respectively. Also, Lintas named Barry Day vice chairman and director of international advertising development, a new post, from assistant to the chairman of parent Interpublic Group of Cos.
- Ogilvy & Mather named a European creative director and a new European chairman, eliminating three "subregional" posts.
- DDB Needham Worldwide moved its international headquarters to Paris from New York but added a new exec VP post in New York to run global accounts.
- J. Walter Thompson Co. and BBDO also have named executives or new agency units to exclusively manage multinational accounts. "You will see a cadre of people who will work cross-culturally and multilingually," said Simon Marlow, exec VP and director of a new multinational unit at BBDO.

Many of these moves are designed to boost the international fortunes of agencies that have tried to play catchup to several shops with long-established overseas offices, including Interpublic's Lintas and McCann-Erickson Worldwide; O&M; JWT; and Young & Rubicam.

Below that tier, a middle group of agencies is rapidly expanding their international networks. That group includes Omnicom Group's BBDO and DDB Needham, along with D'Arcy Masius Benton & Bowles and Foote, Cone & Belding Communications, which this month completed its joint venture with France's Publicis.

Finally, a group of smaller shops struggling to build international networks—including N W Ayer, Bozell Inc. and Ketchum Advertising—will find it harder to attract extensive multinational accounts.

"In general, with the globalization I clearly see that eventually we will see maybe three or four super global agencies that are truly worldwide," said Jagdish Sheth, the Robert E. Brooker Distinguished Professor of Marketing at the University of Southern California, Los Angeles.

He views Saatchi & Saatchi Co., Japan's Dentsu and Y&R as the most likely major agencies in this group, to emerge "by the turn of the century at the latest.

"Then you will see second-tier players who will begin to specialize by industry, and they would like to go global . . . but in a niche market," he said.

In these cases, agencies would have a few large clients on a worldwide basis or several smaller ones in industries such as banking and telecommunications.

Mr. Sheth predicts a third tier of shops will specialize in a single medium such as print advertising, TV or direct mail.

Dollars and sense are stirring this rethinking. Last year, Ogilvy Group's international revenues for the first time outweighed its U.S. business, and nearly every other major agency has grown increasingly dependent on foreign income to fuel growth.

Close to 56% of JWT's new-business gains in 1988 came from outside its U.S. network.

"Any large agency concerned with continued revenue growth has got to be putting emphasis on building multinational accounts," said Allen Rosenshine, president-ceo at Omnicom, whose international business represents a third of its total revenues, up from 27% in 1986.

Ayer expects international revenues to account for more than a third of its total this year, up from 20% in 1987, due partly to increased ownership of overseas affiliates.

As a percentage of total billings and revenues, "foreign share is almost universally going up," said Alan Gottesman, analyst at Paine-Webber Group.

Robert Coen, senior VP-director of forecasting at McCann, earlier predicted that in 1988, for the first time, overseas spending would outpace U.S. advertising, $121.4 billion to $118.3 billion. For 1989, he projects overseas ad spending will rise 12% to $136 billion, while U.S. spending will climb just 6.1% to $125.6 billion (AA, Dec. 19).

William C. Thompson Jr., JWT vice chairman-client operations, said the overseas growth goes beyond 1992.

"1992 is a precipitating element for sure, but it doesn't change what multinational companies are trying to do" in expanding their brands to more countries, he said.

Instead, the deregulation "gives them a finite time frame in which it has to be done; it adds a sense of urgency, [but] the growth is there anyhow," Mr. Thompson said.

Unlike the early 1980s, "the U.S. [now] is a saturated market with minimal growth," said Peter Georgescu, president of Y&R Advertising.

Agencies are also expanding their non-media ad businesses overseas.

Backer Spielvogel Bates Worldwide is spreading its Kobs & Draft direct-marketing agency into every major European market. Y&R plans to buy event and sports marketing companies in Europe and expects that 40% of its business there will be outside media advertising by yearend.

But international growth has brought some disagreements in strategy. Some believe that agencies have to be "available everywhere with the same homogeneous kind of service," said Bernard Brochand, president-international at DDB Needham. "When you get it and offer the right service, you have great potential to increase the loyalty of the client and so to have some security."

But others disagree and expect to see global agencies closing or merging unprofitable second offices in some countries, and even reducing investment in marginal countries in which there's relatively little client interest.

As clients align businesses with global agencies, some shops are concerned that purely local clients will get less attention. More than 40% of O&M's worldwide business comes from multinationals, "but we're not anxious for it to become much higher," said Kenneth Roman, chairman-ceo of parent Ogilvy Group.

"If [local offices] only have international accounts, that says they can't win business on their own," he said. "If they only have local accounts, then who needs us as partners?"

Still, agencies with panregional assignments often must invest in new offices for a single client, forsaking short-term profits.

They sometimes negotiate "coordination fees" to compensate for these costs and for the logistical demands of handling business in several countries.

But even these don't often help, despite an overseas commission system that more typically amounts to 15% of spending than it does in the U.S.

"Generally speaking, in my experience there's considerable strain on agency profitability even with coordination fees, because we haven't developed sufficient systems," Mr. Rosenshine said. Clients "do not like to be the product of cost-efficiencies. They like attention, and attention is another human being."#

Jon Lafayette in New York and Kevin Cote in London contributed to this story.

INTERNATIONAL AGENCY REVENUES

International revenues as a percentage of total agency revenues continues to outpace U.S. gains.

Agency	1985	1986	1987	1988	1989
FCB	24%	27%	30%	31%	10%[1,2]
Interpublic	51	56	61	62	63[1]
Ogilvy Group	37	43	50	53	53[1]
Omnicom Group	21[3]	27	33	34	35[1]

[1]Estimate. [2]Reduction due to new joint venture with Publicis; those results to be reported separately. [3]Restated to include merged operations (Omnicom formed in '86).
Source: PaineWebber, company reports

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Staff photo by Doug Goodman

Bernard Brochand plans international growth through acquisitions.

DDB's Brochand is eager to buy

By GARY LEVIN

Bernard Brochand, the newly installed president of DDB Needham Worldwide's international unit, plans to resume an aggressive acquisition policy to boost the agency's presence in Europe and the fast-growing Asia/Pacific region.

Aside from joint venture deals, such as one with Japan's Dai-Ichi Kikaku, "there have been no acquisitions since the Omnicom merger," Mr. Brochand said.

"The growth has been internal," he said. "But that will not be sufficient to grow our international [operations], and we will again come to a strong policy of acquisitions in Europe and in Asia, not only with general agencies but in 'below-the-line' " marketing services.

The agency has been affiliating with or acquiring minority stakes in some foreign shops since the 1960s with an eye toward increasing its ownership. Under Mr. Brochand's plan, it will expand that approach to include outright acquisitions.

Top priorities for boosting the agency's foreign operations include West Germany and the U.K. in Europe, and South Korea, Singapore and Taiwan in Asia, Mr. Brochand said.

A week before Mr. Brochand became president-international on Jan. 25, DDB Needham signed an affiliation agreement with Daehong Advertising in Seoul, a $143 million agency ranked second there that

(Continued on Page 76)

American Stores paces ad productivity

By R. CRAIG ENDICOTT

American Stores dominated top national advertisers in ad productivity growth in the third quarter of 1988, according to an ADVERTISING AGE study.

The retail food company's purchase of Lucky Stores last October nearly doubled its fiscal third-quarter ad outlay in real terms, compared with the same period in 1987, while contributing heavily to a sales figure of $4.94 billion, up 42.3%.

In the purchase, American Stores also added Eagle Supermarkets, Food Basket Food Stores, Kash 'N Karry Food Centers and Sirloin Stockade Restaurants.

Ad productivity, a critical measurement in determining the effectiveness of a marketing strategy, is derived from U.S. revenues generated by $1 of advertising. Final contenders for the top spot not only must record ad productivity growth but year-to-year gains in measured-media advertising and U.S. sales.

The survey culled an elite list of 100 advertisers from AD AGE's ranking of the 200 leading national advertisers of 1987 published in 1988.

Increases in third-quarter advertising and U.S. sales placed Hewlett-Packard Co. atop the list of contenders in both categories, but H-P's ad productivity growth was only 8.6% over its prior-year period. Both advertising and sales growth included incremental increases across the H-P product line.

Greyhound Corp. continued to perform well in ad productivity growth as it claimed the No. 1 spot in the second quarter of 1988 and a second-place finish in the third quarter.

AD AGE previously had crowned Greyhound the first quarter 1988 winner (AA, August 22, 1988).

Greyhound recorded a 28.5% growth in ad productivity in the second quarter and 36.9% in the third.

In the second quarter, Greyhound emerged the victor from a field of 21 contenders.

Greyhound's ad productivity growth was largely sales driven as the company's estimated U.S. sales increased 39.2% to $853.5 million while measured advertising grew a modest 8.3% to $11.9 million.

Greyhound reduced second quarter advertising for Dial soap, the company's largest advertised brand, to support new product extensions, Dial Liquid soap and Dial deodorant. Ad expenditures for Tone soap increased as those for Pure & Natural soap declined.

Also Greyhound began to support heavily its consumer food unit's Lunch Bucket microwave meals and Premier Cruises.

Seagram Co., fifth place finisher with ad productivity growth of 20.4% for the quarter, reported the largest gains in both advertising and sales among the finalists—19.2% and 43.5%—respectively.

Seagram's ad gain largely came from increased support of its various whiskies: Chivas Regal and Glenlivet scotch whiskies, Seagram 7 Crown whisky and Seagram Crown Royal whisky.

On the sales side, Seagram drew heavily from its acquisition of Tropicana Products from Beatrice Cos. The April '88 acquisition meant Tropicana returns were folded only into current-year totals.

Seagram showed $6.8 million in quarterly spending for Tropicana products, slightly below pre-acquisition quarterly totals.

The strength of advertisers finishing high in the ad productivity rankings rests on their ability to increase quarterly ad expenditures as measured by Broadcast Advertisers Reports/Leading National Advertisers and Radio Expenditure Reports, and also boost sales.

For example, Greyhound sales were stimulated by the acquisitions in late 1987 of Dobbs International Services, an in-flight catering company and operator of Dobbs House airport concessions, and U.S. Borax & Chemical Corp.

Among 18 categories comprising the 100 companies, three showed growth in the three measurements in the third quarter. Retail, a composite of 11 companies, was the winning category. Chemicals, comprising five companies, took honors in the second quarter. #

AMERICAN STORES GRABS 3RD QUARTER

In revenues per $1 advertising growth

Rank	Advertiser	3rd qtr. U.S. sales/$1 advertising % chg	1988	1987	3rd qtr. ad spending 1988	1987	U.S. 3rd qtr. sales 1988	1987
1	American Stores Co.	38.1%	$169.76	$122.92	$29	$28	$4,942	$3,473
2	Greyhound Corp.	36.9%	71.49	52.20	12	12	857	624
3	American Home Products Co.	20.8%	18.81	15.58	53	50	991	772
4	US Sprint Communications	13.2%	75.15	66.40	12	11	916	707
5	Tandy Corp.	11.7%	48.20	43.16	17	17	806	721
6	Hewlett-Packard Co.	8.6%	620.34	571.18	3	2	1,696	1,231
7	Warner Communications	7.6%	34.52	32.08	24	20	812	651
8	Walt Disney Co.	6.0%	23.11	21.80	42	33	973	728
9	Eastman Kodak Co.	4.5%	44.68	42.77	68	56	3,021	2,389
10	Warner-Lambert Co.	3.9%	10.79	10.39	52	48	557	496

Note: Dollars are in millions except U.S. sales/$1 advertising, which is real dollars.

GREYHOUND CLAIMS 2ND QUARTER

In revenues per $1 advertising growth

Rank	Advertiser	2nd qtr. U.S. sales/$1 advertising % chg	1988	1987	2nd qtr. ad spending 1988	1987	U.S. 2nd qtr. sales 1988	1987
1	Greyhound Corp.	28.5%	$71.69	$55.78	$12	$11	$854	$613
2	Dow Chemical Co.	25.4%	59.43	47.39	32	32	1,900	1,500
3	Eastman Kodak Co.	23.6%	36.85	29.80	67	65	2,480	1,924
4	American Stores Co.	22.9%	151.15	122.99	30	29	4,549	3,540
5	Seagram Co.	20.4%	14.73	12.23	33	28	486	339
6	Whitman Corp.	16.1%	33.77	29.10	21	21	720	612
7	Sara Lee Corp.	11.9%	102.17	91.31	22	20	2,202	1,812
8	MCI Communications Corp.	11.9%	117.42	104.96	10	9	1,219	952
9	Sears, Roebuck & Co.	10.0%	136.09	123.71	95	95	12,983	11,719
10	Mobil Corp.	9.0%	423.16	388.11	16	15	6,965	6,013

Note: Dollars are in millions except U.S. sales/$1 advertising, which is real dollars.

CATEGORY SALES PER $1 IN ADVERTISING

For 100 leaders in 3rd quarter 1988 and 1987

Advertiser	U.S. sales/$1 advertising 1988	1987	$ chg	Ad spending 1988	1987	U.S. sales 1988	1987
Airlines	$120.87	$124.68	-3.1%	$86	$78	$10,380	$9,715
Automotive	114.06	142.62	-20.0%	345	262	39,307	37,349
Chemicals	184.10	202.50	-9.1%	85	74	15,646	15,083
Entertainment	35.50	38.89	-8.7%	162	149	5,755	5,803
Food	25.52	25.20	1.3%	941	888	24,009	22,379
Miscellaneous	170.69	197.06	-13.4%	122	96	20,766	19,007
Office equipment	315.67	251.51	25.5%	40	43	12,718	10,700
Pharmaceuticals	22.03	20.34	8.3%	277	271	6,100	5,505
Photography	46.55	46.91	-0.8%	70	57	3,281	2,656
Restaurants	22.30	25.70	-13.2%	151	126	3,371	3,242
Retail	128.78	116.54	10.5%	366	365	47,097	42,555
Soaps & cleaners	19.41	16.59	17.0%	271	280	5,267	4,645
Soft Drinks	17.54	17.76	-1.2%	215	196	3,778	3,473
Telephone	151.36	183.01	-17.3%	200	159	30,315	29,166
Tobacco	91.61	96.87	-5.4%	38	32	3,509	3,095
Toiletries	11.07	14.38	-23.0%	50	36	555	524
Toys	15.43	17.18	-10.2%	26	24	395	420
Wine, beer & liquor	18.03	20.23	-10.9%	205	173	3,704	3,494

In 2nd quarter 1988 and 1987

Advertiser	U.S. sales/$1 advertising 1988	1987	$ chg	Ad spending 1988	1987	U.S. sales 1988	1987
Airlines	$62.08	$77.28	6.2%	$120	$116	$9,861	$8,970
Automotive	113.66	110.62	2.7%	430	355	48,850	39,301
Chemicals	153.26	137.90	11.1%	110	108	16,934	14,858
Entertainment	40.91	44.09	-7.2%	154	128	6,287	5,638
Food	26.29	24.73	6.3%	934	901	24,554	22,278
Miscellaneous	176.90	148.73	18.9%	117	132	20,732	19,627
Office equipment	326.23	204.38	59.6%	38	55	12,506	11,276
Pharmaceuticals	19.09	18.35	4.1%	311	291	5,947	5,337
Photography	35.32	27.54	28.2%	78	79	2,751	2,170
Restaurants	25.83	23.54	9.7%	131	133	3,387	3,130
Retail	124.75	113.87	9.6%	367	358	45,757	40,819
Soaps & cleaners	20.44	20.88	-2.1%	254	229	5,195	4,773
Soft Drinks	19.20	17.58	9.3%	191	190	3,662	3,345
Telephone	165.41	159.56	3.7%	183	179	30,353	28,531
Tobacco	90.23	74.79	20.6%	39	40	3,563	3,010
Toiletries	9.29	12.07	-23.1%	59	40	544	484
Toys	9.86	10.47	-5.9%	31	30	310	317
Wine, beer & liquor	21.47	19.93	7.8%	171	169	3,669	3,364

Note: Dollars are in millions except U.S. sales/$1 advertising, which is real dollars.

NOTES AND METHODOLOGY

Currency: All dollars are in millions except revenues per $1 in ad spending which are in actual dollars.

Sources: Quarterly ad spending from Broadcast Advertisers Reports/Leading National Advertisers and Radio Expenditure Reports. Figures include magazine and newspaper spending from Publishers Information Bureau as reported by LNA; spot TV, network TV, cable TV networks and network radio spending as reported by BAR; outdoor spending as reported by LNA, and spot radio spending as reported by Radio Expenditure Reports. Revenues are for U.S. quarterly sales only and are AA estimates calculated by multiplying quarterly worldwide sales by the company's percentage of U.S. to worldwide revenues for the full preceding year. This procedure is followed because few public companies report quarter U.S. sales, although they do publish year-end U.S. geographic sales breakouts.

Methodology: 100 public companies are selected from AD AGE's 200 leading national advertisers of 1988. To reach the top 10 ranking, companies must have quarterly year-to-year increases in measured media ad spending, U.S. sales and U.S. sales per $1 ad spending. The final ranking is based on percentage year-to-year growth in U.S. sales per $1 ad spending for the quarter. Quarterly advertising figures are on calendar periods. Fiscal quarters most closely matching calendar quarters are used for sales figures. BAR/LNA prior-year figures are reported on a pro forma basis as 5 current-year brand acquisitions were owned in the previous year.

100 LEADERS' SALES/$1 ADVERTISING

In 3rd quarter 1988

Advertiser	Sales/$1 adv.
Hewlett-Packard Co.	620.34
Wal-Mart Stores	498.28
DuPont Co.	478.51
ITT Corp.	440.09
Mobil Corp.	414.85
GTE Corp.	394.21
Apple Computer Co.	365.27
Kroger Co.	336.48
BellSouth	314.33
IBM Corp.	293.01
General Electric Co.	279.63
Xerox Corp.	269.00
Winn Dixie Stores	213.81
Pacific Telesis Group	207.61
Ameritech	203.46
Delta Air Lines	193.44
Bell Atlantic Corp.	192.19
NWA Inc.	186.49
Borden Inc.	185.60
MCI Communications Corp.	183.56
American Stores Co.	169.76
SmithKline Beckman Corp.	157.62
Loews Corp.	148.30
Southwestern Bell Corp.	142.40
Capital Cities/ABC	140.77
Nynex Corp.	140.27
Sears, Roebuck & Co.	135.49
Chrysler Corp.	134.94
AMR Corp.	134.69
Ford Motor Co.	127.88
Monsanto Co.	127.21
Whirlpool Corp.	126.24
Trans World Airlines	121.69
K mart Corp.	115.55
J.C. Penney Co.	110.84
American Express Co.	108.00
General Motors Corp.	104.08
CBS Inc.	101.83
Dayton Hudson Corp.	95.89
Goodyear Tire & Rubber Co.	95.06
AT&T Co.	93.34
Texas Air Corp.	93.07
Polaroid Corp.	90.64
UAL Corp.	84.70
CPC International	78.81
Ralston Purina Co.	78.60
US Sprint Communications	75.15
Greyhound Corp.	71.49
Kimberly-Clark Corp.	69.18
Campbell Soup Co.	64.88
Sara Lee Corp.	61.24
Geo. A. Hormel & Co.	59.38
VF Corp.	54.38
American Cyanamid Co.	53.71
Dow Chemical Co.	51.56
A.H. Robins	49.24
Tandy Corp.	48.20
Whitman Corp.	46.96
Brown-Forman Co.	46.79
Pfizer Inc.	45.63
Eastman Kodak Co.	44.68
American Brands	43.21
Kraft Inc.	38.82
Gulf & Western	37.02
May Department Stores Co.	35.85
Warner Communications	34.52
Hershey Foods Corp.	32.36
RJR Nabisco	29.77
Mattel Corp.	28.25
MCA Inc.	27.53
Time Inc.	26.29
H.J. Heinz Co.	25.43
McDonalds Corp.	24.65
Walt Disney Co.	23.11
Pepsico Inc.	21.89
Bristol-Myers Co.	21.25
Gillette Co.	20.60
Philip Morris Cos.	20.34
Pillsbury Co.	19.87
American Home Products Co.	18.81
Jerrico Corp.	18.74
Johnson & Johnson	18.66
Procter & Gamble Co.	18.35
Anheuser-Busch Cos.	18.00
General Mills	16.22
Schering-Plough Corp.	15.74
Seagram Co.	15.48
Carter-Wallace	15.33
Adolph Coors Co.	14.29
Colgate-Palmolive Co.	14.22
Alberto-Culver Co.	13.96
Hasbro Inc.	12.73
Quaker Oats Co.	11.31
Clorox Co.	11.14
Wendy's International	11.13
Coca-Cola Co.	11.07
Warner-Lambert Co.	10.79
Kellogg Co.	6.52
Wrigley, Wm. Jr. Co.	4.52
Noxell Corp.	4.41

Note: U.S. sales/$1 advertising are in real dollars. See methodology for sources.

AA charts: Norma Green and Kevin Brown

Syndicates

(Continued from Page S-10)

away," says Mr. Salem.

"Most of their activity so far has been in the area of taking over already well-established syndicated talents. Anyone can see by the history of the Washington Post Writers Group that's not how we choose to make our living," says Mr. Leeds.

Mr. Newcombe responds that switching is healthy. "It forces the syndicates to stay on their toes, which is good for newspapers and their readers."

Willard Colston, chairman of Mr. Newcombe's former employer, the Los Angeles Times Syndicate, says there has been a general increase in artists changing syndicates.

Ms. Landers says talk of raiding talent is unfounded. "Everyone who has come to him has come to him because he [Mr. Newcomb] can give them a better deal," she says. "They like the idea of a short contract and their own name. It's very appealing to people who have been darn near indentured slaves.

"Rick's critics are speaking strictly out of jealousy and out of fear," she says, claiming that "they don't want a guy around in the business who offers these kinds of benefits."

Creators achieved first-year revenues close to its $2.5 million projection, says Mr. Newcombe. And the syndicate more than doubled that figure in its second year of operation.

In spite of the signs of success, Creators' long-term viability remains to be proven, says David Astor, associate editor of *Editor & Publisher*.

A syndicate receives a smaller percentage of revenue from an established talent such as Ms. Landers, says Mr. Astor. A critical issue is Creators' ability to sign emerging talent.

"They got a lot of major cartoonists and columnists and jumped into the top 10 immediately, but there's still a question of whether they can make enough revenue to survive," Mr. Astor says. "It's still not 100% guaranteed they'll survive, but I think the chances are very good." □

Top dailies inspire Sunday surge

Newspaper	Sunday circulation '88	Sunday circulation '87	% change	Weekday circulation '88	Weekday circulation '87	% change
1. New York Times	1,601.0	1,589.2	0.7%	1,038.8	1,022.8	1.5%
2. New York News	1,568.8	1,615.0	-2.8	1,281.7	1,285.8	-0.3
3. Los Angeles Times	1,394.9	1,384.8	0.7	1,116.3	1,113.4	0.3
4. Washington Post	1,112.3	1,096.7	1.4	769.3	761.1	1.0
5. Chicago Tribune	1,098.1	1,117.2	-1.7	715.6	765.3	-6.4
6. Philadelphia Inquirer	995.5	984.1	1.1	502.7	508.5	-1.1
7. Detroit News	828.1	837.5	-1.1	677.3	686.7	-1.3
8. Boston Globe	786.8	781.4	-0.7	509.0	502.5	1.3
9. San Francisco Chronicle	712.4	716.3†	-0.5	559.3	568.0	-1.5
10. Detroit Free Press	710.1	732.7	-3.0	629.0	649.3	-3.1
11. Newsday (Long Island, NY)	706.4	682.0	3.5	680.9	641.3	6.1
12. Newark Star-Ledger	665.1	673.8	-1.3	462.1	467.5	-1.1
13. Minneapolis-St. Paul Star & Tribune	644.9	629.8	2.4	400.9	389.4	2.9
14. Chicago Sun-Times	600.2	613.9	-2.2	579.2	604.8	-4.2
15. Cleveland Plain Dealer	565.6	560.5	0.9	444.8	447.0	-0.5
16. Houston Chronicle	561.6	534.7	5.0	420.3	406.7	3.3
17. St. Louis Post-Dispatch	546.3	547.4	-0.2	372.4	377.2	-1.2
18. Miami Herald	499.5	501.0	-0.3	401.4	398.6	0.7
19. Denver Rocky Mountain News	389.2	373.2	4.2	344.5	332.1	3.7
20. New York Post	no Sunday		—	550.4*	690.9	-20.3

†San Francisco Examiner & Chronicle

* change in publishing plan

(Audit Bureau of Circulations FAS-FAX in thousands for six months ending 9/30/88, 9/30/87)

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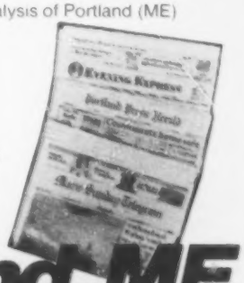

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[1] Six daily newspapers with a circulation of 200,000 or more. Source: The Scarborough Report, 1988. National Representative: Sawyer Ferguson Walker Co.
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Outside—looking covetously in

By Jill L. Sherer

In a field of about 1,650 daily newspapers in the U.S., with an estimated 840 publishing on Sunday, many of the "have nots" are carefully watching recent Sunday startups.

The *Washington Times, The* (Quincy, Mass.) *Patriot Ledger, The Bangor* (Maine) *Daily News* and *Schenectady* (N.Y.) *Gazette*, are the largest newspapers without a Sunday edition—with No. 1, the *New York Post*, just dropping off the list.

It's questionable whether or not the *New York Post* will be able to maintain a substantial piece of the advertising pie, says Lauren Fine, industry analyst for Merrill Lynch, who feels the *Post's* recent Sunday startup will stir additional interest throughout the industry.

The *Schenectady Gazette* is a newspaper already convinced that a Sunday newspaper is necessary.

"Our current plans show we will be publishing the Sunday paper sometime in 1990," says Ernest Grandy, *Gazette* assistant general manager.

"We are already canvassing ads and getting opinions, and the response has been positive."

According to a *Gazette* study, more than 60% of its advertisers expressed an interest in extending their business to a seventh day.

"We have recognized the need . . . however, we needed a larger facility," says Mr. Grandy. A recently built 111,000 square foot plant answers that hold-up.

"We have no projections on ad revenues but assume there will be a healthy increase," he says. "The idea is something we have wanted to do since 1980—and it's still in its formative stages. We feel the survey, though incomplete, will help us along the way."

For the *Bangor Daily News*, the startup issue is colored by the state's blue laws, which affect most major businesses. If Maine's blue laws were changed, says Rick Warren, publisher of the *Bangor Daily News*, "we'd be starting a Sunday edition as quickly as we could."

Starting a Sunday paper for a suburban daily is a major financial decision for the *Patriot Ledger*.

"We do look at it from time to time, do research every two or three years and try to determine if it's for us. Our advertisers and readers indicate that they like the paper as it is," says Richard Allen, general manager.

The question of an additional project and added costs are major issues. "It could take from one to five years to go into the black. But, it is not a dead issue."

Ronald S. Godwin, senior VP at the *Washington Times*, worries about the cost of adding a Sunday edition.

However, "We are much closer today to feeling that the benefits would balance the costs than they would have yesterday," Mr. Godwin says. "We are one or two years away from a startup."

Sunday papers are not always on order, says Ms. Fine. "I am not convinced that people are saying, 'Why didn't the *Post* go Sunday sooner?' I think people [in the industry] are saying, that's interesting, let's see what happens." □

"[The 'Washington Times' is] much closer today to feeling that the benefits would balance the costs than they would have yesterday. We are one or two years away from a startup."

Ronaid S. Godwin
Washington Times

Jill L. Sherer is a Chicago-based free-lance writer.

The four-fathers of Sunday holdouts

Review growth leading to possible seventh day edition

Newspaper	Frequency	Circulation 1988	Circulation 1987	Circulation 1986	Linage 1988	Linage 1987	Linage 1986
Quincy, Mass. Patriot Ledger	daily	90,951	90,865	89,153	1,581,217	1,631,074	1,576,396
	Saturday	95,452	95,540	92,837			
Bangor Maine Daily News	daily	77,795	85,000	78,716	887,809	825,183	755,019
	weekend	93,674	97,200	92,131			
Schenectady Gazette	daily	71,470	71,155	72,120	1,068,811	1,055,911	1,055,788
Washington Times	daily	104,890	91,508	88,571	582,975	482,556	42,640

Sources: Circulation in 1988 from Gale Directory of Publications; in 1987 from newspaper reports; in 1986 from Audit Bureau of Circulations. All linage is from newspaper reports and does not include inserts.

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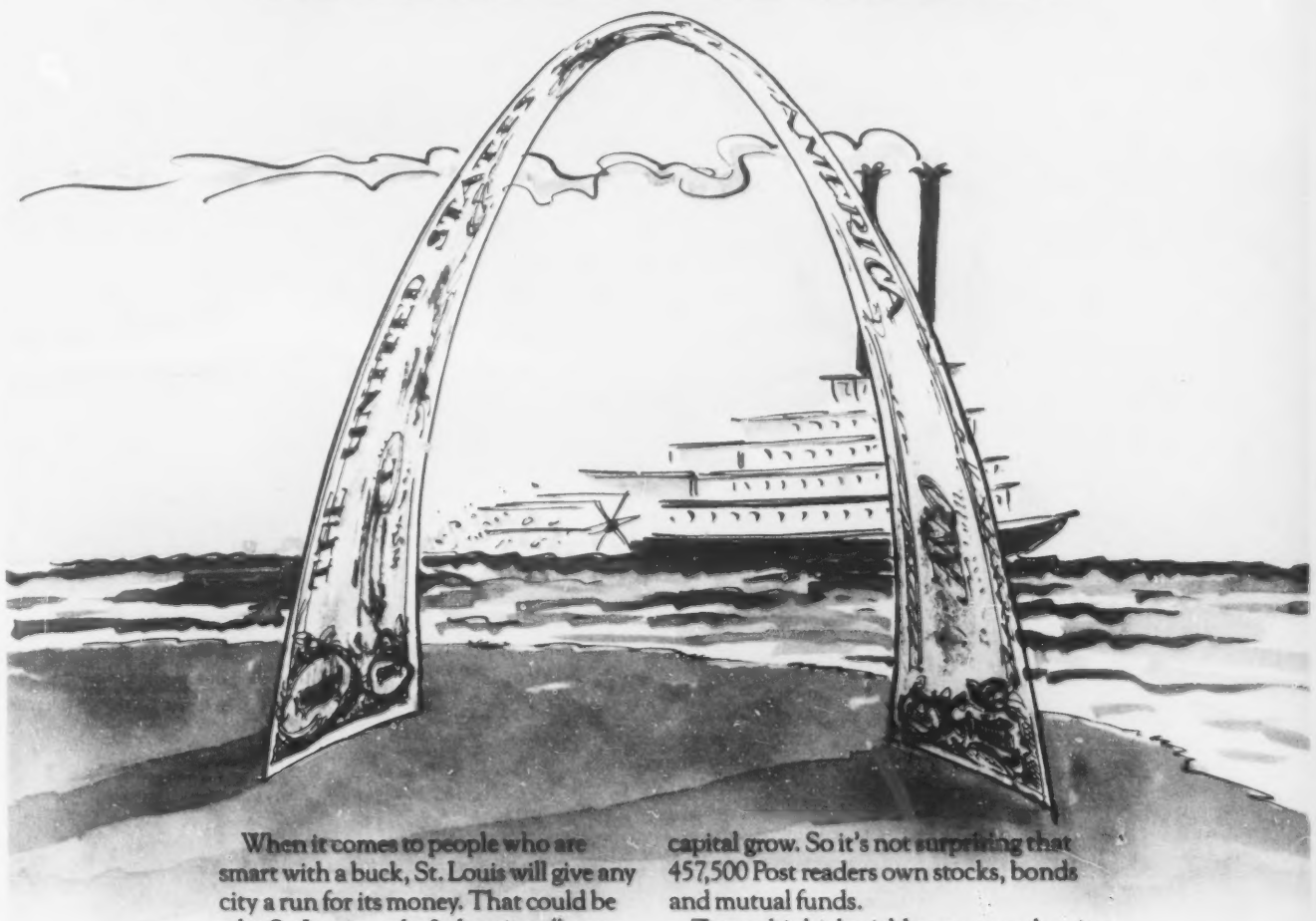

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Kobs, Bayer Bess link up

Unit divides creative, consulting

By IRA TEINOWITZ
and JULIE LIESSE ERICKSON

CHICAGO—Jim Kobs' new direct-marketing agency may be the harbinger of future specialty divisions under the wing of Bayer Bess Vanderwarker.

Kobs, Gregory & Passavant opens April 3 as an affiliate of Bayer Bess, one of the Midwest's fastest-growing shops. Bayer Bess has an equity stake in the new agency, which will share its clients and office space.

Both Mr. Kobs and the principals of Bayer Bess (spun off from Saatchi's Backer Spielvogel Bates) share a desire to remain independent agencies.

"We're both trying to be quality, medium-size agencies small enough to have principals involved directly with the clients," said Mr. Kobs, 50, who will be chairman-ceo of the new shop.

Those goals may lead Bayer Bess into other such affiliations. The agency late last year opened Studio City here, an in-house production division, and President Ron Bess said Bayer Bess also is looking at a similar arrangement to handle promotional marketing.

For his part, Mr. Kobs hopes the setup will give him a chance to prove that direct marketing can be efficient, effective and independent without coming from a boutique shop.

J. Kobs

R. Bess

The new agency will be unlike any other because account management won't necessarily be a normal function of client contact, he said.

Instead, the shop will offer a consulting service and a creative service, with clients able to buy either service or both, depending on their needs.

"Creative costs are getting out of sight," Mr. Kobs said. "At the same time, package-goods companies are getting more sophisticated."

Companies that know their strategies can buy creative for tactics, while those who want strategies can buy the consulting service, he said.

Mr. Kobs co-founded Kobs & Brady in 1978 and built it into one of the world's largest direct-marketing agencies before selling it to Ted Bates Worldwide in March 1986.

Kobs & Brady subsequently became a part of Saatchi & Saatchi Co., after the British agency's May 1986 purchase of Bates, and was renamed Kobs & Draft last April. Mr. Kobs resigned as Kobs & Draft vice chairman in September.

Kobs, Gregory & Passavant will open three days after the expiration of Mr. Kobs' non-compete clause with his old company.

Joining Mr. Kobs at the new agency will be Pierre Passavant, the agency's president-chief operating officer, and William Gregory, exec VP-chief creative officer.

Mr. Passavant is a former senior VP of Wunderman Worldwide, New York, the nation's largest direct-marketing agency.

Mr. Gregory was exec VP-director of creative services at Kobs & Brady from 1978 to 1986.

He most recently was exec VP of Zivi, Kopelman & Associates, a direct-marketing shop here.

Mr. Kobs said the new agency will open with 10 employees, including the executives. He also hopes to open with a few clients, which will include the Direct Marketing Association and at least one of Bayer Bess' clients: St. Paul Federal Bank.

Direct-marketing services will be available to all Bayer Bess clients, including Quaker Oats Co., Helene Curtis Industries, Ameritech and Kemper Property & Casualty Insurance Co.

In announcing the new agency, Mr. Kobs also offered an explanation of his sudden departure last year from Kobs & Draft.

Mr. Kobs said Saatchi had asked that he take over the international division of Kobs & Draft, but instead he offered to buy back the agency's office here, a move approved by Backer Spielvogel Bates but rejected by Saatchi.

After his departure, Mr. Kobs formed IBJ Consulting. The acronym stands for In Between Jobs.#

Cost of TV spot pegged at $145,600

By GARY LEVIN

NEW YORK—Advertisers spent an average $145,600 in 1987 to produce a TV spot, and, not surprisingly, soft-drink and fast-food commercials cost more than those for package goods.

These were among the findings of a long-awaited study disclosed last week by the American Association of Advertising Agencies' Committee on Broadcast Production.

The committee obtained data from 22 major agencies on 2,402 spots produced during 1987. A similar study for 1988 costs is now being compiled for July release. Cost studies for 1989 and future years are expected in the second quarter of each year.

The study is designed to lay the groundwork for standardizing comprehensive measurements of production, editing, talent and music costs.

"For a number of years in this atmosphere of escalating production costs, a number of people have done studies," said George Bragg, exec VP-director of broadcast production at Lintas:New York and chairman of the Four A's committee. "But if you ask different people different questions and put in different criteria, the results aren't comparable."

Of the total sample, 1,646 spots—or 68.5%—were 30 seconds long, while 452 (18.8%) were 15 seconds and 134 (5.6%) 60 seconds. The others were of various lengths.

The fast-food restaurants, beer, soft drinks and snacks category proved the most expensive. That was expected, given the high talent and production costs for splashy campaigns from major advertisers such as Coca-Cola USA, Pepsi-Cola Co. and McDonald's Corp.

The average spot produced for national advertisers in that category cost $241,900, a figure that dropped to $229,800 when regional and local advertisers were included.

Toy and recreational advertising was the least expensive to produce: The 62 local, regional and national spots in that category cost an average of $117,500 to produce.

Among exclusively national advertisers, the lowest-cost category was package goods at an average $119,500 *(see chart for complete breakdown of commercial costs by product category)*.

Among other significant findings:

- The average cost of a commercial for a national advertiser was $156,600, or 7.6% higher than the overall norm. A spot for a regional advertiser cost an average $102,200, or 29.8% less than the total average of $145,600, while a spot for a local advertiser cost $56,900, 60.9% below the total average.
- Roughly 65% of all spots in the sample were produced at or below the average costs, so the most expensive 35% of the spots cost enough to disproportionately skew the sample upward.
- The net cost for an average spot payable to a production company based in New York or Los Angeles was $105,800. But the average cost from production companies based elsewhere in the U.S. or in Canada was just $53,000, while the average cost from a foreign-based company was $130,200.
- The average studio shoot cost $64,300 a day, or 15.1% less than the average $75,700 spent on a location shoot. But location shoots usually mean longer days, an average 15 hours compared with 11 in the studio, so the total per-hour cost is more similar.
- Almost 48% of spots in the sample were shot exclusively on a set, while 33% were shot only on location. (The remaining 19% combined location and studio shoots.)
- More than 60% of commercials in the sample contained some type of music, adding an average cost of $7,200 per spot.

Roughly 24% of the total sample included original music, 30% had new arrangements of existing music, 2.4% used existing "famous songs" and 5.5% contained "stock" music.

"Famous songs"—used in 57 of the spots—represented the most expensive subcategory, adding an average $19,800 per commercial to the total production cost.#

COMMERCIAL PRODUCTION COSTS

Average commercial costs by product category for TV spots of all lengths produced during 1987.

Product category	All advertisers	National advertisers
Automotive	$166,500	$179,100
Beauty/fashion	148,900	223,800
Consumer services/travel/corp. image	141,800	172,200
Fast-food/beer/soft drinks/snacks	229,800	241,900
Appliance/office/computers/audio-video	166,400	167,800
Package goods	118,800	119,500
Toys & recreation	117,500	122,200
Other products	127,000	153,600

Source: American Association of Advertising Agencies

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British Knights steps up ads

By PAT SLOAN

Athletic-shoe marketer British Knights is hoping its new TV campaign gets off on the right foot.

In fact, "Get off on the right foot" is the theme of the campaign that breaks this month from Chalk & Partners, New York.

The theme will also be used in local promotions dealing with drug use, staying in school and other issues.

The marketer this year is hiking its ad budget 150% to $7.5 million.

British Knights, which was founded just three years ago, had a banner 1988. Sales jumped 186% to $88 million.

"In the past we have been more of a sales-oriented company. Our challenge in 1989 is to get more sophisticated in marketing," said Larry Schwartz, VP-sales and marketing.

With shoes priced at $55 to $80, British Knights competes with the much larger Nike and Reebok International in the $4.3 million athletic-shoe market.

But instead of focusing on all age groups like the larger marketers do, British Knights targets consumers six-to-18 years old, who buy the most shoes and are "open to trying new brands," Mr. Schwartz said.

The brand is well-known in ethnic markets, agency President Howard Chalk said, and has been "picked up in the last year and a half by suburban kids as well."#

Climbing shop profits may slip in '89

By GARY LEVIN

Major publicly held ad agencies showed modest to encouraging earnings growth in 1988, but a decline in the growth of U.S. ad spending is likely to weaken gains for many companies.

Last week, WPP Group and Omnicom Group released 1988 results that were close to analysts' expectations of both holding companies.

As previously reported, Ogilvy Group's earnings exceeded forecasts, though its profit margins remained weaker than similar companies' (AA, Feb. 6). Its $7.5 million headquarters move, set for May 1, will further depress earnings growth.

Interpublic continued its strong financial performance, while Foote, Cone & Belding Communications reported lower earnings on record-high revenues, due mainly to $2.8 million in start-up costs for its international joint venture with France's Publicis.

For many agencies, U.S. revenues fell in the fourth quarter and for the year, while international revenues grew substantially.

Forecasts for 1989 put international ad spending growth at about 12%, double that of projected domestic growth. So shops with stronger overseas networks—such as Interpublic—are better poised for the future.

WPP, completing its first full year with J. Walter Thompson Co. under its wing, posted net income of $37.6 million for 1988, a 216.1% gain, on revenues of $974.7 million, up 104.2%. (These figures are converted from the British pound sterling.)

The company said its operating profit margins rose to 9.5% from 7.5% in 1987, on a comparable basis, due to efficiency gains at several units including JWT and the Hill & Knowlton public relations unit.

WPP said JWT alone gained net billings of $422 million, compared with a $120 million net billings loss in 1987. The entire company added net new-business revenues of more than $144 million, capitalized to net billings gains of $960 million.

Omnicom, parent of PBDO Worldwide, DDB Needham Worldwide and smaller agencies, earned $39.2 million for the year, a 12.7% gain, on commission and fee revenues of $881.3 million, up 8.6%.

For the fourth quarter alone, earnings rose just 3%—compared with 8% or more during the rest of the year—to $15.6 million, on revenues of nearly $248 million, a 0.2% dip.

For the year, Omnicom's international revenues rose 13%, outpacing U.S. growth of 6%, but only a third of the agency's total revenues came from outside the U.S.

Incoming Omnicom CEO Bruce Crawford told analysts last week he expects "modest" revenue growth for 1989, and analysts say that factor will likely inhibit margin improvements, too.

Greg Ostroff of Goldman, Sachs & Co. said Omnicom's "lack of a significant and cohesive international network" will hurt revenue growth just as agencies are increasingly reliant on non-U.S. growth to boost their business.

Mr. Crawford hinted his attention will now focus on non-U.S. acquisitions, with the sales of smaller U.S. shops to their managements now complete.#

YEAREND AGENCY EARNINGS

Figures are in millions of dollars for year ending Dec. 31, 1988, except where noted.

Company	1988 revenues	% increase	1988 net income	% chg.
Foote, Cone & Belding	$ 386.1	+12.3	$ 13.7	−19.5
Interpublic	1,191.9	+22.8	60.1	+22.0
Ogilvy Group	838.1	+13.5	33.0	+10.7
Omnicom Group	881.3	+8.6	39.2	+12.7
Saatchi & Saatchi[1]	1,525.7	+11.4	132.9	+7.9
WPP Group[2]	974.7	+104.2	37.6	+216.1

[1]year ended Sept. 30, 1988 [2]1988 results reflect first full year of JWT Group ownership
Source: ADVERTISING AGE

Steiger

(Continued from Page 3)

ized the regimes of Messrs. Miller and Oliver.

Ms. Steiger is "definitely nonpartisan, and since Ronald Reagan caught so much grief for his partisan appointments, that's probably a pretty good thing," said Bob Brinkman, general counsel to the National Newspaper Association.

American Advertising Federation Senior VP Wally Snyder, a 16-year veteran of the FTC staff, was unfamiliar with Ms. Steiger's postal track record. But he said there are distinct advantages to a non-partisan FTC chief.

Gene Del Polito, executive director of the Third Class Mail Association, lauded Ms. Steiger for her job at the Postal Rate Commission.

"She's been outstanding . . . it would be a terrible loss for the PRC," Mr. Del Polito said. "She has a background in education . . . and an affinity for consumer issues. She's the only PRC chairman I've known of to be strongly supported by Democrats and Republicans."

Mr. Del Polito said Ms. Steiger, a graduate of Lawrence University, Appleton, Wis., is intelligent and would be a good bet to mend the FTC's relationship with Congress.

Art Zackler, director of publishing policy development for Time Inc., said Ms. Steiger "came in [to the postal commission] with a positive but modest reputation . . . and has done nothing but enhance it."

He said her congressional hearings "would be a lovefest."

Mr. Zackler said Ms. Steiger could quickly overcome any lack of advertising and consumer protection expertise.

Mr. Snyder agreed. "It seems that at the postal commission she was in a policy role, and I don't feel it's a necessity to have [as FTC chairwoman] a lawyer or an economist," he said.#

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Last Minute News

Vermont eyes ad tax

MONTPELIER, VT.—A state House committee this week is expected to consider taxing advertising as a means to fund a proposed health insurance plan. It's not known whether the proposal, by Rep. Toby Young (D., Westminster), would tax creative services only or also extend to time and space. The Vermont Advertising Coalition, consisting of the state's adclub and media associations, has been formed to oppose the measure *(see related story on Page 76)*

Long John, Richards split

LEXINGTON, KY.—Jerrico and the Richards Group, Dallas, have parted company on the Long John Silver's account. Richards had handled the $12 million broadcast creative assignment as well as some media buying since August. MARC Advertising, Pittsburgh, handles most media buying. The only campaign from Richards—which succeeded Foote, Cone & Belding, Chicago—was the "Best recipe for seafood" effort launched last month.

Campbell mulls shops

CAMDEN, N.J.—Campbell Soup Co. is moving toward consolidation of its $15 million frozen-food business (AA, Jan.
(Continued on Page 8)

New book explores Apple's 'Lemmings' spot—P. 36

Polaroid clicks

Ads expand line's image

By ALISON FAHEY

In a major shift in strategy, Polaroid Corp. this week breaks a $20 million image-building TV campaign for its instant photography products.

Polaroid also is moving ahead with its North American introduction of conventional film. Due this spring, the line will get a major—and separate—TV campaign that gives the film an "extremely unique position," said Gary Moss, Polaroid director of marketing services.

He wouldn't discuss details.

The umbrella advertising now beginning for instant photography is a change from the single-product advertising Polaroid has used since the mid-1970s.

The new campaign, from BBDO Worldwide, New York, illustrates instant photography's business, professional, scientific and consumer uses.

Polaroid sells 60% of its cameras to consumers and 40% for business and professional use, Mr. Moss said.

Four 30-second TV spots, themed "Before it's a memory, it's Polaroid," will break March 15 on network and cable, with spot TV following in the fourth quarter. Each spot will contain several vignettes.

"The campaign's [strategy] is to make people more aware of the multiple uses of instant photography beyond just Suzie's birthday," Mr. Moss said.

"Before it's a memory," it's Hank and fan in this TV spot.

The new approach, he added, "is part of our movement into saying Polaroid is a total imaging company; that's why we're showing other uses of cameras."

For example, in one vignette, a fashion designer uses a Polaroid camera to capture different looks as he creates dress styles.

Another vignette shows a couple at the doctor's office where the pregnant woman gets a sonogram. The couple sees their unborn child in a Polaroid photo for the first time.

"The campaign dramatizes the emotionality of using instant cameras and film," said Glen Gilbert, BBDO management representative.

Other vignettes depict sentimental situa-
(Continued on Page 74)

Time deal creates Goliath

New ad packages possible

By PATRICK REILLY

NEW YORK—The first impact on advertisers of the Time Inc. and Warner Communications merger may be a new kind of multimedia package combining cable and Time Inc.'s magazines.

Even before the proposed merger, executives at Time Inc. were assembling a package that would have included selling pages in its publications with spot cable ad time through its own American Television & Communications Corp., cable's second-largest multiple system operator.

Once the merger is completed, the combination of the two companies' cable divisions—Warner Cable Communications is the fifth-largest MSO—will create access to about 5.5 million basic cable subscribers.

REGINALD BRACK

"After everything settles down, we will look at the same plan again, but this time we'll have a much larger pie to work with," said Donald Elliman, exec VP-marketing, Time Inc. Magazine Co. "This [merger] gives us a hell of a lot more assets to work with."

Mr. Elliman said it may be months before real ad packages from Time Warner Inc. are formulated, and Reginald Brack, president, Time Inc. Magazine Co., agreed.

"It's too early to speculate on ad packages, but it's logical that as we sell some custom-made packages now, we will have . . . access to markets we were never in before," Mr. Brack said. "Now there are so many more colors
(Continued on Page 76)

By WAYNE WALLEY

NEW YORK—The proposed $18 billion merger of Time Inc. and Warner Communications is setting the stage for further acquisitions by the new company, possibly including a major TV network.

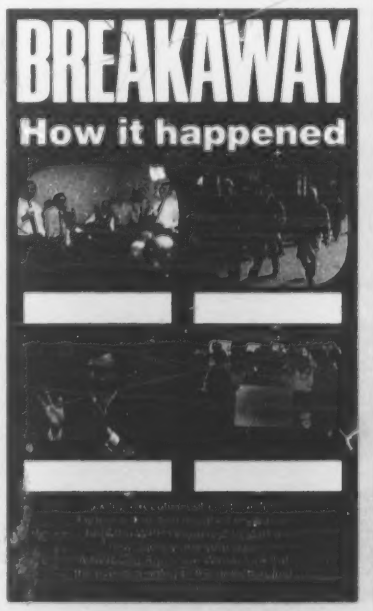
The stock swap and near-perfect meshing of the two media conglomerates without selling assets would leave the new company with a hefty cash war chest. And if the merger is completed as planned within three to six months, observers believe the prime target of Time Warner Inc. could be CBS Inc.

CBS, which shed its music and publishing operations, could perfectly complement Time Warner, adding network broadcasting operations to what will already be one of the world's largest media concerns.

"If you are looking at trying to create the ultimate vertically integrated media empire in the U.S., the two missing pieces for Time Warner and the most obvious synergies would come from the addition of a broadcast network and a basic cable network," said Larry Gerbrandt, senior analyst at Paul Kagan Associates.

"These companies combined have the cash and borrowing capacity to acquire anything they desire," he said.

CBS stock jumped $6 last week amid
(Continued on Page 76)



A retrospective look at the Lord Geller breakaway—P. 62

British shop fights takeover

By LAUREL WENTZ

LONDON—France's BDDP Group could try to take over the U.K.'s Boase Massimi Pollitt in what would be the ad industry's second hostile takeover attempt.

The first, WPP Group's 1987 acquisition of JWT Group, parent of J. Walter Thompson Co. and Hill & Knowlton, was viewed as a watershed event in the ad business.

"This one [BDDP taking over BMP] would be even more hostile because all of BMP's current managers are opposed to the takeover and all of JWT's weren't," one agency executive said.

BMP, which bought Ammirati & Puris, New York, in 1987 and owns a minority interest in Goodby, Berlin & Silverstein, San Francisco, is the U.K.'s seventh-largest agency. Billings in 1988 were $299.6 million. BDDP billed $462.5 million.

Last week, after BMP turned down a merger offer by BDDP, the French agency announced it had built up a 6.48% stake in BMP and was contemplating making a cash offer that would value the British agency at about $175 million.

In a takeover attempt, the next step would be to make a formal offer and follow it up with a formal document within 28 days. Shareholders would have up to 60 days to accept or reject the offer.

About 20% of the company is controlled by BMP directors and employees. The share price at press time March 10 was 304 pence—above the

JEAN-CLAUDE BOULET

300-pence-per-share level BDDP said it would consider offering.

BMP is expected to announce pretax profits of about $22 million for the fiscal year ending March 31. BDDP made pretax profits of $9.9 million in 1988.

Sources said financing for a BDDP takeover would be arranged by Charterhouse Bank through a consortium of banks. Charterhouse is a merchant bank advising BDDP.

BMP Chairman Martin Boase in a statement angrily dismissed BDDP as "a Parisian agency" that BMP had considered buying but rejected.

"BDDP making a hostile approach for our business indicates how much they need to expand from their rather limited base in Paris and how little they understand BMP, its culture and development," the statement said. "The indicated offer is clearly at a ridiculous level and is totally unwelcome. I urge shareholders not to sell their shares in the light of this frivolous approach."

"We've never been in close negotiations with BDDP," Mr. Boase said in an interview.

The agencies had discussed a minority share swap, Mr. Boase said, but he wrote to BDDP President-CEO Jean-Claude Boulet Jan. 17 to confirm BMP's lack of interest. Mr. Boulet said the agency began buying BMP stock in mid-January.

Mr. Boase said BMP clients are uneasy about the rumors. Statements were expected to be issued by clients last weekend saying they're very unhappy with the possibility of a bid by BDDP.

"If the man's got any sense, he

(Continued on Page 74)

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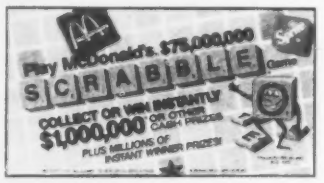
ABP MPA ABC

Big Mac lines up Scrabble players

By SCOTT HUME

After winning with Monopoly twice, McDonald's Corp. this week takes up Scrabble in what's become an annual board-game promotion.

Tie-in partners for the $75 million (in total prizes) Scrabble game are Holiday Inns, Coca-Cola Co., Disneyland and Sears, Roebuck & Co.


Play McDonald's $75,000,000
SCRABBLE Game
COLLECT OR WIN INSTANTLY
$1,000,000 OR OTHER CASH PRIZES
PLUS MILLIONS OF INSTANT WINNER PRIZES!

Network TV teaser spots for the Scrabble game have begun airing, though game pieces won't be given out until March 17.

Sources say McDonald's will spend more than $25 million on network and spot TV and radio advertising for the game. The four tie-in partners will each be spotlighted in at least one commercial in the pool.

Leo Burnett USA, Chicago, is McDonald's agency. Simon Marketing, Los Angeles, created the game; Frankel & Co., Chicago, handles point-of-purchase and merchandising.

For its first-time involvement with McDonald's, Holiday Inns is providing 300 weeklong vacations and 4,110 weekend getaways. The chain values its part in the promotion at $1 million but said McDonald's ad support alone makes participation worthwhile.

"It is fitting into our strategy calling for more higher-profile types of tie-ins," said Steve Pike, Holiday Inns' group director of national marketing. "McDonald's will support this promotion at extremely high [media] weights."

Mr. Pike said Holiday Inns was told that Scrabble had tested higher than Monopoly, which has been McDonald's most successful promotion.

Absent this year from the list of tie-in partners are automakers,

(Continued on Page 76)

Sears asks FTC for 'mall power'

By KATE FITZGERALD

Sears, Roebuck & Co. is asking the Federal Trade Commission to give the giant retailer the power to decide who it will compete against in shopping malls.

A change could affect Sears strategically and have an impact on many major retailers, including No. 2-ranked K mart Corp. and specialty chains such as The Gap and The Limited.

Sears on March 3 petitioned the FTC to lift a 1977 order that specifically prevents Sears from having veto power over the entry or location of other tenants in malls where Sears is an anchor.

At the same time, Sears is dramatically reducing the presence of its highly touted financial network in its stores nationwide.

Sears plans to halve the number of Dean Witter Reynolds financial services branches in its retail stores and convert all its in-store Coldwell Banker real estate branches into informational and referral booths.

Both moves come as Sears steps up its marketing offensive against discount and specialty retailers. The FTC petition was filed only two days after Sears launched its "everyday low-pricing" positioning.

Sears also continues to add its own "superstore" and specialty-store formats, many of which are in shopping malls (AA, Feb. 27).

In its FTC petition, Sears argues that there have been "dramatic changes in both composition and operation of the shopping center business" and that the 1977 order "severely inhibits the ability of Sears to vigorously compete with entities not under an order."

Sears' petition states: "Suggesting that Sears can have no voice in the selection of major tenants [or anchor-store owners] in a center in which Sears is making a high investment is unrealistic and impractical."

In the petition, Sears says the FTC singled out Sears with the order, which creates "artificially competitive barriers to shopping center par-

(Continued on Page 74)

Sunkist aims at teens

By PATRICIA WINTERS

Cadbury Schweppes hopes to push its Sunkist Orange soft drink on top again by putting caffeine back in the formula and targeting teens.

By returning to its original formula and emphasizing rock 'n' roll in advertising like it did in the early 1980s, Sunkist plans to regain its lost leadership in the estimated $1.7 billion orange soft-drink market.

Sunkist was the leading orange soft drink in 1982 but lost that status when Coca-Cola Co. and Pepsi-Cola Co. decided to attack with their own orange brands.

Last year, Sunkist ranked as the nation's third-largest orange soft drink, trailing Pepsi's Mandarin Orange Slice and Coca-Cola's Minute Maid Orange. Of the four top-selling orange soft drinks, only Sunkist will contain caffeine.

But Sunkist could get squeezed. Pepsi is relaunching Orange Slice this spring with a reduced-juice formula, new packaging and new radio and TV spots from BBDO Worldwide, New York.

Also, Coca-Cola is heavying up ad and promotional support for Minute Maid Orange with new "Orange Orange" advertising via Lowe Marschalk, plus new promotions for the brand as the official soft drink of the National Basketball Association.

In April, Coca-Cola breaks the "Minute Maid Orange NBA Hawaiian Sweepstakes" with 10-second TV tags. The company has also begun a major fountain push to get its accounts to offer Minute Maid along with Coke, Diet Coke and Sprite.

"Long term, our goal is to make Minute Maid the clear dominant brand in the category," said Georgia Camp, Coca-Cola USA program manager-public relations.

The other factor in the market is Procter & Gamble Co.'s Orange Crush, repackaged last year with stronger graphics. Crush is the No. 4 brand. N W Ayer is its agency.

Although Sunkist won't be bringing back the "Good Vibrations" campaign of the '80s, the company will stress hot sun, beaches and music in both advertising and promotions.

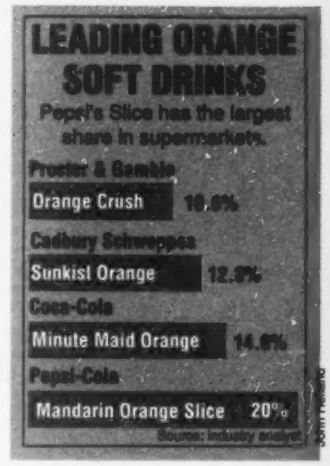
TV spots, filmed in Los Angeles last week via Wells, Rich, Greene, New York, continue the "Drink in the sun" theme line and refreshment angle. They break in early May.

Sunkist has also been given new packaging, making greater use of its orange and blue colors and silver "sun ray" device.

"Sunkist rocks on—Summer Tour '89" is the theme for a wide range of promotions, including a national sweepstakes.

Also, Sunkist is tying in with Musicland Group/Sam Goody Inc. in July with $2 off the purchase of a compact disc, record or tape at Musicland/Sam Goody stores when consumers bring a marked orange tab-top from a Sunkist can.

The offer will be advertised on radio and in print, and promotional materials will be available at the music stores and at supermarkets.



Another promotion employs an unusual vehicle, a glossy, four-page magazine called *Sunkist Strip* available free at stores with a Sunkist purchase. In a local twist, the store's logo appears on the masthead.

Last year, Sunkist was the first to eliminate its juice content—added in 1985—after recognizing that the trend was waning. Since then, Slice, Minute Maid and others have eliminated or dramatically reduced their juice content.

Sunkist eliminated caffeine from its formula in 1982 because of consumers' health concerns. But research showed that teens prefer Sunkist with caffeine, because it "makes it more impactful," said Ellen Bickerstaff, Sunkist brand manager at Sunkist Soft Drinks, Inc., a Cadbury Schweppes unit.

Sunkist possibly could face another problem. Pepsi recently signed a deal to buy General Cinema Corp.'s Pepsi bottling operation, which bottles a substantial amount of Sunkist. If the deal passes regulatory muster, General Cinema bottlers that now sell Sunkist could switch to Pepsi's Orange Slice.

Ms. Bickerstaff said Sunkist has negotiated with bottlers to allow them to distribute both Sunkist and other orange brands. Realistically, however, bottlers generally market just one brand per flavor.#

DDB's retail unit reaches $115M mark

LOS ANGELES—Wickes Cos.' Builders Emporium, a chain of more that 100 home-improvement stores, chose DDB Needham Retail to handle strategic planning, media planning and creative for its $23 million-plus account.

The business was at JJS Advertising, Santa Monica, Calif. Western International Media continues to place broadcast media.

The new business pushes the 14-month-old retail agency's billings to about $115 million, a point it didn't expect to reach before yearend, said Alan Pando, president-Western region at DDB Needham Worldwide.

The parent agency plans to continue the retail unit's growth by opening offices in Seattle, Chicago and New York.

Mr. Pando said DDB Needham Retail is within 60 days of acquiring retail agencies in Los Angeles and Seattle and is talking to possible acquisition targets in Chicago.

DDB Needham Retail was formed through the January 1988 acquisition of Girvin Conrad & Girvin, Rancho Cordova, Calif. The agency opened a Los Angeles office in March, while the DDB Needham office in Denver added a retail specialty unit with the acquisition of Snyder-Reade in August.#

We can't talk about being second in the nation anymore — because now we're First*

Douglas cashes in on rockets
Puppets point out pitfalls
Lakers squeak by Atlanta
Baby still reborn 1, CHP says
THE ORANGE COUNTY Register

THE ORANGE COUNTY Register
Ads up to the nation's leader

Quite frankly, being the nation's leader in Total, Full-Run Advertising is no surprise. It's a reflection of Orange County's affluency that advertisers are seeking. More than $38 billion in purchasing power — and rising. Just like our circulation. A progressive paper. A rich market. A new leader.

*Total Full-Run Advertising
Year-End Ranking, 1988

1. ..... The Orange County Register
2. ..... Los Angeles Times
3. ..... San Jose Mercury News
4. ..... Dallas News
5. ..... Washington Post
6. ..... Newark Star Ledger
7. ..... Asbury Park Press
8. ..... Houston Chronicle
9. ..... San Diego Union
10. ..... New York Times

1988 Media Records

'88 Olympic Games less than golden

Though 'Flo-Jo' stands out, other Olympians' marketability not as flamboyant

By Scott Donaton
and Anita M. Busch

Life after Seoul turned out to be a disappointment for many top Olympic athletes who expected to cash in on their medals with big product endorsement deals.

Scandals over steroid use and weak network coverage of the Summer Games were cited by sports marketers and athletes' agents as the primary reasons for the drop-off.

Experts laid much of the blame for '88 on Canadian sprinter Ben Johnson, who was stripped of his gold medal and world record after testing positive for banned anabolic steroids. He lost an estimated $10 million in endorsement deals, including a $2.4 million contract with Italian running shoe marketer Diadora.

"The drug situation made advertisers a little conservative about hooking up with athletes," says Nova Lanktree, director of Burns Sports Celebrity Services, Chicago. "Even Matt Biondi's not doing so well, which reinforces the drug theory." Mr. Biondi won seven medals, including five gold, and was not involved in any hint of a drug scandal.

His agent, Parks Brittain, with Advantage International, acknowledges the Olympics "took on a controversial air and that's unfortunate. It hurts people like Matt." But he placed the blame for his client's lack of endorsement deals on factors other than drugs.

"I think the media did the '88 Olympics a strange disservice by coming up within days of the closing ceremonies and saying the Olympics were a dud," says Mr. Brittain.

"Some of it has to do with how the networks covered the Games," says Donald Dixon, president, Howard Marlboro Group Sports, New York. "I think they covered them in a newsy way versus a wave-the-flag way. Biondi is certainly a hero by any measure, but I don't think he was pumped up enough on the networks."

Other sports-marketing experts say the location of the Games, NBC's late-night airing of many events and network coverage contributed heavily to the soft post-Olympic marketplace.

"I don't think the '88 Olympics are as much as a problem as everyone thinks. [1988] Olympic athletes are doing a lot of speaking and get good dollars," says Mr. Dixon. "As 1992 approaches, I think U.S. companies will hire the '88 winners to endorse their product before the start of the Olympic games. And I think you'll see that the total dollar spent will just about equal what it is in '88."

Mike Trainer, agent/lawyer for Andrew Maynard, gold medalist in light heavyweight boxing, says advertisers need to ask themselves, " 'Who's being marketed and what is their future potential?' Some of the Olympians are as hot as they're ever going to be, so they should cash in on it.

"Right now the players that make the endorsement decisions are getting to know [Andrew Maynard]. But [he] did not come out of the Olympics to become a professional speaker. We don't want to do something today that will restrict his marketability tomorrow."

According to Mr. Trainer, "If you're the best you can be, you will excel in the secondary markets: advertising, promotion and appearances." □

1988 Olympic gold medalists' endorsements

Gold medalists/Winter Games 1988:
Brian Boitano, Men's Figure Skating
Personal appearance fee: NA
Endorsements/appearances: Disneyland, spokesman 1990 Goodwill Games, Harlick Skating Boots, Starlight Foundation, Bay Area Sports Organizing Committee, ABC-TV special "Brian Boitano Canvas of Ice," Italian American of the Year, Heart & Stroke Foundation

Bonnie Blair, Speed Skating, 500 Meters
Personal appearance fee: $5,000
Endorsements/appearances: Bulova Watch Co., Monical Pizza Corp., Crush, Lerner Presidents Club, Marriott Hotels, Milwaukee Life Insurance

Gold medalists/Summer Games 1988:
Carl Lewis, 100-Meter Dash, Long Jump
Personal appearance fee: NA
Endorsements/appearances: Corteingles, Colacao, Mizuno, Tag Heur (agent only supplied partial list)

Roger Kingdom, 110-Meter Hurdles
Personal appearance fee: no comment
Endorsements/appearances: no comment

Andre Phillips, 400-Meter Hurdles
Personal appearance fee: NA
Endorsements/appearances: Adidas, IBM

Butch Reynolds, 1,600-Meter Relay
Personal appearance fee: NA
Endorsements/appearances: Kroger, Nike, Bulova, Big Brother & Big Sisters

Kevin Robinzine 1,600-Meter Relay
Personal appearance fee: NA
Endorsements/appearances: none

Sheila Echols, 400-Meter Relay
Personal appearance fee: $2,000
Endorsements/appearances: Dark & Lovely (haircare)

Florence Griffith Joyner, 100-Meter Dash, 200-Meter Dash, 400-Meter Relay
Personal appearance fee: $15,000-$20,000
Endorsements/appearances: Sullivan Award (U.S. amateur athlete of the year), Easton/Mizuno (track shoes), MCA Universal (licensing LJN Toys Ltd. for "Flo Jo" doll), Mitsubishi International, Arcadia International Shoe Corp. (Proxy shoes, Florence Griffith Joyner shoes), Agsa-Gevaert (high-speed paper, film), IBM, spokeswoman for 1990 Goodwill Games; in Japan: Mitsubishi International, Temporary Centers (employment agency), Nichaban, Mizuno

Jackie Joyner-Kersee, Heptathlon, Long Jump
Personal appearance fee: NA
Endorsements/appearances: Adidas, Beecham Products' Massengill Feminine Hygiene Products, Chipman-Union (athletic socks), IBM, Knapp Videos, May Co. (Famous-Barr), McDonald's, *New York Times*, Panasonic, Sandoz Labs, Seven-Up, Primatene Mist, WTBS

Louise Ritter, Running High Jump
Personal appearance fee: $3,000 (plus expenses)
Endorsements/appearances: Mazda Track Club, Pepsi Games of Texas

Greg Louganis, Platform and Springboard Diving
Personal appearance fee: NA
Endorsements/appearances: American Express, Bulova, California Lottery, Hertz, Sauder's Eggs, Speedo, Starmakers Posters, Kodak, Marriott, John Hancock Insurance, Mass Mutual, *Gentlemen's Quarterly*, McDonald's, Macys, IBM, Bloomingdales, *Esquire*, several universities

Matt Biondi, 50-Meter Freestyle, 100-Meter Freestyle, 400-Meter Free Relay, 800-Meter Free Relay, 400-Meter Medley Relay
Personal appearance fee: $10,000
Endorsements/appearances: Arena Swimwear (Matt Biondi Collection), Mainich Sports Kikaku Co., IBM, Macy's, Hardee's, Coca-Cola, *Time*, National Humane Society, Make A Wish Foundation, instructional swim video

Matt Cetlinski, 800-Meter Free Relay
Personal appearance fee: NA

Chris Jacobs, 400-Medley Relay
Personal appearance fee: $2,000 to $5,000
Endorsements/appearances: American Cancer Society, Hampton and Fair Oaks Hospitals, (New Jersey substance abuse programs), IBM, various universities

Rich Schroeder, 400-Medley Relay
Personal appearance fee: $200 to $500
Endorsements/appearances: Hospice (Santa Barbara), various high schools

Jay Barrs, Men's Archery
Personal appearance fee: $1,500
Endorsements/appearances: Ray-Ban, Hoyt USA (bows), Easton aluminum arrows, Accra Sights, Cavalier Equipment

Kennedy McKinney, Boxing (Bantamweight)
Personal appearance fee: $50-$125/hour
Endorsements/appearances: Print One

Andrew Maynard, Boxing (Light Heavyweight)
Personal appearance fee: open (depends on who and when)
Endorsements/appearances: none

Ray Mercer, Boxing (Heavyweight)
Personal appearance fee: $50-$125/hour
Endorsements/appearances: none

Greg Barton, 1,000-Meter Kayak, 1,000-Meter pairs Kayak
Personal appearance fee: $1,500-$2,500
Endorsements/appearances: Champion International Corp., instructional video for U.S. Canoe/Kayaking Team

Norman Bellingham, 1,000-Meter pairs Kayak
Personal appearance fee: $500-$1,000
Endorsements/appearances: Champion, fashion spreads in *In Fashion*, *Gentlemen's Quarterly*, *Magna*

Ken Flach, Men's Doubles Tennis
Personal appearance fee: NA
Endorsements/appearances: none

Robert Seguso, Men's Doubles Tennis
Personal appearance fee: NA
Endorsements/appearances: none

Zina Garrison, Women's Doubles Tennis
Personal appearance fee: NA
Endorsements/appearances: Wilson racquets, Stay at School, Houston homeless program

Pam Shriver, Women's Doubles Tennis
Personal appearance fee: NA
Endorsements/appearances: Yonex shoes, clothing and racquets, Cystic Fibrosis (Baltimore)

Kenneth Monday, Wrestling (162.5 lbs.)
Personal appearance fee: $1,000
Endorsements/appearances: Boy Scouts of America, Courtney Services Inc., *First Move Wrestling Magazine*, Mark Tudi & Associates, Metropolitan Life Insurance Co., Oklahoma Chevy Dealers, YMCA

John Smith, Wrestling (136.5 lbs)
Personal appearance fee: $500
Endorsements/appearances: Brute wrestling products, Cybergentics, Say No to Drugs, United Way, wrestling clinics, high schools and colleges

Allison Jolly, Yachting
Personal appearance fee: $200-$500
Endorsements/appearances: Ullman Sails, Shore Sails, Catalina Yachts, various yacht clubs and corporations, sailing seminars

Lynne Jewell, Yachting
Personal appearance fee: $200-$500
Endorsements/appearances: Shore Sails, various yacht clubs, community organizations

Compiled by Anita M. Busch

Source: ADVERTISING AGE.
Gold medal swimmers Janet Evans (400-Meter Freestyle, 800-Meter Freestyle, 400-Meter IM), David Berkoff (400-Medley Relay), Troy Dalbey (400-Meter Freestyle Relay, 800-Meter Freestyle Relay) and Doug Gjertsen (800-Meter Freestyle Relay) are not eligible under NCAA rules. Athletes' personal appearance fees are negotiable.
Unavailable by presstime are as follows: track & field members Joe DeLoach, Danny Everett, Steve Lewis, Alice Brown, Evelyn Ashford; Swimming: Tom Jaeger

BASEBALL
Babe Ruth
Lou Gehrig
Roberto Clemente
Ty Cobb
Mickey Cochrane
Lefty Grove
Gil Hodges
Rogers Hornsby
Walter Johnson
Edd Roush
Christy Mathewson
Tris Speaker
Dizzy Dean
Casey Stengel
Honus Wagner
Cy Young
Bob Feller
Whitey Ford
Eddie Mathews

FOOTBALL
Vince Lombardi

OLYMPIAN
Jesse Owens

BOXING
Joe Louis
Rocky Marciano

REPRESENTING GREATNESS

HISTORIC FIGURES
Mel Fisher
Will Rogers
Mark Twain

CORPORATE CLIENTS
Amateur Athletic Union (AAU)
Ciba Geigy
"Hollywood"
Hollywood Chamber of Commerce
Hollywood Walk of Fame

ENTERTAINMENT/ MOVIE GREATS
Fred Astaire
Abbott & Costello
John Belushi
The Blues Brothers
Humphrey Bogart
James Dean
Judy Garland
William "Buckwheat" Thomas
Zorro

MUSIC
Duran Duran
Buddy Holly
Ritchie Valens
J.P. (The Big Bopper) Richardson
Hank Williams, Sr.

CURTIS MANAGEMENT GROUP
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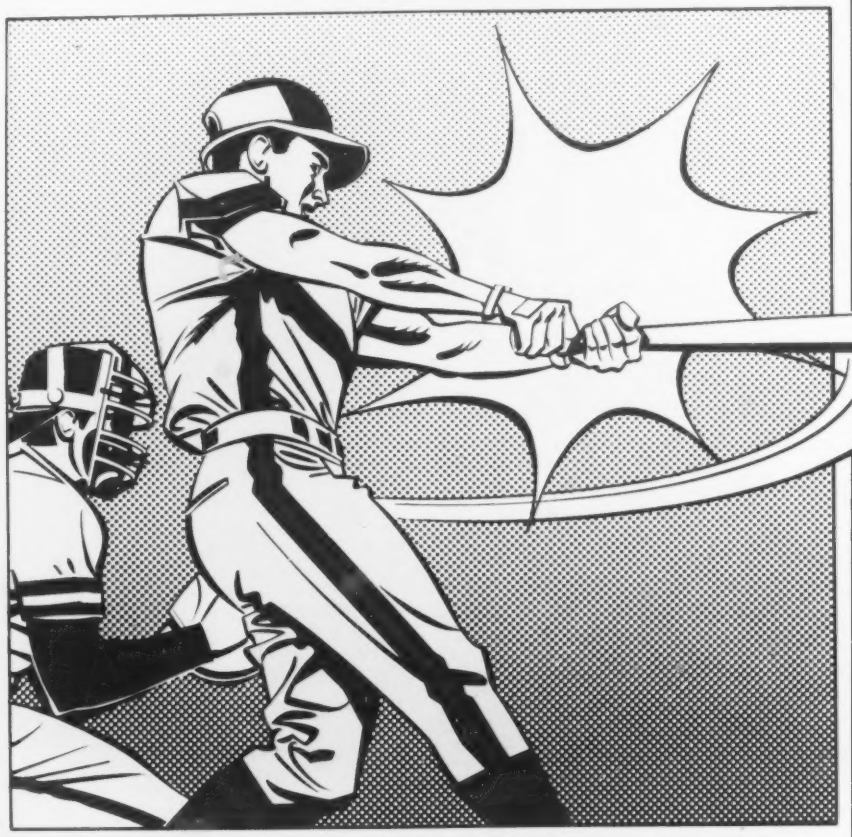
It happens every spring

The Grapefruit League and Cactus League seasons are underway and while the players are getting into shape, baseball teams' sales, marketing and administrative staffs are rounding out their packages to put fans in the stands and advertising into the media and the stadiums. Advertising Age toured the ballparks in early February for an early spring look at team stats for this package.



Oakland Athletics
1988 record: 104-58
Theme: A s baseball land
Budget: $850,000
% change: 41.7
Agency: in-house
Media: TV, newspaper, outdoor
Sponsors: Anheuser-Busch, Northern California Chevrolet Dealers, Pacific Gas & Electric, RJR Nabisco, Safeway, Wells Fargo, Unocal
Stadium capacity: 48,219
Season tickets sold: 10,000 plus

Los Angeles Dodgers
1988 record: 94-67
Theme: None, marketing will focus on 1988 baseball championship
Budget: not disclosed
% change: NA
Agency: in-house
Media: TV, radio, newspaper
Sponsors: Anheuser-Busch, Clougherty Packing (Farmer John), Coca-Cola, Nissan, Unocal
Stadium capacity: 56,000
Season tickets sold: 27,000

Boston Red Sox
1988 record: 89-73
Theme: Catch the thrills
Agency: in-house
Budget: not disclosed
% change: NA
Media: TV, radio, print
Sponsors: Anheuser-Busch, Coca-Cola, Gillette, Ground Round, GTE, Guest Quarters Hotels, Miller Brewing, Nynex, Philip Morris, Polaroid, Quaker Oats (Gatorade), Saab, Sharp Electronics, Sylvania, Texaco, Thom McAn
Stadium capacity: 33,565
Season tickets sold: 18,000

Cincinnati Reds
1988 record: 87-74
Theme: It's Reds time in '89
Budget: no paid advertising
% change: NA
Agency: in-house
Media: TV, radio
Sponsors: Borden, Drumstick, Fifth Third Bank (MasterCard), Frisch s Big Boys, General Foods, (Maxwell House), Kenner, Kroger, Pizza Hut, Quaker Oats (Gatorade), Sara Lee (Kahn s Meats)
Stadium capacity: 52,392
Season tickets sold: 16,000 plus

Milwaukee Brewers
1988 record: 87-75
Theme: 20 years of American League baseball—share the celebration
Budget: $200,000
% change: 0
Agency: in-house
Media: TV, radio, print
Sponsors: Ameritech, Ariens, Amoco, Cher-Make Hot Dogs, Elan Financial, G. Heileman Brewing, Hair Cuts, Hardware Hank, Henri s, Midwest Express, Miller Brewing, Oscar Mayer Foods, Pepsi-Cola, Pic 'n' Save, Quaker Oats (Gatorade), Roundy s, Scott Paper, True Valu Hardware, Wisconsin Dairy Farmers, WKLH-FM, WKTI-FM, WTMJ-AM, York International
Stadium capacity: 53,192
Season tickets sold: 7,000*
*opening day estimate

Toronto Blue Jays
1988 record: 87-75
Theme: On the move
Budget: $1.8 million
% change: 63.6
Agency: J. Walter Thompson Co., Toronto
Media: TV, newspaper
Sponsors: Bowlerama, Canadian Imperial Bank of Commerce, Coca-Cola, Esso Petroleum Canada, Honda Canada, Hostess Frito Lay, Labatt, Mr. Freeze, Telemedia Communications
Stadium capacity: 44,000 in Exhibition Stadium; 51,000 in the SkyDome, which opens June 3
Season tickets sold: 26,000

New York Mets
1988 record: 100-60
Theme: Excellence again and again
Budget: not disclosed
% change: NA
Agency: Della Femina, McNamee WCRS
Media: TV, radio, newspaper, transit
Sponsors: Anheuser-Busch, Manufacturers Hanover, Oldsmobile
Stadium capacity: 55,000
Season tickets sold: 26,000

Minnesota Twins
1988 record: 91-71
Theme: Catch a season of excitement
Budget: $750,000
% change: 0
Agency: in-house
Media: TV, radio, print, transit
Sponsors: American Dairy Association, SuperAmerica, Berkley Co., Coca-Cola, General Mills, G. Heileman Brewing, Dairy Queen, Land O Lakes (Schweigert meats), Lever Bros., McDonald s, Miller Brewing, National Kidney Foundation, Scott Paper, WCCO-TV, WCCO-AM
Stadium capacity: 55,244
Season tickets sold: 10,000

Detroit Tigers
1988 record: 88-74
Theme: Catch some wild games
Budget: not disclosed
% change: NA
Agency: Baker, Abbs, Cunningham & Klepinger
Media: TV, radio, print
Sponsors: American Dairy Association of Michigan, Anheuser-Busch (Budweiser), Coca-Cola, Health Alliance Plan, K mart, Detroit Ford dealers, Oscar Mayer Foods, White Castle
Stadium capacity: 52,806
Season tickets sold: 10,000

Pittsburgh Pirates
1988 record: 85-75
Theme: So close you can feel it
Budget: $400,000
% change: 33.3
Agency: Ketchum Communications
Media: TV, radio, outdoor, transit
Sponsors: Anheuser-Busch (Budweiser), Coca-Cola, Giant Eagle supermarket, Jeep Eagle, Mellon Bank, Nissan, Pittsburgh National Bank, Sears
Stadium capacity: 58,000
Season tickets sold: 10,000 plus

■ Major League Baseball 1989 sponsors—not listed above—are Equitable Life Assurance Society of the U.S., General Motors Corp. Chevrolet division, IBM Corp., Leaf Inc., MasterCard, Rawlings Sporting Goods ,*USA Today* and Walt Disney. A deal with Coca-Cola was imminent at presstime.

New York Yankees
1988 record: 85-76
Theme: not yet determined
Budget: not disclosed
% change: NA
Agency: in-house
Media: TV, print, radio
Sponsors: Anheuser-Busch, Canon, Dodge, Texaco
Stadium capacity: 57,545
Season tickets sold: 20,000 plus

Kansas City Royals
1988 record: 84-77
Theme: Royals baseball... It's a hit
Budget: $150,000
% change: NA
Agency: in-house
Media: TV, radio
Sponsors: Coca-Cola, Lee, Miller Brewing, Missouri Lottery, Phillips 66, Western Auto
Stadium capacity: 42,000
Season tickets sold: 14,800

San Diego Padres
1988 record: 83-78
Theme: Padres baseball... Sounds like a great time
Budget: $675,000
% change: 3.8
Agency: Franklin & Associates
Media: TV, radio, print
Sponsors: Anheuser-Busch, Bank of America, California Egg Commission, Coca-Cola, Frazee Paints, Hero Cologne, Home Savings of America, Jack in the Box, Marriott, (Allie's Restaurants), Quaker Oats (Gatorade), San Diego Trust, *USA Today*
Stadium capacity: 58,500
Season tickets sold: 15,206

San Francisco Giants
1988 record: 83-79
Theme: I feel good
Budget: $700,000
% change: -17.6
Agency: Freeman Marketing, Michael Lavigne, free-lance writer, Barrington Media Services
Media: TV, radio
Sponsors: American Airlines, Anheuser-Busch, Coca-Cola, Isuzu, Mother's Cookies, Quaker Oats (Gatorade), USAir, Sunkist
Stadium capacity: 58,000
Season tickets sold: 10,000

Houston Astros:
1988 record: 82-80
Theme: Let's raise the roof
Budget: $1 million cash/trade
% change: 0
Agency: Goodwin, Dannenbaum, Littman & Wingfield
Media: newspaper, TV, radio, outdoor
Sponsors: Anheuser-Busch Cos., Coca-Cola Co., Kroger Co.
Stadium capacity: 45,346
Season tickets: 9,500

Montreal Expos
1988 record: 81-81
Theme: NA
Budget: $417,450
% change: NA
Agency: Media Buying Services (project basis)
Media: newspaper, radio, direct-mail, transit
Sponsors: Bank of Montreal, Coca-Cola, Hyundai, Labatt, Petro-Canada, Provigo, Seagram Distillers, Ultramar Canada
Stadium capacity: 59,941
Season tickets sold: 8,500

Cleveland Indians
1988 record: 78-84
Theme: There's no place like home games!
Budget: not disclosed
% change: NA
Agency: Marcus Advertising, in-house
Media: TV, radio, print
Sponsors: Burger King, Hero cologne, Marathon, NAPA, Sherwin-Williams
Stadium capacity: 74,483
Season tickets sold: 5,000*
*projected

Chicago Cubs
1988 Record: 77-85
Theme: Celebrating 75th anniversary of Wrigley Field
Budget: not disclosed
% change: NA
Agency: J. Herman Sitrick Co. (media buyer)
Media: TV, radio, newspaper
Sponsors: Chicago Motor Club, Anheuser-Busch, David Berg hot dogs, Blockbuster Video, Burger King, Chernin's Shoes, *Chicago Tribune*, Dairy Queen, Delta Faucets, Danley Lumber, Eastman Kodak, Federal Express, Ferrara Pan Candy, First Illinois Banks, G. Heileman Brewing (Old Style), Hertz, Hyatt Regency, Jays, Jiffy Lube, Kellogg, M. Hyman & Son, Marathon, MCI Communications, Motra Motors, Office World, Pepsi-Cola, Pizza Hut, Quaker Oats (Gatorade), S.C. Johnson & Son (Raid), Scott Paper, Sony, Toyota, True Valu, Unocal, World's Finest Chocolate, York Furrier, Zenith
Stadium capacity: 39,012
Season tickets sold: 16,500

St. Louis Cardinals
1988 Record: 76-86
Theme: The great American game... St. Louis style
Budget: not disclosed
% change: NA
Agency: Busch Creative Services
Media: TV, radio, outdoor, transit, newspaper
Sponsors: Amoco, Anheuser-Busch, Boatmen's Bank, Coca-Cola, Domino's, Eastman Kodak, Hardee's, Heinz, Dairy Queen, J.C. Penney's, Kentucky Fried Chicken, KMOX-AM, Levi's, Metropolitan Life, Missouri Lottery, Pasta House, Pepsi-Cola, Quaker Oats (Gatorade), Six Flags, *The Sporting News*, *St. Louis Post-Dispatch*, U.S. Forest Service
Stadium capacity: 56,059
Season tickets sold: 20,500

California Angels
1988 record: 75-87
Theme: No official theme, will focus on Anaheim as site of 1989 All-Star game.
Budget: not disclosed
% change: NA
Agency: in-house
Media: TV, radio, print, direct-mail
Sponsors: Anheuser-Busch, California Egg Commission, General Foods (Jell-O pudding snacks), Hero Cologne, Kenner, KMPC-AM, KTLA-TV, Princess Cruises, Quaker Oats (Gatorade), Scott Paper, U.S. Forest Service
Stadium capacity: 64,573
Season tickets sold: 17,000 plus

Chicago White Sox
1988 Record: 71-90
Theme: White Sox: Chicago's American pastime
Budget: $1,250,000
% change: NA
Agency: Weber, Cohn & Reilly
Media: TV, radio, newspaper, direct-mail, telemarketing
Sponsors: Ask Mr. Foster, Benjamin Moore, Budget, Chicago/Northwest Indiana Chevy Dealers, *Chicago Sun-Times*, *Chicago Tribune*, Coca-Cola, Colgate-Palmolive (Irish Spring), Drumstick, First Illinois Banks, G. Heileman Brewing Co., Henry Kay Jewelers, Hero cologne, Hyatt Regency, Illinois Tourism Bureau, Kenner, MCI Communications, Midway Airlines, Miller Brewing, North Oak Chrysler-Plymouth, Polaroid, Procter & Gamble (Bounce), Rado Watch Co., Sherwin-Williams, Sportsvision, *USA Today*, WMAQ, Zenith
Stadium capacity: 43,901
Season tickets sold: 8,000

Texas Rangers
1988 record: 70-91
Theme: No official theme
Budget: not disclosed
% change: NA
Agency: In-house
Media: newspaper, TV, radio, outdoor
Sponsors: Anheuser-Busch, W.O. Bankston (car dealership), Coca-Cola, Coors, Dr Pepper, Miller Brewing
Stadium capacity: 43,508
Season tickets sold: 6,000

Seattle Mariners
1988 record: 68-93
Theme: I believe in baseball: the Northwest team
Budget: $750,000
% change: 15
Agency: Ehrig & Associates
Media: TV, radio, transit
Sponsors: Alaska Airlines, Anheuser-Busch, (Budweiser, Bud Light), American Airlines, American Automobile Assn., Brown Bear Car Wash, Campbell Soup, Coca-Cola, Chevron, Eastman Kodak, Fletcher's, Frito-Lay, GTE, Lawry's, Lipton (Wishbone), Mother's Cookies, Nabisco, Nalley's, Oscar Mayer, Pacific First Federal, Pemco, Philip Morris, Procter & Gamble (Crest), Quaker Oats (Gatorade), Safeco, Safeway, Seafirst Bank, *Seattle Post-Intelligencer*, Security Pacific Bank, Sherwin-Williams, Taco Time, Thriftway, Tillamook County Creamery, Unocal, U.S. Forest Service, U.S. Sprint, U.S Communications, Washington Natural Gas
Stadium capacity: 58,150
Season tickets sold: 5,600

Philadelphia Phillies
1988 record: 65-96
Theme: Enjoy the game
Budget: $400,000
% change: 0
Agency: in-house
Media: direct-mail, TV, radio, outdoor
Sponsors: Anheuser-Busch (Budweiser), Bell Atlantic Yellow Pages, Coca-Cola, Eastman Kodak, First Pennsylvania Bank, Quaker Oats (Gatorade), General Mills, Hi-Fi House, I. Goldberg, Independence Blue Cross, Philip Morris (Marlboro), Mellon Bank, Merit Gasoline, Modell Sports, Mr. Goodbuys, Procter & Gamble, Rosenbluth Travel, Tasty Kake, Texaco, New England Apple Products (Veryfine juice)
Stadium capacity: 64,500
Season tickets sold: 13,800

Atlanta Braves
1988 record: 54-106
Theme: none
Budget: $500,000
% change: -33
Agency: RET Advertising
Media: TV, radio, newspaper
Sponsors: Anheuser-Busch (Bud Light), Amoco, C&S Bank, Coca-Cola, Delta, Fulton Federal Bank, Georgia Power, Goody's Headache Powders, Sherwin-Williams, Sony
Stadium capacity: 52,001
Season tickets sold: 7,000

Baltimore Orioles.
1988 record: 54-107
Theme: Orioles 89: You gotta be there
Budget: not disclosed
% change: NA
Agency: VanSant Dugdale
Media: TV, radio, direct mail
Sponsors: Anheuser-Busch, *Baltimore Sun*, Burger King, Care First, Coca-Cola, Esskay (hot dogs), Home Team Sports, Lever Bros., Quaker Oats (Gatorade), Toyota Motor Sales Corp., WBAL-AM, WMAR-TV, Colebrook Pizza, Mid-Atlantic Milk Marketing Association
Stadium capacity: 54,002
Season tickets: 10,000

Sports shorts

From baseball and diving to dealmaking, marketers drive the game behind the scenes

Tennis anyone?

Association of Tennis Professionals hopes to sign a deal with a corporate sponsor before the beginning of its tour in January 1990. It reportedly is talking with Volvo North America Corp. and several other yet-to-be-named corporations. According to Brad Harris, ATP's director of communications, all three TV networks, ESPN and other cablecasters have shown an interest.

Just a fantasy:

"Fantasy Play-By-Play," a radio promotion sponsored last year by Anheuser-Busch that allows Oakland Athletics' fans become baseball announcers for an inning, is moving into other cities. In addition to the A's and the Pittsburgh Pirates, the Seattle Mariners and St. Louis Cardinals have signed up this year, and negotiations are underway with three other teams, according to Fred Greene, president of Greene Creative Services and the gimmick's creator. Mr. Greene says his goal is to have the program in seven markets by the start of the 1989 baseball season and to introduce Fantasy Play-By-Play to the NBA this year.

A Peachy deal for tie-ins:

Atlanta's Peach Bowl is looking for a corporate sponsor. Of the 18 existing college bowl games only the Rose Bowl, which has declined title sponsorship, and the Peach Bowl do not have a corporate sponsor's name attached.

According to Chad Ritchie, senior account exec at Advantage International, the bowl's Atlanta location, community commitment and recently signed three-year contract with ABC-TV are some of the attractions for a potential sponsor.

Fred Greene give Spuds MacKenzie and friends a turn at the mike.

Rent-a-car company takes a dive:

Alamo Rent a Car has signed a three-year, six-figure contract with U.S. Diving Inc. to sponsor the Alamo Challenge and Alamo International.

The Challenge, set for the summer in Fort Lauderdale, Fla., Alamo's base city, represents the first time the U.S., Soviet Union and China will meet in a three-way competition. Both diving events, scheduled in May, will be televised by Turner Broadcasting System.

"Diving gives us an excellent marketing opportunity in a cost-effective package," says Charles D. Pratt, Alamo exec VP. "You can't beat title sponsorship, guaranteed television and world-class events in your own backyard."

Take me out of the ballgame:

Fuji Photo Film USA has ended its three-year sponsorship with Major League Baseball, moving its dollars into trade promotions while continuing support of smaller sports endeavors.

"It was very expensive and we believe that our direction of trade promotions will be more useful to us for the dollars spent," says Herb Baer, Fuji manager of PR and special events.

"Saturation in Major League Baseball was a non-issue for us, but I do think in general there are too many events and that the clutter factor reduces the audience awareness of individual sponsors," he says.

Soup's on for Olympian:

Campbell Soup Co. has signed Jill Trenary, U.S. Olympic figure skating silver medalist, as spokeswoman for its red-and-white soup line. The company says Ms. Trenary will appear in commercials, but not until the fall of 1989 or early 1990. Backer Spielvogel Bates, New York, handles.

ESPN creates Monster videos:

What do you do with footage of NASCAR races, TNT Monster Trucks and more?

ESPN has turned the canned material into videos, and, with Leonard & Associates has published what it claims is the first catalog of sports videocassettes. The catalog, with about 200 titles, is going to at least a million homes and expects to sell as many as 10,000 units annually. "This isn't just a way to help pay for programming costs," says William Ketcham, ESPN senior VP-network marketing. "We're in it to make money."

Compiled by Anita M. Busch

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Saturation fear has companies leery of getting soaked

Marketers questioning whether sports advertising is worth the cost

By Lynn Berling-Manuel

Advertising on sports programming may be at or near the saturation point. Also, many advertisers believe sports advertising is saturated year-round, according to a 1988 Vitt Media International survey of 102 senior level ad directors at the nation's largest consumer products and services companies.

The saturation perception raises questions on whether or not advertisers feel that sports advertising is cost-effective. In fact, 64% of the ad directors surveyed believed sports advertising has become so saturated that its effectiveness has decreased. The survey also found that because sports advertising has become so expensive, 73% of advertisers doubt its value.

But, according to Hal Katz, Vitt exec VP, "It is very hard to justify most sports-marketing programs against the bottom line. I had a client that as part of a Super Bowl sponsorship got several tickets and took key suppliers. He closed a $2.5 million deal out of that game. How do you measure that?"

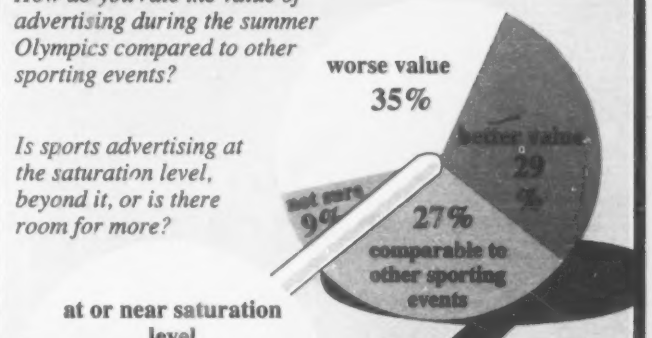
The survey points out the Olympics is one mega-event that sponsors and advertisers are eyeing more warily. "It's interesting to note that 3M chose to be an Olympic sponsor last year, but then chose not to do any advertising during Olympic telecasts," says Mr. Katz. On the other hand, Nancy Altenburg, Federal Express' corporate advertising and sports-marketing manager says that Federal Express has withdrawn as an Olympic sponsor but would probably continue advertising.

"There are many changing factors for a company to consider as it approaches sports sponsorships," says Mr. Katz. "The whole system of TV is changing with very large media vehicles giving way to narrower ones, particularly cable." He notes the networks are now being challenged by cable broadcasters like ESPN because national advertisers consider cable a cost-effective ad medium. □

Lynn Berling-Manuel is a Berkeley, Calif.-based free-lance writer.

Sports advertising

How do you rate the value of advertising during the summer Olympics compared to other sporting events?

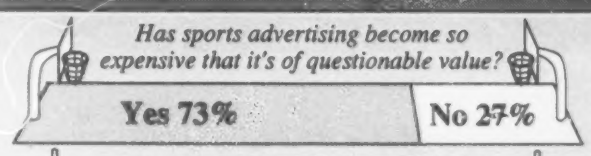


Is sports advertising at the saturation level, beyond it, or is there room for more?

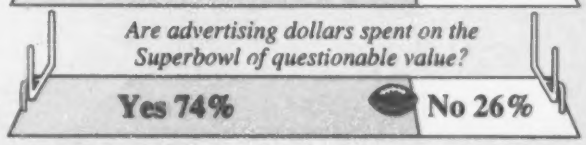
Source: Vitt Media Monitor Advertising Age graph: John Holland

Advertisers perceive a change in sports value

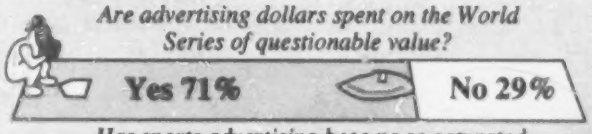
Has sports advertising become so expensive that it's of questionable value?



Are advertising dollars spent on the Superbowl of questionable value?



Are advertising dollars spent on the World Series of questionable value?



Has sports advertising become so saturated that its effectiveness is decreased?

Source: Vitt Media Monitor Advertising Age graph: John Holland

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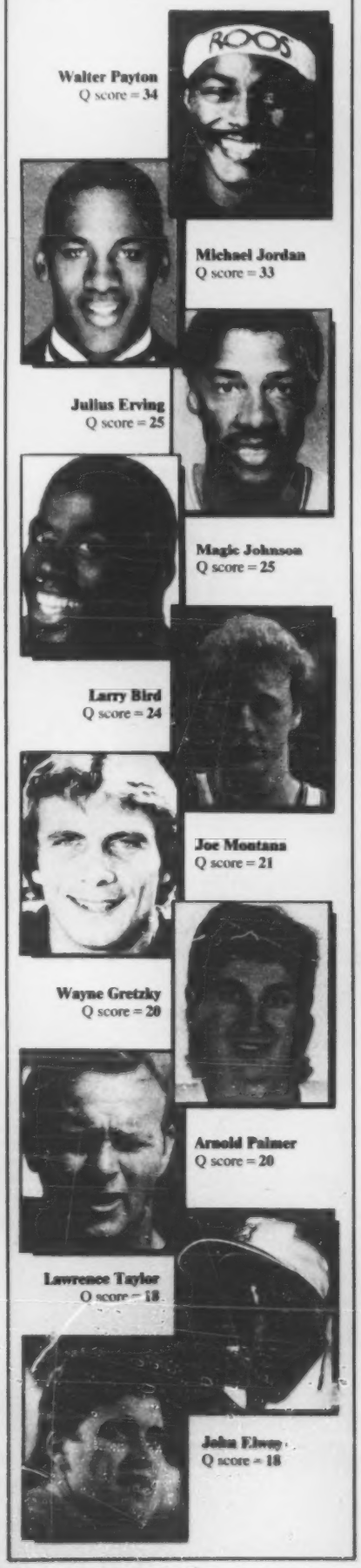
It's not how you play the game . . .

What's happened to 'America's pastime?' Current day baseball stars are noticeably absent from Marketing Evaluations Q score rankings of respondents' favorite sports personalities

1988 performer Q top sports personalities*



Walter Payton
Q score = 34

Michael Jordan
Q score = 33

Julius Erving
Q score = 25

Magic Johnson
Q score = 25

Larry Bird
Q score = 24

Joe Montana
Q score = 21

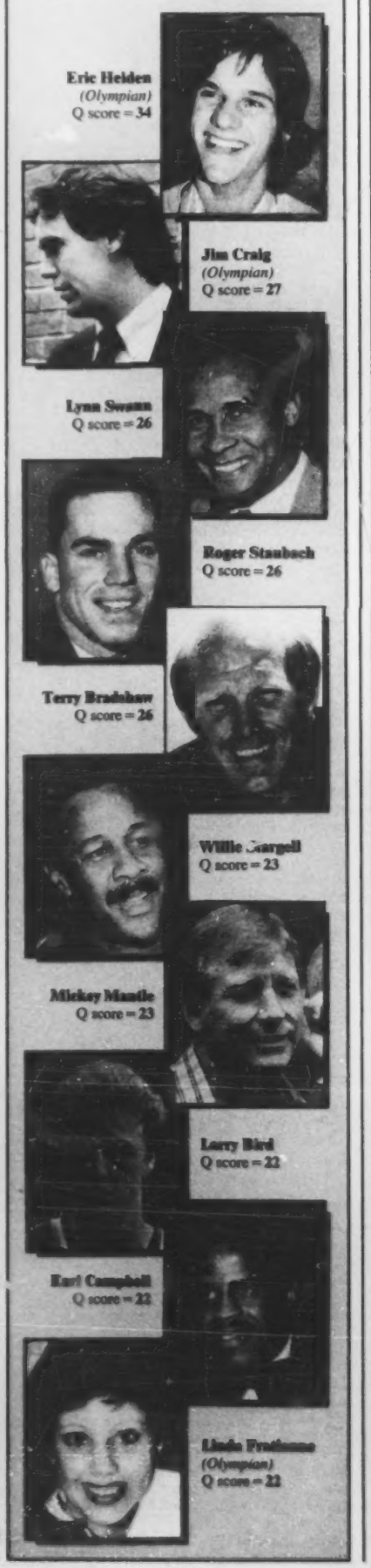
Wayne Gretzky
Q score = 20

Arnold Palmer
Q score = 20

Lawrence Taylor
Q score = 18

John Elway
Q score = 18

1980 performer Q top sports personalities*



Eric Heiden
(Olympian)
Q score = 34

Jim Craig
(Olympian)
Q score = 27

Lynn Swann
Q score = 26

Roger Staubach
Q score = 26

Terry Bradshaw
Q score = 26

Willie Stargell
Q score = 23

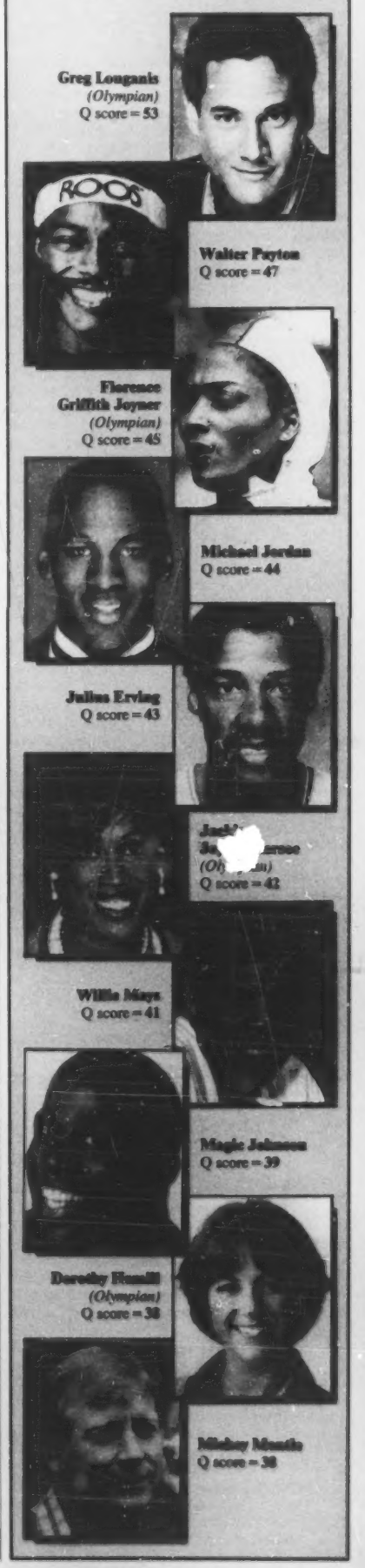
Mickey Mantle
Q score = 23

Larry Bird
Q score = 22

Earl Campbell
Q score = 22

Linda Fratianne
(Olympian)
Q score = 22

Sports Q rating *(post-Olympics)*



Greg Louganis
(Olympian)
Q score = 53

Walter Payton
Q score = 47

Florence Griffith Joyner
(Olympian)
Q score = 45

Michael Jordan
Q score = 44

Julius Erving
Q score = 43

Jack[illegible]
(Olympian)
Q score = 42

Willie Mays
Q score = 41

Magic Johnson
Q score = 39

Dorothy Hamill
(Olympian)
Q score = 38

Mickey Mantle
Q score = 38

Sources: Marketing Evaluations Annual Performer Q studies conducted May/June 1988
*Among total adults, 18 yrs. and over

UPI Retrocasts Newspaketos

Source: Marketing Evaluations Annual Performer Q studies conducted May/June. Q score equals "one of my favorites" divided by the total familiarity

3/28/89 C2710-1

Takeover rumors, stock activity plague Ogilvy again—P. 2

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Media's 'big bang'

Three years after Omnicom, media industry braces for mergers

By PATRICK REILLY

The third wave has begun.

Like consumer-product marketers and ad agencies before them, major media companies are headed for unprecedented consolidations among their largest players.

The consolidations, like the Time Inc.-Warner Communications powerhouse forged this month, are motivated by the fear of being left out of a quickly forming top tier of world-class media giants.

The Time-Warner deal, coming virtually on the third anniversary of the "big bang" formation of three major U.S. agencies into Omnicom Group, has stirred talk of a similar scenario rolling through the media business.

That thinking was only encouraged by rumors of more agency mergers last week *(see stories on Ogilvy Group and N W Ayer on Page 2, and Boase Massimi Pollitt on Page 74)*.

"You are going to see a constant stream of [media] acquisition activity and transactions worldwide—it will be unabated," said John Veronis, chairman and co-ceo of Veronis, Suhler & Associates, a media investment banker.

"With [the acquisitions], you'll see significant divestitures," he said. "Time and Warner was one of the best fits that has or can occur, but there are other fits equally as promising."

Media watchers believe no company will be spared, and point to Gannett Co., Tribune Co. and Knight-Ridder as likely candidates to join the consolidation movement, just as reluctant ad agencies are being forced to link up to survive.

Momentum building

The wave is gaining momentum.

Last week, Thomson Newspapers and International Thomson Organisation, both controlled by Toronto's Thomson family, said they'd merge to form Thomson Corp., the world's fourth-largest media company.

The new company—including 192 daily and weekly U.S. and Canadian newspapers, trade publications and electronic information properties—has combined revenues of $4.7 billion and a combined profit of $436 million, based on 1988 results.

"This was a propitious time for us to come together for financial strength and the synergies we could find," said Kenneth Thomson, chairman of the two companies, who will be chairman of Thomson Corp.

"In this case," he explained, "two and two make five. It gives us a good, strong position in the international publishing field. Today, that's an advantage—to be bigger and stronger."

Illustration by Tom Herzberg

Allan Lewis, treasurer of International Thomson Organisation, said the "merger will enhance our ability to make larger acquisitions, which seems to be necessary." He said the new company would pursue acquisitions in the newspaper and publishing industry, largely in the U.S. and Canada.

Thomson's move follows a series of huge media deals, including Australia-based News Corp.'s purchase of Triangle Publications, and its *TV Guide*, for $2.85 billion, and France's Hachette SA's purchase of Diamandis Communications Inc. for $712 million, both last year.

And there are more to come. Just this month, News Corp. Chairman Rupert Murdoch said he'd participate in creating a new global media company through a worldwide private placement to raise capital. The new company will create a Murdoch war chest for acquiring and developing businesses in the worldwide media and communications industry.

"It's people like Murdoch driving this trend," said Hylton Philipson, president-ceo at Henry Ansbacher Inc., a media investment company. "A handful of global media companies are forming now. If you aren't one of them, it will be difficult as a smaller media company to compete globally."

With the creation of a new super-tier of global media companies, including West Germany's Bertelsmann AG, News Corp., Hachette and others *(see chart on Page 75)*, the question is now whether relatively large independent media companies should seek partners to help them face the new global media world.

"There is a wave of positioning in the global marketplace, and the independents should really consider whether they should go on as independents," Ansbacher's Mr. Philipson said. "Independents have to be thinking whether they should align themselves with someone else for strategic purposes. This is positioning for the next century."

Players in the game

Among the U.S. companies being mentioned as candidates to join the merger game, Gannett Co. was one of several that talked informally to both Time Inc. and Warner before those two began talking in earnest themselves.

The array of media properties owned by Knight-Ridder and Chicago-based Tribune Co. make them potential players.

But Gannett isn't ready to play, said John Curley, the president-ceo who becomes chairman March 31.

"It made sense for Time Warner because they have lines of business that are complementary, but we don't feel the need to go out and find a partner," Mr. Curley said. "If we saw a slowdown in our fields, we might look at other options. But we continue to view Gannett as a growth company and will look for opportunities to acquire and expand in that manner."

Nor does Knight-Ridder see the need for a partner now.

"We see a lot of this empire-building as having a certain ego factor attached to it, but in the end, the merger has to make sense for the shareholders," said Frank Hawkins, VP-corporate relations and planning. "To charge ahead for the sake of being bigger doesn't mean you will necessarily be better. Our ambition is to be among the best, not necessarily among the biggest."

Tribune Co. is making the broadest reach of the three. It recently bought an equity share in *The Sunday Correspondent*, a Sunday-only national newspaper for the U.K. scheduled to launch this fall.

The Correspondent, a broadsheet, is aimed at the "quality end of the market," said Scott Smith, Tribune VP-finance, who described the company's stake as "relatively modest."

"In the context of Time Warner, it's small, but it's an indication the media business is becoming more global, and it's an opportunity for us to get direct experience in the U.K.," Mr. Smith said.

But Tribune's stake in a British property isn't necessarily a harbinger of a merger in the works.

"We are comfortable as an in-

(Continued on Page 75)

Ogilvy stock stirs takeover talk

Is Sorrell looking to buy?

By GARY LEVIN

NEW YORK—The takeover rumors that have hounded Ogilvy Group for the past three months have surfaced again.

Last week, Ogilvy's stock took its biggest one-day price jump this year.

The price of a share of common stock shot up $3.75 on March 16, closing at $33.25, just 25¢ short of its one-year high.

More than 419,000 shares were traded, almost six times the average daily volume.

The stock closed March 17 at $33.25, unchanged, on still-heavy volume in a generally depressed trading day.

Ogilvy said it knew of no reason for the stock movement and at press time had no plans for any major announcements. But analysts have been concerned for months that Ogilvy's profit margins are too low.

The strongest takeover rumors continue to involve WPP Chief Executive Martin Sorrell, who couldn't be reached for comment. London-based WPP is said to be interested in adding a second major agency group to its J. Walter Thompson Co. unit as a way to satisfy an obsession to supplant Saatchi & Saatchi Co. as the largest British-owned agency group.

Some sources believe Mr. Sorrell has accumulated less than 5% of Ogilvy's stock. According to U.S. Securities & Exchange Commission rules, investors don't have to declare that small amount of stock in a company.

Such speculation fueled Ogilvy stock runups that began Jan. 9 and surfaced again on Feb. 24. Ogilvy's share price had hovered between $29 and $30 since that last spate of takeover talk died down.

One source said Mr. Sorrell had canceled several meetings here late last week, as well as a trip back to London, and may be closely monitoring Ogilvy stock movements.

Many potential suitors are believed to be waiting to see whether Philip Morris Cos.' Kraft General Foods Group moves the $50 million Maxwell House coffee account out of Ogilvy.

That account is up for review, and a decision is expected next month.

Ogilvy has already lost the Hallmark Cards and Schering-Plough Corp. accounts in the past year. Those two combined represented $60 million in billings.

Kenneth Roman, Ogilvy chairman-ceo, was "attending to client business" and unavailable for comment, said Toni Maloney, senior VP-director of public relations.

In a fit of pique, Ms. Maloney told the Dow Jones News Service she couldn't predict whether an announcement would be forthcoming, and her response—literally, "I'm not a fortuneteller"—was believed to have fueled Wall Street rumors when a variation of the comment moved on the wires.

Analysts attributed the Ogilvy stock runup to a "feeding frenzy" among arbitrageurs,

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Ayer rumors: Is there a sale in the works?

By GARY LEVIN

NEW YORK—N W Ayer is on the hot seat.

The oldest U.S. ad agency is the subject of takeover speculation as it faces lingering reports of client problems and a possible management gap left by the expected retirement of Chairman-CEO Louis Hagopian.

The street talk is that an investment banker, believed to be representing Ayer, has approached at least a half-dozen current and former agency executives about playing a management role in a major agency merger.

Some of these executives have worked at Ayer, and observers believe Ayer's status as one of a few remaining large, independent shops makes it the most probable client for this recruiting effort.

Asked whether he's involved in merger negotiations, Mr. Hagopian responded, "Not really," quickly adding, "Not at all. No one has even approached me lately" with an offer to buy the agency.

But the 63-year-old executive is believed to be seeking a buyout of his shares in the privately held shop as he prepares to start a gradual retirement. He's expected to turn over the ceo title to Ayer USA Chairman Jerry Siano at an April 25 board meeting (AA, March 13).

Sale of those shares might pave the way for an effective sale of the agency.

Mentioned most often as potential U.S. bidders are Leo Burnett Co., Chicago, which hasn't made a major acquisition in years, and D'Arcy

(Continued on Page 76)

Apple scare spurs ad and PR blitzes

By MARCY MAGIERA and JANET MEYERS

"A" is for Apple, Alar and Advertising. Also, Alarm.

Produce marketers and consumer groups, split on whether pesticide-treated fruits and vegetables are safe for consumption, are pouring millions of dollars into advertising to tell their sides of the story.

The Washington State Apple Commission last week rushed to create a multimedia campaign to control the crisis and reassure consumers that apples—even those treated with the growth regulator Alar—are safe to eat.

The apple commission will spend as much as $3 million, half its annual ad budget, on the campaign that goes into production this week from commission agency McCann-Erickson Worldwide, Seattle.

The group also will borrow $669,000 from local banks to fund a public relations campaign via Hill & Knowlton, Washington and Seattle.

The commission, with support from the International Apple Institute, has spent $1 million on PR and newspaper ads in the past two weeks to rebut warnings made in a recent report from the Natural Resources Defense Council, a non-profit group.

The apple growers' current print ads from McCann carry the headline "Why an apple a day is still healthy advice."

Upcoming ads will target cities where school districts have banned apples from cafeterias and vending machines.

Also responding to the Alar scare with ads are apple products marketers Tree Top and S. Martinelli & Co.

Tree Top last week broke newspaper ads in Seattle, San Francisco, Los Angeles and *USA Today* that showed its apple juice label with the headline: "At Tree Top, 100% pure means 100% safe." The ad will run in 60 markets this week. McCann also is Tree Top's agency.

Martinelli slapped 500,000 "Alar-free" labels on its bottles of apple juice and sparkling cider.

The Natural Resources Defense Council's Feb. 27 report, entitled

(Continued on Page 76)

Y&R maintains its lead

By R. CRAIG ENDICOTT

Young & Rubicam turned back a fast-charging Saatchi & Saatchi Advertising Worldwide to keep its crown as the largest U.S.-based ad agency, according to ADVERTISING AGE.

AA's 45th annual "Advertising Agency Income Report," to be published March 29, will show Y&R with $757.6 million in worldwide gross income on worldwide billings of $5.39 billion in 1988.

Saatchi & Saatchi Advertising, reporting $740.5 million in gross income on worldwide billings of $5.04 billion, narrowed Y&R's lead to only $17.1 million, down from a $50.2 million margin in 1987.

Y&R now has ranked No. 1 among U.S. agencies for eight consecutive years.

Among individual foreign agencies, Japan's Dentsu buried the rest of the players with $1.23 billion in gross income, up 39% from 1987. The 14.6% appreciation of the Japanese yen against the dollar accounted for $128 million of that increase. Apart from the dollar conversion, Dentsu had a 21% growth in yen.

Only the agency megagroups, Saatchi & Saatchi Co.—parent to Saatchi & Saatchi Advertising (formerly Saatchi & Saatchi Compton and DFS Dorland Worldwide) and Backer Spielvogel Bates Worldwide—and Interpublic Group of Cos. notched higher gross income than Dentsu—$1.99 billion and $1.26 billion, respectively.

Returns from international business influenced the major ranking shifts among the top 10 U.S.-based agencies.

McCann-Erickson Worldwide moved to No. 4 from No. 6 in 1987, aided by a 31% growth in gross income abroad.

The newly formed French-American alliance, Publicis-FCB, emerged as No. 5 in the U.S. Its international billings in 1988 were up 37.6% over combined international totals of the two agencies for the previous year.

Both Publicis-FCB and Saatchi are considered dual-headquartered and thus appear on both U.S. and foreign charts.

A complete ranking to be published next week covers 588 U.S.-based agencies and 964 agencies from 67 other countries.#

Y&R LEADS U.S. AGENCIES AGAIN

In 1988 worldwide gross income

Rank	Agency	Gross income 1988	Gross income 1987	Billings Rank	Billings 1988
1	Young & Rubicam	$758	$736	(1)	$5,390
2	Saatchi & Saatchi Advertising Worldwide	740	685	(2)	5,035
3	Backer Spielvogel Bates Worldwide	690	601	(3)	4,678
4	McCann-Erickson Worldwide	657	513	(4)	4,381
5	FCB-Publicis	653	NA	(5)	4,358
6	Ogilvy & Mather Worldwide	635	564	(6)	4,110
7	BBDO Worldwide	586	550	(7)	4,051
8	J. Walter Thompson Co.	559	488	(8)	3,858
9	Lintas:Worldwide	538	418	(9)	3,586
10	Grey Advertising	433	369	(12)	2,886

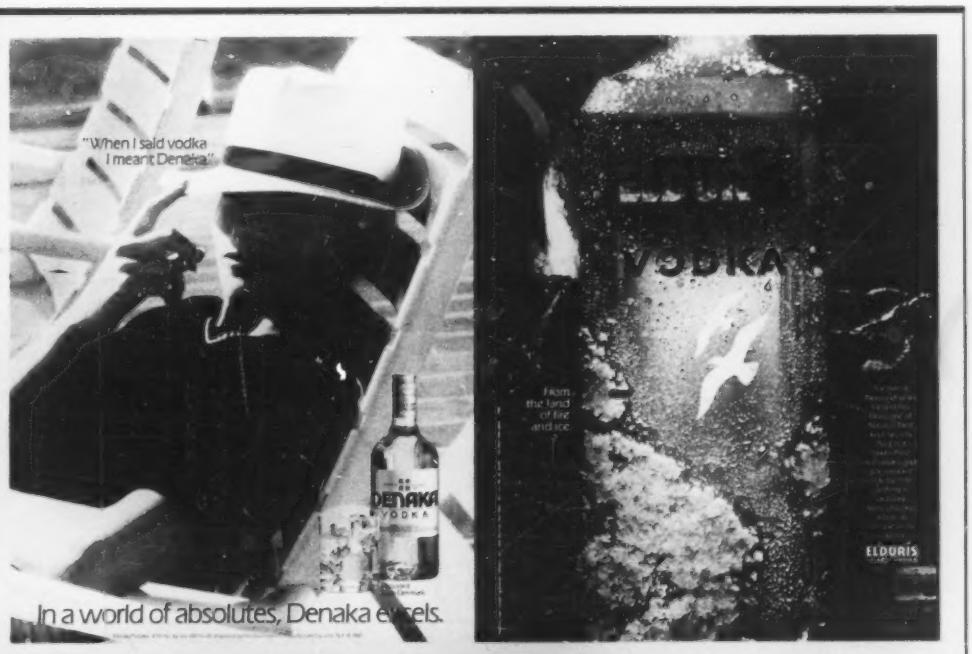
Notes: Dollars are in millions. U.S.-based agencies are ranked based on worldwide gross income and billings. D'Arcy Masius Benton & Bowles is ranked 10th by billings.

DENTSU TOPS FOREIGN AGENCIES

In 1988 worldwide gross income

Rank	Agency	Gross income 1988	Gross income 1987	Billings Rank	Billings 1988
1	Dentsu Inc.	$1,233	$885	(1)	$9,450
2	Saatchi & Saatchi Advertising Worldwide	740	685	(2)	5,035
3	Publicis-FCB*	653	NA	(3)	4,358
4	Hakuhodo International	522	383	(4)	3,939
5	WCRS Worldwide	290	240	(5)	1,675
6	Roux, Seguela, Cayzac & Goudard	210	116	(6)	1,527
7	Lowe Howard-Spink & Bell	197	149	(7)	1,316
8	Dai-Ichi Kikaku	142	109	(10)	978
9	Daiko Advertising	140	107	(8)	1,127
10	Tokyu	135	120	(9)	1,115

Notes: Dollars are in millions. Foreign-based agencies are ranked based on worldwide gross income and billings. *Known as FCB-Publicis in the U.S.



Denaka from Denmark, Icelandic Elduris and Soviet Cristall are three recent entries in the hot market for imported vodkas.

Vodka on the docks

Importers pour into U.S. market as sales boom

By PATRICIA WINTERS

Four major liquor marketers are diving into the booming imported vodka market, hoping to stir up trouble for Carillon Importers' legendary leader, Absolut.

The new entries most certainly will increase ad spending in the market and could bring about a promotional war for sought-after sponsorships and tie-ins with upscale bars and restaurants.

Unlike other package goods, liquor relies heavily on word-of-mouth prestige often established in trendy watering holes.

Jos. E. Seagram & Sons and Brown-Forman Corp., two of the nation's largest whiskey marketers, and Buckingham Wile Co. are rolling out premium imported vodkas, while the Soviet Union's Stolichnaya hopes to open a new segment with the U.S.' first "ultrapremium" vodka.

Their focus on imported vodka comes as the $450 million market defies all liquor industry trends with phenomenal sales growth.

Last year, imported vodka sales grew about 20% to about 3.5 million cases, as the total liquor market continued its decline, down 2.5% to 140 million cases.

The industry attributes the growth of imported vodka to the popularity of Carillon's Absolut. The

(Continued on Page 72)

San Francisco ad community gets smaller

By ALICE Z. CUNEO

SAN FRANCISCO—The offices of two major national agencies here are closing their doors, further consolidating the city's dwindling ad business into a handful of large shops.

After 24 years in the city, D'Arcy Masius Benton & Bowles is selling its local office to DDB Needham Worldwide. DDB Needham will move to D'Arcy's recently renovated—to the tune of $1 million—office space.

At the same time, Lowe Marschalk is winding down its operations. Negotiations were under way to fold the office into sister agency McCann-Erickson here, but talks appear to have stalled.

At most, only a handful of Lowe Marschalk's 30 employees would be moving to McCann. John MacDaniels, the Lowe Marschalk creative director, is considering opening his own agency.

Both D'Arcy and Lowe Marschalk recently sustained crippling account losses.

In February, D'Arcy, with 26 employees, lost half its billings when Sun Diamond Growers of California moved its $7 million Sun-Maid Growers raisin account to Grey Advertising, Los Angeles, and its $5 million Sunsweet prunes account to J. Walter Thompson USA here (AA, Feb. 20).

Lowe Marschalk lost the $8 million Dep Corp. account, more than a third of its billings, earlier this month to Chiat/Day, Venice, Calif.

While those two have sustained losses, DDB Needham's separate retail group, housed with the general agency, has grown to $100 million-

(Continued on Page 8)

Last Minute News

Trump narrows agency search

NEW YORK—Trump Shuttle has narrowed the agency search for its $10 million account to fewer than 12 agencies after being contacted by more than 50. Sources said those being considered include D'Arcy Masius Benton & Bowles; Doyle Graf Raj; Geer, DuBois; Levine, Huntley, Schmidt & Beaver; Messner Vetere Berger Carey Schmetterer; Lintas:Muir Cornelius Moore (a division of Eastern Airlines agency Lintas:New York); and Scali, McCabe, Sloves. Trump is expected to buy the Eastern Air Shuttle, now handled by Lintas.

Nissan U.K. taps Saatchi

LONDON—Nissan U.K. named Saatchi & Saatchi Advertising to handle its $13.6 million account. The agency becomes Nissan's fifth in two years after the recent firing of D'Arcy Masius Benton & Bowles.

New Stroh campaign near

DETROIT—Stroh Brewery's first campaign from Hal Riney & Partners, San Francisco, will use humor to introduce new packaging for the Stroh's and Stroh Light brands. "What's so odd about us changing our package? Other

(Continued on Page 8)

"World News Roundup" appears on Page 71.

'Aggressive marketer' to head RJR

AmEx exec picked

By JUDANN DAGNOLI and JUDITH GRAHAM

Louis Gerstner Jr., RJR Nabisco's new ceo, is a business builder.

"He will put the money where the strategic focus is, then he'll run with it," said one of his former colleagues at American Express Co.

The appointment of Mr. Gerstner, 47, formerly president of AmEx, indicates Kohlberg Kravis Roberts & Co. wants to keep the majority of RJR Nabisco's businesses—and keep them competitive—for the long haul.

Kohlberg Kravis, which acquired RJR Nabisco in a $25 billion leveraged buyout, intends to spin off about $6 billion in company assets this year, but it's believed that under Mr. Gerstner, what stays will be nurtured with increased advertising and marketing support.

Those who know him say he's marketing-driven and that he will do everything possible to avoid marketing cutbacks.

"He's a guy who believes in building brands. He's a very aggressive marketer," said Ogilvy Group Chairman-CEO Kenneth Roman, a friend of Mr. Gerstner and head of a key AmEx agency.

Mr. Gerstner's strongest skill is as a strategist. His determination of the long-term strategy for both R.J. Reynolds Tobacco Co. and Nabisco Brands, the company's two main units, will dictate which operations will be sold to help repay Kohlberg Kravis' acquisition debt.

Jerry Welsh, former AmEx exec VP-worldwide marketing and communications and now an independent consultant, said he expects Mr. Gerstner to shake up RJR Nabisco.

"My view is that Lou will come out of the blocks very fast with important marketing moves," Mr. Welsh said.

But where former CEO F. Ross Johnson seemed prone to lightning-quick and perhaps even capricious acts, such as abruptly moving company headquarters to Atlanta from Winston-Salem, N.C., Mr. Gerstner is less rash.

Even though he's been portrayed as an executive with a dynamic management style, he's known to constantly question conventional business methods.

Mr. Gerstner also promotes continual and sometimes jarring change with organizational shuffling.

But he tenaciously held to a long-term strategy at AmEx, and that permeated its every move, sources said.

Most analysts say the probable divestitures are Del Monte fruits and vegetables, snack unit Planters LifeSavers and Chun King frozen foods.

Photo by John S. Abbott/ONYX

Louis Gerstner Jr., RJR Nabisco's new ceo, held to long-term strategy at American Express.

"Every company that has ever gone private has cut marketing expenditures," said Wertheim Schroder analyst Robert Cummins. But another analyst said that if Mr. Gerstner sells Del Monte, Planters LifeSavers and Chun King, that alone would result in at least $60 million in reduced spending on advertising.

A published report said Kohlberg Kravis had already made up its mind to cut marketing at Nabisco Brands by 10%, or $33 million. But a Kohlberg Kravis spokesman last week said how the debt is repaid is entirely Mr. Gerstner's responsibility.

Analysts disagree about how he will proceed.

PaineWebber analyst Manny Goldman said Mr. Gerstner's first order of business "will be to drop interest expense as quickly as possible," most probably through budget cuts.

But Harry Freeman, exec VP at AmEx, believes Mr. Gerstner will exhaust other possibilities first.

"If he came to the conclusion that costs had to be cut, he's a tough guy and he can do it," Mr. Freeman said. "But he would not be likely to go in and say, 'It's obvious we'll do A, B and C.' He's more likely to say, 'Let's talk about this in depth, and let me think about it.'"

It was Mr. Gerstner who, after an exhausting analysis of AmEx's strategic direction, decided to put Fireman's Fund Insurance Co. on the block. His reasons for selling the insurance company included low market share, little potential for cross-marketing and its lower profitability than other units.

If he uses similar criteria at RJR Nabisco, it's possible that the company's cereal business could go after Del Monte and Chun King. Nabisco's cereals have low market share, even though the unit reportedly is very profitable.

Nabisco's cookie and cracker unit would likely stay under such an analysis.

Mr. Gerstner's focus on imagery at AmEx, where he exploited the name's upscale image, is an apparent fit with RJR Nabisco.

The company's tobacco unit circumvents brand parity with a focus on imagery in cigarette marketing and advertising. Nabisco hones in on the wholesomeness of its products with its signature red-corner logo and three-note musical tag in TV advertising.

Those who know Mr. Gerstner say that though he has an appreciation of marketing, he will likely delegate those duties.

"He's not going to do marketing plans for Oreos," said J. Brendan Ryan, exec VP-managing director at Ogilvy & Mather Worldwide, New York.

Mr. Gerstner is familiar with one RJR Nabisco ad agency, McCann-Erickson Worldwide, which handles crackers and also works for AmEx.

There's also speculation that main AmEx agency O&M could angle for some RJR Nabisco business.

Although O&M is now precluded from pitching RJR Nabisco because of its work for Philip Morris Cos.' Kraft General Foods Group, its main account is Maxwell House coffee, and that's under review.

One source said it's possible that if O&M loses Maxwell House, the agency could resign its largely unprofitable overseas General Foods accounts to take on RJR Nabisco.#

Gary Levin in New York contributed to this story.

WHO HELPED CHIQUITA POUR ON THE JUICE?

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New Products/Brand Leveraging Consultants

Merrill Lynch gets bullish on realism in latest effort

By JUDITH GRAHAM

Merrill Lynch & Co. is bucking the nostalgia tide in a new $20 million-plus corporate image campaign.

The effort, which broke on network TV last weekend, opts for realism rather than sentiment even though it keeps the 1988 theme line, "A tradition of trust." But that's where similarities with last year's creative approach end.

The previous campaign's early 1900s period-piece vignettes of Merrill Lynch's founder have been replaced with four contemporary 30-second spots from Bozell, Jacobs, Kenyon & Eckhardt, New York.

None of the spots use the Frank Capra-derived style of the 1988 campaign that helped spawn other nostalgia-inspired efforts (AA, Feb. 15, 1988).

Instead, the new commercials rely on contrast. In each, tranquil scenes of family life or people enjoying themselves are juxtaposed against a jarring sound track reporting the economic news of the day.

The essential message, said Charles Mangano, Merrill Lynch's VP-corporate staff director for advertising, is that "in this chaos of confusion and information, Merrill Lynch is a firm you can trust to deal with today's turbulent economic environment."

"People still have a lot of questions" in the aftermath of the Oct. 19, 1987, stock market nose dive, Mr. Mangano said. "Things just haven't cleared up the way we thought they would."

The new positioning has meant other changes. For instance, the nation's No. 1 broker this year has discontinued its "Straight talk" commercials, featuring company executives talking about important economic or investment issues, out of a belief that the widely copied format has worn thin.

Both AT&T Co. and Shearson Lehman Hutton copied the format, introduced by Merrill Lynch only two days after the stock market tumbled.

Now the company believes a stronger corporate approach is warranted.

"We're going back to solidifying our position vis-a-vis all our markets," Mr. Mangano said.

Part of the effort involves a more consistent look uniting the company's three advertising divisions—corporate, retail and capital markets.

The company's famous bull, its logo and the "Tradition of trust" theme line will be among the elements used in all ads.

Another new marketing thrust this year centers on Merrill Lynch's sponsorship of a new 5-minute news program on Cable News Network called "Focal Point." The program examines the top news story of the day and premieres today. Merrill Lynch will run a :30 during the show weekdays through yearend.

Print is also undergoing an overhaul. Last year's corporate campaign was packed with information about Merrill Lynch's views of the markets and investment opportunities. The new print ads breaking March 22 highlight the traditional values on which the company has based its positioning.

The first ad, running in *The Wall Street Journal*, *The New York Times* and *USA Today*, will focus on the themes of "integrity, intelligence, strength of resources, and a commitment to clients."

"The whole point of our long-range position is that people want to get back to traditional values, the things in life that are really important," Mr. Mangano said.#

CORRECTIONS & CLARIFICATIONS

- A baseball-themed promotion for A&W Brands' A&W root beer and cream sodas set to break March 13 is not linked to Major League Baseball, as reported (AA, Feb. 20, P. 40).
- The following are corrections to the "Special Report" on newspapers (AA, March 6): The chart showing the top 20 Sunday newspapers (P. S-12) should list No. 9 as the *San Francisco Examiner & Chronicle*, rather than only the *Chronicle*. Also on that top 20 chart, for the six months ending Sept. 30, 1988, Sunday circulation for the *Boston Globe* rose 0.7% from the year-earlier period. The chart erroneously reported a drop in circulation. In the chart describing the four largest non-national newspapers without Sunday editions (P. S-13), the circulation figures for *Bangor Maine Daily News* should have been 1986—78,476 (daily), 93,133 (weekend); 1987—79,271 (d), 95,375 (w); and 1988—80,337 (d), 97,271 (w), per Audit Bureau of Circulations audited figures reported by the newspaper.#

Brewers distill local efforts

By IRA TEINOWITZ

Regional marketing has become a key strategy in the brewing industry's battle for market shares rather than volume growth.

Actor Randy Quaid appears in a Miller Lite campaign airing only in Texas. Chicago Cubs announcer Harry Caray is the "Bud Man" in a Chicago version of a Budweiser campaign. Local scenes of Boston, Chicago, Dallas, Houston and Los Angeles are inserted in national commercials for Coors Light that run in those cities.

"Now that the battle for market share is more intense, some of the national companies are going not so much at their national competitors as at local brands," said Terri Finnegan, editorial director for *Modern Brewery Age*.

With growth in the total market slowing, brewers are aiming carefully for markets that offer the biggest potential, said Robert Weinberg, a beer marketing consultant at R.S. Weinberg & Associates, St. Louis.

Of the three U.S. brewers who have distributed nationally for the last five years—Anheuser-Busch, Miller Brewing Co., Stroh Brewery Co.—only A-B has held its budget for spot buys at about the same percentage of total ad expenditures. Miller and Stroh increased spot buys.

In 1983, A-B spent 24.3% of its ad budget on spot TV, 24.1% in 1987 and 23.8% in the first nine months of 1988, according to Leading National Advertisers and Broadcast Advertisers Reports. A-B budgets about $120 million for Budweiser advertising.

Miller made spot buys with 24.2% of its estimated $57 million budget last year, up from as little as 16.5% in 1984. Stroh spent 40.7% of its estimated $35 million 1988 ad budget on spot TV, a sharp jump from 23.9% in 1987 and a low of 19.5% in 1985.

Adolph Coors Co., which didn't distribute nationally in 1983, budgeted about $48 million nationally for Coors Light last year, earmarking about 46% for regional buys. Foote, Cone & Belding, Chicago, handles.

For years, brewers have used spot TV to support national efforts, sometimes targeting ad mixes to local needs. A-B, for instance, heavily advertises Busch beer in Southwest markets, Natural Light in others.

A pivotal exception was A-B's 1986 introduction of Spuds MacKenzie in California and then Texas. What started as a local campaign blossomed into a national phenomenon, sharply bolstering Bud Light's momentum. Because of the success of the Spuds cult—created by DDB Needham Worldwide, Chicago—brewers have been more willing to spend for regional campaigns.

California and Texas are especially hot territories, "big and significant," Mr. Weinberg said. In 1987, 21.4 million barrels of beer were sold in California, 14.8 million in Texas, 11.4% and 7.9% of the 187.2 million sold nationwide, he said.

The major players have boosted spot buys significantly in Dallas, Houston, Los Angeles and San Francisco.

Miller Lite's 18-month Texas campaign, running since May, features Mr. Quaid promising to throw a "big Texas party" with thousands of free beers. The party, slated for Sept. 2, will be held in conjunction with Special Olympics in Texas. Backer Spielvogel Bates, New York, handles.

A-B, meanwhile, is running localized versions of a TV and radio campaign themed "I'm a Bud man" in Chicago and New York as well as several California and Texas cities via D'Arcy, Masius, Benton & Bowles, St. Louis.#

BOOSTS IN BUDGET FOR SPOT TV

National marketers have revived regional efforts, especially in California and Texas.

	Budweiser		Coors Light		Miller Lite		Strohs	
	'83	'88	'83	'88	'83	'88	'83	'88
Los Angeles	$1,109	$3,543	$928	$2,922	$800	$1,684	$24	$291
San Francisco	65	636	396	841	371	702	0	34
Houston	66	1,214	393	185	497	1,407	298	1
Dallas	253	565	610	684	425	1,478	442	0.5

Figures in thousands of dollars. Source: BAR

National brewers, including Anheuser-Busch and Miller, have boosted regional efforts.

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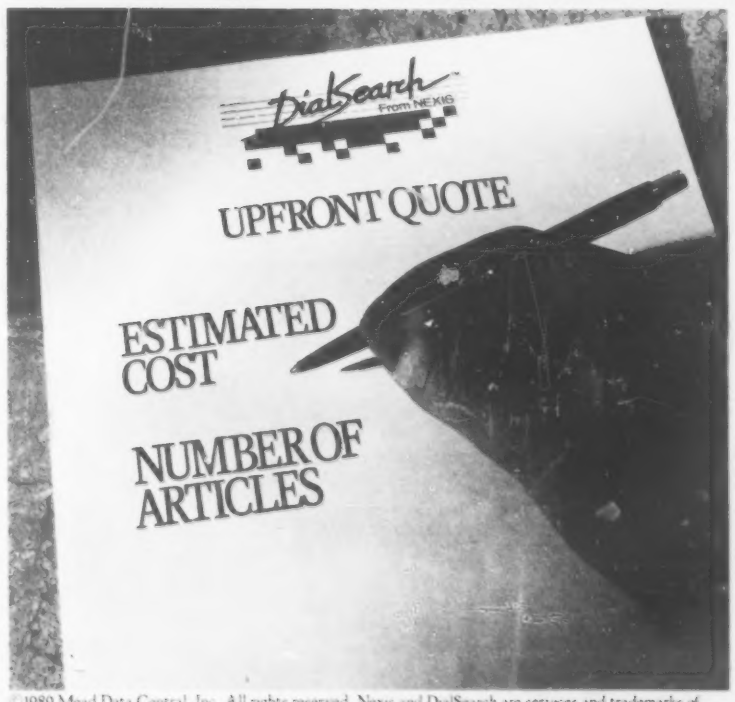

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February consumer magazine ad linage

	Current month		Year-to-date	
	1989	1988	1989	1988
■ Auto/cycle/rec. vehicles				
ATV Sports	23.6	27.3	46.1	55.8
AutoWeek (52X)	119.9	175.0	261.8	296.0
Car & Driver	82.4	109.8	198.0	212.8
Car Collector & Car Classics	19.0	17.6	37.0	37.0
Car Craft	57.1	65.2	110.2	115.7
Circle Track	115.1	102.8	170.7	150.4
Cycle	31.6	37.5	59.1	67.3
Cycle World	37.1	38.8	53.3	61.9
Dirt Rider	30.5	28.6	61.7	56.6
Dune Buggies & Hot VWs	66.3	66.1	135.7	133.9
Family Motor Coaching	150.2	158.0	346.2	354.5
4 Wheel & Off-Road	67.3	64.1	131.7	127.3
Four Wheeler	73.4	79.0	145.3	150.0
Hot Rod	62.9	63.0	142.2	156.8
Motorcyclist	37.0	37.1	58.0	52.8
Motor Trend	69.6	96.4	136.7	142.3
Motorhome	94.5	81.8	174.9	163.4
Rider	26.2	26.8	49.1	56.5
Road & Track	93.1	108.8	184.1	209.2
Trailblazer	47.0	46.3	91.0	82.5
Trailer Life	90.3	80.5	179.8	165.4
Total Group	**1,394.1**	**1,510.5**	**2,772.6**	**2,848.1**
% change	**-7.7%**		**-2.7%**	
■ Boating & yachting				
Boating	185.3	204.3	381.1	394.0
Chesapeake Bay	52.0	46.8	89.8	87.6
Cruising World	95.0	101.9	200.0	210.0
Lakeland Boating (11X)	98.5	86.2	188.5	163.2
Motor Boating & Sailing	194.7	199.3	382.7	415.4
Sail	120.0	94.8	238.6	192.3
Trailer Boats (11X)	83.4	84.0	172.1	151.3
Western Boatman (6X)	—	—	51.0	56.0
Yachting	131.2	132.7	326.0	351.6
Total Group	**960.2**	**950.0**	**2,029.8**	**2,021.5**
% change	**1.1%**		**0.4%**	
■ Civic/fraternal				
American Legion	60.4	40.6	101.8	83.2
Elk (10X)	20.0	25.0	37.3	42.8
Kiwanis	14.8	14.6	29.0	28.6
Lion (10X)	5.8	8.0	70.8	68.7
Rotarian	11.7	13.6	22.9	27.1
V.F.W. (11X)	35.5	30.4	69.8	63.2
Total Group	**148.2**	**132.2**	**331.6**	**313.6**
% change	**12.1%**		**5.7%**	
■ General				
American Health (10X)	—	—	70.3	69.5
American Heritage (8X)	48.6	36.3	48.6	36.3
American West (6X)	21.5	25.0	21.5	25.0
Art & Antiques	46.6	53.1	102.8	109.3
The Atlantic A	45.1	31.6	111.2	91.4
Bon Appetit A	71.4	69.6	137.3	136.1
Cable Guide	30.8	26.8	63.5	54.4
Changing Times	49.9	56.8	98.0	109.4
Children	—	—	38.1	20.9
Conde Nast's Traveler	67.1	46.3	120.4	80.2
Connoisseur	51.7	59.0	107.4	109.3
Consumers Digest (6X)	—	—	21.2	17.5
Ebony	126.1	129.5	200.7	199.8
European Travel & Life	—	—	34.7	28.4
Fifty Plus	43.1	30.5	72.9	63.5
Finance (10X)	—	—	33.4	54.0
Food & Wine	56.1	53.6	102.3	91.9
Games (6X)	—	—	12.5	9.5
Golden Years	40.5	48.7	54.5	86.1
Gourmet	92.6	97.0	150.1	166.4
Harper's Magazine A	41.9	30.9	74.8	58.5
Harrowsmith (6X)	—	—	62.0	62.8
Islands (6X)	—	—	56.5	27.8
Let's Live	58.0	49.0	103.0	97.0
Life	45.3	32.3	116.0	81.8
Modern Maturity (6X)	41.0	38.9	41.0	38.9
Money	87.9	103.5	175.4	207.7
Money Maker	2.7	8.0	2.7	8.0
Mother Earth News	—	—	72.4	63.0
National Geographic	28.6	40.7	39.5	50.0
National Geographic Traveler (4X)	—	—	15.2	—
Natural History	52.7	41.8	90.8	75.2
Prevention	63.3	68.8	117.5	118.9
Psychology Today	—	—	41.1	31.7
Reader's Digest A	91.4	107.1	158.0	175.2
Saturday Evening Post (9X)	—	—	43.9	39.0
Smithsonian	88.6	106.7	157.4	190.8
Town & Country	116.1	140.4	183.4	238.2
Travel-Holiday	48.7	40.3	73.2	69.0
Travel & Leisure	136.7	106.3	205.3	175.5
Travelhost	1,194.0	1,193.0	2,363.0	2,391.0
Vanity Fair	90.6	72.4	136.2	105.4
Writer's Digest	19.5	27.0	46.5	53.4
Yankee	65.4	99.8	125.8	169.2
Total Group	**3,063.5**	**3,070.7**	**6,102.0**	**6,086.8**
% change	**-0.2%**		**0.2%**	
■ Home				
Americana (6X)	—	—	21.6	16.7
Architectural Digest A	142.7	166.5	251.4	246.4
Better Homes & Gardens	109.4	103.8	182.8	179.1
Colonial Homes (6X)	—	—	52.4	42.7
Columbus Monthly-Homes (4X)	—	—	29.8	30.2
Cooking Light	—	—	49.3	36.7
Country Home (6X)	—	—	45.7	41.9
Country Living	96.8	82.0	161.9	138.2
Family Handyman (10X) A	35.6	41.2	71.9	90.2
Florida Home & Garden	93.5	53.3	202.3	99.3
Flower & Garden (6X)	—	—	55.8	41.7
Home	58.7	73.3	100.7	118.4
Home Mechanics	35.6	36.9	73.9	78.0
The Homeowner (10X)	—	—	41.1	43.6
Horticulture	45.4	43.7	87.5	92.5
House Beautiful	63.8	70.2	108.4	108.6
House & Garden	56.3	71.4	100.6	130.7
Metropolis	—	—	66.8	55.9
Metropolitan Home	110.2	85.4	166.9	135.7
Midwest Living	—	—	52.3	35.6
1,001 Home Ideas	52.1	50.8	103.2	97.2
Organic Gardening	47.6	74.7	102.1	132.9
Phoenix Home/Garden	81.7	93.7	148.0	164.5
Practical Homeowner	36.5	—	36.5	—
San Diego Home/Garden	72.3	72.7	130.0	124.5
Southern Accents (6X)	—	—	71.9	82.1
Southern Living	98.7	101.5	182.3	169.3
Sunset Magazine A	99.8	122.0	176.2	207.2
Workbench (6X)	—	—	39.7	48.4
Total Group	**1,336.5**	**1,343.0**	**2,912.7**	**2,788.1**
% change	**-0.5%**		**4.5%**	
■ In-flight & other passenger				
Aboard Group (6X)	—	—	35.3	28.0
Alaska Airlines	59.8	54.9	118.6	109.6
America West Airlines	67.5	59.2	136.5	120.7
American Way (24X)	121.5	124.2	241.3	251.6
East/West Network				
Continental Profiles	62.3	59.7	113.6	111.7
Eastern Review	69.8	52.5	125.8	113.7
Northwest	59.8	37.2	103.3	80.4
Pan Am Clipper	48.8	39.7	82.5	83.0
Southwest Spirit	69.8	70.3	124.5	130.0
TWA Ambassador	48.6	53.8	92.1	104.8
Vis A Vis	96.7	56.0	166.0	96.7
Halsey Publication				
Delta Sky	70.3	79.9	151.0	160.5
Pace Communications				
Braniff Magazine	19.5	—	45.6	—
US Air Magazine	57.3	68.7	93.0	125.2
Spirit of Aloha (6X)	—	—	25.2	20.8
Total Group	**851.6**	**756.0**	**1,654.4**	**1,536.7**
% change	**12.6%**		**7.7%**	
■ Men's				
Esquire A	81.3	73.9	153.3	121.2
Firehouse Magazine	26.6	28.8	66.3	66.8
Gentlemen's Quarterly A	128.2	127.8	210.2	212.1
M Magazine	75.0	83.5	110.0	127.0
Muscle & Fitness	—	—	—	—
Penthouse A	47.7	35.6	102.0	91.5
Playboy A	48.0	44.5	142.0	97.5
Salute (10X)	—	—	—	—
Total Group	**406.8**	**394.2**	**783.9**	**716.1**
% change	**3.2%**		**9.5%**	
■ Metropolitan				
Aloha	—	—	29.7	31.3
Atlanta	55.5	61.4	110.5	112.5
Baltimore	73.0	68.3	123.0	119.7
Boston	140.7	144.0	259.9	268.4
California	52.9	60.4	111.1	97.6
Chicago	75.7	89.8	194.2	195.7
Chicago's North Shore	78.4	79.1	168.7	172.4
Cincinnati	50.6	41.6	84.8	89.3
Cleveland	33.7	49.9	72.9	102.9
Coast (39X)	—	—	—	—
Columbus Monthly	38.9	43.3	97.6	113.2
Connecticut	96.0	99.1	174.1	174.1
D Magazine	69.1	86.3	124.1	156.9
Denver	28.8	34.5	51.2	62.7
Detroit Monthly	46.2	66.0	103.5	117.5
Grand Rapids	33.3	33.3	53.6	50.9
Gulfshore Life (10X)	—	—	—	—
Honolulu	54.7	57.2	104.0	112.6
Houston Metropolitan Mag	41.9	71.6	82.2	111.8
Inside Chicago	—	—	38.5	30.7
Louisiana Life	—	—	28.8	24.2
Madison	48.0	44.0	86.0	88.0
Memphis	66.0	71.0	133.2	145.0
Mid Atlantic Country	33.9	18.5	60.1	35.7
Milwaukee	33.3	46.3	74.7	93.8
Minneapolis/St. Paul	111.7	79.6	179.6	147.5
Minnesota Monthly Mag	37.2	34.6	87.2	66.1
Nashville	52.0	37.0	104.0	81.0
New England Monthly	41.3	35.5	95.4	82.0
New Jersey Monthly	66.5	84.7	143.7	154.7
New Mexico	22.4	18.5	117.9	110.8
Ohio	35.3	37.8	88.4	92.9
Orlando	83.9	82.2	170.9	174.3
Palm Beach Life	115.3	104.1	212.7	189.8
Palm Springs Life	184.3	133.9	362.7	288.9
Philadelphia	119.1	113.2	242.2	235.8
Phoenix	68.5	48.9	139.7	98.4
Pittsburgh	54.2	68.8	97.0	118.1
Rhode Island Monthly	44.2	—	87.9	—
Sacramento Magazine	47.0	50.0	95.6	94.0
St. Louis	37.8	53.1	83.5	102.1
San Diego	114.8	117.3	220.4	294.2
San Francisco Focus	101.5	87.0	170.4	141.7
South Florida Magazine	100.2	78.2	229.9	167.2
Texas Monthly	64.6	102.0	139.9	155.1
Ultra	42.5	28.3	95.0	51.7
The Virginian (6X)	—	—	58.7	60.5
Washington (7X)	—	—	48.0	47.4
The Washingtonian	172.0	149.4	329.5	263.0
Total Group	**2,866.7**	**2,809.7**	**5,976.3**	**5,734.1**
% change	**2.0%**		**4.2%**	
■ Music/entertainment				
Audio	86.0	85.5	196.1	195.4
Dance Magazine	59.3	59.6	118.5	115.4
Playbill	52.9	48.8	93.5	84.2
Video Magazine	—	—	—	—
Total Group	**198.3**	**193.9**	**408.1**	**394.9**
% change	**2.3%**		**3.3%**	
■ Outdoor & sport				
Alaska	47.8	46.6	79.6	78.7
The American Handgunner (6X)	—	—	54.0	49.0
American Hunter	21.1	19.5	35.9	37.1
American Rifleman	20.1	20.0	40.7	44.7
Backpacker (6X)	25.6	31.9	25.6	31.9
Bass Master (10X) A	104.6	111.0	171.6	193.9
Bicycling (9X)	—	—	99.0	85.6
Cross Country Skier	[illegible]	33.8	70.5	77.2
Ducks Unlimited (6X)	—	—	29.6	23.6
Field & Stream	75.0	93.1	125.3	150.6
Fins & Feathers A	—	—	32.2	30.1
Fishing World (6X)	—	—	40.3	43.0
Florida Sportsman	180.7	100.1	306.6	333.8
Golf Digest	149.1	129.1	261.0	216.1
Golf Illustrated	—	—	38.3	23.2
Golf Magazine	153.6	144.9	317.9	295.2
Gun Dog (6X)	—	—	40.0	26.2
Guns	34.0	35.0	68.0	68.0
Guns & Ammo	47.8	63.4	85.1	102.5
In-Fisherman (6X)	98.0	166.0	98.0	166.0
Outdoor Life	80.3	98.5	149.2	154.1
Outside Magazine	—	—	—	—
Petersen's Hunting	42.2	67.0	79.9	103.4
Runner's World (12X)	21.4	33.7	50.8	69.5
Salt Water Sportsman	127.3	120.0	321.8	320.3
Shooting Times	32.9	31.2	59.9	63.5
Sierra (6X)	—	—	53.4	34.5
Ski (8X) A	80.9	102.8	214.0	207.3
Skiing (7X) A	58.6	68.8	142.1	181.8
Skin Diver	116.4	113.5	219.1	204.6
Southern Outdoors (9X)	77.2	96.5	113.9	141.1
Southern Saltwater (8X)	60.6	41.4	118.9	80.8
Sport Magazine	40.2	33.2	63.5	67.9
Sports Afield	73.9	102.6	120.3	146.4
Tennis	53.9	50.3	88.3	96.3
T.V. Sports	11.0	—	30.0	—
Waterski (8X)	—	—	—	—
Western Outdoors (10X)	55.1	64.7	86.2	102.3
Wildfowl (6X)	15.8	14.3	15.8	14.3
WindRider (8X)	—	—	—	—
Wing & Shot (6X)	—	—	16.8	15.5
World Tennis	42.1	44.6	62.5	64.6
Total Group	**1,970.6**	**2,177.4**	**4,025.7**	**4,144.7**
% change	**-9.5%**		**-2.9%**	
■ Photography				
American Photographer	23.7	24.6	60.2	62.6
Petersen's Photographic	23.3	19.7	50.2	43.4
Popular Photography	75.0	73.0	160.3	154.1
Total Group	**122.0**	**117.3**	**270.7**	**260.1**
% change	**3.9%**		**4.1%**	
■ Science/electronic/mech				
Discover	43.7	38.4	80.9	77.5
Home Office Computing	43.8	42.7	93.1	89.1
Omni	68.6	51.0	123.8	104.9
Personal Computing	165.7	265.6	361.4	486.3
Popular Mechanics	77.3	74.9	126.9	133.8
Popular Science	60.4	79.5	117.0	139.3
Scientific American	27.4	56.1	61.3	74.4
Spectrum	—	—	—	—
Total Group	**486.9**	**608.0**	**964.3**	**1,105.3**
% change	**-19.9%**		**-12.8%**	
■ Woman/fashion/service				
Beauty Digest (6X)	15.2	20.3	15.2	20.3
Bride's Magazine (6X) A	741.4	703.6	741.4	703.6
Cosmopolitan A	184.0	185.7	313.3	327.7
Elle Magazine	122.2	141.6	186.7	209.3
Essence	82.2	77.8	152.5	135.9
Family Circle (17X) A	195.2	189.8	291.2	245.9
Glamour	133.1	154.7	212.1	246.5
Good Housekeeping A	117.8	142.6	212.4	209.1
Harper's Bazaar	108.5	111.2	149.6	172.9
Health	30.6	39.4	64.9	66.5
Imagen	78.0	37.0	120.0	96.0
Ladies' Home Journal	128.3	114.6	213.4	189.1
Mademoiselle	127.1	111.4	183.7	173.4
McCall's	91.1	86.9	166.1	142.0
Military Lifestyle (10X)	47.2	50.3	94.9	83.9
Modern Bride (6X)	627.4	555.7	627.4	555.7
Ms.	—	29.8	61.0	66.5
New Woman	80.9	84.9	143.4	141.3
Parents Magazine A	109.8	99.1	182.9	179.7
Redbook	82.4	88.9	161.3	161.8
Savvy	48.2	44.9	91.5	84.5
Self	92.3	102.3	164.7	153.9
Seventeen	66.8	67.7	115.2	111.4
Shape	62.0	57.0	126.6	117.2
Soap Opera Digest (26X)	36.0	20.1	67.2	44.3
Soap Opera Update	10.6	20.6	20.6	20.0
Teen Magazine	30.6	34.9	52.8	67.0
True Story A	59.5	52.8	95.5	92.2
Vogue	254.6	293.3	353.2	396.9
W Magazine	163.4	156.7	251.0	239.8
Weight Watchers	35.0	44.2	67.2	73.2
Woman (10X)	—	—	—	—
Woman's Day (15X) A	110.3	90.3	204.6	176.1
Workbasket	25.9	32.9	51.4	58.4
Working Mother	65.6	81.4	110.4	135.7
Working Woman	80.2	92.3	153.8	159.4
Total Group	**4,243.1**	**4,215.9**	**6,219.0**	**6,057.0**
% change	**0.6%**		**2.7%**	
■ Youth				
Boys' Life	21.0	16.8	43.1	31.9
Campus Life (10X)	35.7	37.3	87.9	88.1
Total Group	**56.7**	**54.1**	**130.9**	**120.0**
% change	**4.7%**		**9.1%**	
■ Business/national				
Barron's	127.0	201.4	264.1	353.6
Black Enterprise	145.9	135.5	181.9	172.4
Business Month	22.7	19.6	53.5	42.3
Business Week (52X) A	295.8	292.8	532.5	496.9
Financial World (26X)	58.8	52.0	95.7	91.4
Forbes (26X)	172.3	174.8	397.8	381.8
Fortune (26X)	142.9	210.5	418.7	375.2
Frequent Flyer	42.0	54.2	72.4	103.2
Futures	—	—	—	—
Inc. Magazine	56.0	69.8	135.1	123.8
Income Opportunities	100.4	115.0	100.4	115.0
Industry Week (25X) A	79.6	68.7	140.7	121.8
Nation's Business (12X) A	33.2	32.7	73.1	67.7
Venture	40.5	42.7	83.2	101.5
Total Group	**1,307.2**	**1,469.7**	**2,549.1**	**2,546.7**
% change	**-11.1%**		**0.1%**	
■ Business/regional				
Advantage-Nashville's Bus. Mo.	60.0	51.0	112.0	114.0
Arizona Bus. Gazette (52X)	40.5	55.0	81.5	108.0
Baltimore Bus. Jrnl.	66.8	91.3	130.2	138.2
Boston Bus. Jrnl. (52X)	97.8	107.7	217.4	207.8
Bus. First of Buffalo	104.0	65.5	161.1	102.8
Bus. Jrnl.-Milwaukee	143.0	149.5	284.3	292.6
Bus. Jrnl.-Sacramento	72.9	101.0	141.8	160.3
Bus. North Carolina	42.0	31.3	60.3	64.7
Capital Dist. Bus. Review (52X)	69.8	72.5	137.9	114.5
Caribbean Business	76.9	92.5	141.5	166.1
Corporate Rpt. Minnesota	54.3	64.0	115.0	134.0
Crain's Chicago Bus. (52X)	133.5	159.0	227.3	254.0
Crain's Cleveland Bus. (52X)	58.3	65.0	127.3	109.5
Crain's Detroit Bus. (52X)	73.3	84.7	139.3	140.9
Crain's New York Bus. (52X)	47.0	44.0	85.0	80.0
Florida Trend (13X)	42.4	51.7	99.1	106.3
Georgia Trend	38.7	38.8	87.0	102.6
Grand Rapids Bus. Jrnl.	45.6	59.8	94.2	102.0
Hawaii Business	42.1	36.8	79.9	67.7
Houston Bus. Jrnl. (52X)	64.0	61.0	121.0	107.0
Indianapolis Bus. Jrnl. (52X)	145.3	146.3	278.5	255.6
Manhattan Inc.	41.2	57.4	69.1	88.3
New England Bus. (20X) A	72.3	68.3	103.5	90.2
New Orleans City Bus.	44.9	68.2	89.9	103.6
Pacific Bus. News (52X)	101.5	124.5	198.9	196.6
Pittsburgh Bus. Times (52X)	73.6	85.0	139.8	144.5
Providence Bus. News	72.6	80.9	142.6	134.0
Regardie's/Washington Review Publication:	175.0	165.0	339.0	271.0
Broward Review	77.6	29.7	144.0	63.8
Miami Review	56.2	41.2	122.6	89.7
Palm Beach Review	55.0	26.0	109.5	52.3
San Jose Bus. Jrnl.	60.5	73.1	134.6	116.5
St. Louis Bus. Jrnl. (52X)	100.1	120.7	218.5	198.8
Warfield Monthly Baltimore	64.3	68.7	107.0	114.2
Total Group	**2,512.9**	**2,637.0**	**4,840.5**	**4,591.9**
% change	**-4.7%**		**5.4%**	
■ National Sunday mags				
Parade (52X)	44.1	50.9	102.1	110.6
USA Weekend (52X)	40.1	49.5	95.2	97.5
Vista Magazine	21.8	15.6	38.3	27.4
Total Group	**106.0**	**116.0**	**235.5**	**235.5**
% change	**-8.7%**		**0.0%**	
■ Newspaper Sunday magazine				
Boston Globe	198.0	195.0	381.0	403.0
Chicago Tribune	90.5	80.2	155.4	150.4
Cleveland Plain Dealer	50.3	57.4	81.1	95.1
Columbus Dispatch	19.4	22.1	43.4	46.0
The Dallas Morning News	73.6	56.7	115.0	130.0
Detroit Free Press	29.8	40.8	63.3	73.1
L.A. Times	50.8	61.8	163.4	112.6
Louisville Courier-Jrnl	22.0	28.0	57.0	64.0
New York Times Mag	293.3	323.9	494.8	502.3
Philadelphia Inquirer	—	—	—	—
Seattle Times	60.0	52.0	114.0	94.0
St. Louis Post Dispatch	69.1	81.7	135.4	144.6
Toledo Blade Magazine	33.3	31.3	57.9	57.8
Washington Post	90.2	79.7	212.1	158.2
Total Group	**1,080.3**	**1,110.6**	**2,073.8**	**2,031.1**
% change	**-2.7%**		**2.1%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	138.9	134.3	349.2	291.7
Army Times Military Group:				
Air Force Times (52X)	152.6	175.9	297.9	308.4
Army Times (52X)	144.8	167.0	281.2	291.2
Navy Times (52X)	164.6	193.4	323.2	341.1
Capper's (26X)	43.7	29.3	94.2	53.6
Commonweal (22X)	2.6	5.5	13.4	15.4
Golf World (40X)	94.3	115.3	221.7	236.2
Grit (52X) A	35.5	32.6	80.1	70.7
National Journal (50X)	42.0	52.0	85.4	96.7
National Review (25X)	25.6	38.7	44.3	66.1
New Republic (48X)	42.0	47.6	83.2	80.0
New York Magazine (50X)	188.5	178.5	308.7	298.4
New Yorker	135.8	185.9	288.5	318.3
Newsweek (52X) A	199.8	237.9	357.6	373.5
People (51X)	262.5	305.1	471.7	456.2
Rolling Stone (25X)	130.9	125.3	212.3	193.5
Sporting News (52X)	34.2	39.4	87.3	92.2
Sports Illustrated (52X) A	272.5	299.7	464.0	548.7
Time (52X) A	201.4	227.5	389.0	367.7
TV Guide (52X) A	353.6	382.7	660.7	728.0
US Magazine (26X)	53.5	55.2	84.5	81.3
U.S. News & World Report (50X) A	151.8	178.9	271.7	273.4
Total Group	**2,871.0**	**3,207.8**	**5,469.7**	**5,582.2**
% change	**-10.5%**		**-2.0%**	

NOTES: (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. All figures represented in this table are supplied by the magazines. AD AGE makes no attempt to verify them and therefore is not responsible for inconsistencies or errors.

FOCUS ON MEDIA MERGERS

Media head for 'big bang'

(Continued from Page 1)

dependent company," Mr. Smith said. "But we watch what others are doing. The trend toward integration is interesting to follow."

While many people believe the acquisitive nature of media empire-builders such as Mr. Murdoch and British media baron Robert Maxwell has driven the wave of mergers, they also question the troubles that bigness brings.

Size problems

Such troubles are similar to those experienced when ad agencies consolidated in the mid-1980s in the midst of Saatchi & Saatchi Co.'s massive empire-building period.

In fact, Mr. Murdoch has been compared with the Saatchi brothers in his ability to change the ground rules and send both the agency and media businesses scrambling for mergers out of fear.

Even the rationale for media mergers is similar in many ways to previous agency mergers. Omnicom, which, like the Time-Warner deal, involved the principals exchanging shares, was justified as a response to the pressure to grow quickly.

What was overestimated, however, and what may be similarly trapping the media's urge to merge, is the "synergy" rationale.

For example, even Omnicom's executives admit that some of the synergies promised in the 1986 three-way merger of BBDO International, Doyle Dane Bernbach and Needham Harper Worldwide have yet to be realized.

The business problem for many merged ad agencies, and what could be the case for mergers such as Time Warner, "is that synergies that exist well on paper and philosophically are a lot harder to do when you get to the ego and turf problems involved," said Allen Rosenshine, chairman-ceo of Omnicom's BBDO Worldwide and one of the key engineers of the 1986 deal.

"We have not achieved all the synergies or all of our philosophic hopes," he said. "But, in putting DDB and Needham together, we clearly have a better worldwide agency than they would on their own. We have achieved the dual-network configuration we wanted, while a lot of the other synergies [discussed] may not be achievable. But in the macro sense, we have had a successful phase one."

The synergies media companies envision in cross-continent mergers may be harder still to achieve.

Alan Gottesman, who follows agency and media stocks for Paine-Webber, said, "I don't believe in synergies. The only time synergies work is in a crossword puzzle." He said putting two companies together rarely adds anything beyond mass.

Still, Mr. Gottesman said he expects media companies to continue merging. "People are going to try it until it doesn't work anymore," he said.

Looking to 1992

Other rationales behind the media mergers—such as positioning for a 1992 European boom—look slim. Evidence is growing—even at Time Inc.—that the expected boom, at least in print, may be delayed.

European governments plan to harmonize their regulations by 1992, enabling companies to better treat the region as one huge market.

Before the merger, but more so now, Time Inc. has focused on a number of expansion opportunities in Europe, in part preparing for the increased economic activity that will accompany the breakdown of trade barriers in 1992. But Time Inc. is already learning that "media globalization" won't come easily or quickly.

For example, since the Time-Warner pact was announced, Time Inc. executives have spoken bullishly about the new company's media prospects in Europe. With the help of Hachette, Time Inc. will launch *Fortune* in Spanish in September to match its existing French- and Italian-language versions, and is negotiating for the launch of German-language *Fortune* in 1990.

"Match" disappoints

But Time Inc. said its ambitious plan for a pan-European, upscale monthly personality magazine, called *Match*, are being scaled back by its European partner, Daniel Filipacchi, chairman of Hachette-Filipacchi Group, who said he's shelved plans for *Match*.

A December test version of *Match* in five languages met with an uneven response from readers, he said last week.

"It was well-received in France, Spain and Italy. Not so well in West Germany and not at all in England," Mr. Filipacchi said. "We believe that it will work someday. Everyone talks about one Europe, but it's not here yet."

Also last week, the U.K.'s Mr. Maxwell said he'd launch his already delayed pan-European, English-language newspaper, *The European*, as a weekly this fall, instead of as a daily with a May launch.

Time Inc. is marching on, though, and besides the local-language *Fortune* editions, it will test special local-language editions of *Life*. The *Life* logo had been used on the *Match* test cover.

But Time Inc.'s efforts to expand *Fortune* in Europe have been troubled. So far, only the French edition is up and running.

In West Germany, negotiations broke down more than a year ago with Bertelsmann-owned Gruner & Jahr because the company wanted more control over the magazine than Time Inc. was willing to allow, German publishing sources say.

Time Inc. recently approached a West German newspaper, magazine and TV company about jointly publishing a German-language *Fortune*, and negotiations are continuing.

In Spain, Time Inc. decided to call its magazine *Fortuna* until the company discovered the government tobacco monopoly Tabacalera had registered the name Fortuna, Spain's leading cigarette brand, in all categories.

Also, prospective partner Hachette—Time's partner in the French *Fortune*—already owned a rival business magazine called *Futuro* in Spain.

To make way for Time Inc. and *Fortune*, Hachette sold *Futuro* this month to Italian publisher Rizzoli. *Futuro* promptly decided to preempt its future rival and position itself as a *Fortune*-like magazine.

Futuro's aggressive new ad campaign, developed in-house, uses the slogan "In Italy, it's called *Capital*. . . . In the U.S., it's *Fortune*. . . . In Spain, it's *Futuro*."

Even *Sports Illustrated* has had problems in Europe.

"For some of the things we talked about doing, it was going to require us to do too much creative new material," said *Sports Illustrated* Publisher Donald Barr.

However, he added, "I would hope that [the Time-Warner merger] will assist us in expanding" the magazine in Europe.

"We learned the pan-European idea is hard to manage and 1992 has become a little too magical in people's minds," said Christopher Meigher, exec VP-group publisher at Time Inc. Magazine Co. "We are still in the pan-European race, but maybe the year people should be talking about is 2000."

Programming edge

Where Europe may help the Time-Warner deal is in programming.

"The biggest opportunity [for Time Warner] is to exploit the broadcast revolution," said Don Sperring, Young & Rubicam's media director for the U.K. and Europe.

"One of the key things that will make the new channels successful or not is the quality of the product. The supply of programming is the area to exploit; that's what puts Warner in a strong position here."

As many as 100 new channels are being planned for Europe, with Astra—the new satellite on which Mr. Murdoch began broadcasting Sky Television in February—probably the largest.

U.S. TV companies are interested in owning channels as well as supplying programming for them.

"The real opportunity is if Time Warner gets involved in making TV programs for Europe, combining HBO and Warner's expertise," said Judy Thomas, international media director at D'Arcy Masius Benton & Bowles, London. "The field is limitless. The demand for serials and dramas is limitless."

Rules uncertain

However, no one knows yet exactly what the rules will be governing foreign broadcasters as media owners or program suppliers.

The latest negotiations among European Community countries indicate broadcasters will be required to air a majority of European-produced programming "wherever possible" *(see related item on Page 8)*.

Sources said the solution for U.S. companies that want to get into European broadcasting is to take minority stakes with majority European partners for channel ownership and to get involved in co-production in order to compete in the European Community segment of program quotas.

"It will be a major problem for Time Warner how to link through with European broadcasters and production companies on genuine co-production deals," Ms. Thomas said.

For example, "there's nothing to stop new legislation from completely banning Time Warner from any involvement in U.K. television," she said. "They can't stop [Europeans], but they can stop Time Warner."

Maybe the expectations for the globalization of media should also be reassessed.

Mr. Veronis, for one, said he doubts the often-heard scenario that the world will become dominated and controlled by five or six global media giants in the not-too-distant future.

"There won't just be five or six companies dominating the world," he said. "All media companies are driven by the creative process. It's not the province of bigness or smallness; it's the province of creativity." #

Contributing to this story: Gary Levin and Wayne Walley in New York, Tony Thompson in Toronto, Laurel Wentz in London and Jennifer Lawrence in Houston.

WHAT THE MEDIA GIANTS OWN

	Magazines	Newspapers	TV/Radio	Books	Music	Film
1. Time Warner U.S. annual sales: $8.7	Fortune, Life, People,Time, Sports Illustrated		Home Box Office, Warner Amex Cable	Time-Life, Little Brown Warner Books	Warner Records, Electra, Asylum, Atlantic, Repriso	Warner Bros.
2. Bertelsmann West Germany annual sales: $6.6	Gruner & Jahr–Stern, Prima, Best, Parents (US), Young Miss (US)	Hamburger Morganpost	RTL-Plus	Bantam, Doubleday, Dell, Book Club Associates	RCA, Ariola, Arista	
3. Fininvest* Italy annual sales: $6.4	TV Sorisi e Canzoni, Tutlomusica e Spettacolo	Il Giornale	Rete 4, Italia 1, Canale 5, Telemilano (all Italy), La cinq (France), Tele5 KMP (Germ.)			
4. Capital Cities/ABC U.S. annual sales: $4.8	Fairchild Publications, ABC Publishing, Institutional Investor, 2 philatelic magazines	The Kansas City Times, Kansas City Star, Fort Worth Star-Telegram, The Oakland Press, 4 other dailies, 30 weeklies, 18 shopping guides	ABC -TV and radio networks, 8 other TV stations and 21 radio stations, 80% of ESPN; 38% of A&E; 33% of Lifetime			
5. Thomson Canada annual sales: $4.7	Thomson Publications, Thomson Australian Holding Pty., International Thomson Business Press, International Thomson Publishing	Globe & Mail, Winnipeg Free Press, The Scotsman, Belfast Telegraph		Thomson Nelson International, Callaghan & Co., Hamish Hamilton, Michael Joseph, Wadsworth		
6. News Corp. Australia annual sales: $4.4	New Woman, Sky, TV Guide, Times Supplements (UK), Triangle (TV Guide, Seventeen), Star, New York, New Ideas, TV Week	The Times, The Sunday Times, The Sun, News of the World, Today, South China Morning Post, plus papers in US/ Australia	Sky TV, Fox Broadcasting, major- market TV stations (US)	Times Books, Collins, Harper & Row		20th Century Fox
7. Hachette Filipacchi Comm. France annual sales: $4.1	Elle, Paris Match, Tele 7 Jours, Diamandis Communications: Woman's Day, Car & Driver, Road & Track, American Photographer	Journal du Dimanche	Europe No. 1, Channel 80			
8. Maxwell Comm. Corp. U.K. annual sales: $1.4	Pergamon Journals	Daily Mirror The People, Sunday Mirror	TF-1, Premiere Movie Channel, Mirrorvision, Rediffusion Cable Networks, MTV: Music Television, Screensport, Lifestyle, Children's Channel	Macmillan (US)		

Source: D'Arcy Masius Benton & Bowles, London Annual sales in billions of dollars. *Estimated figure.

Bud beer goes Dry—P. 3 | **John Curley speaks—P. 24**

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NEWSPAPER

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Saatchi & Saatchi: What happens next

Photos by Hywel Jones

Maurice Saatchi talks to shareholders after his speech at Saatchi & Saatchi Co.'s annual meeting in London.

Major changes in works

By LAUREL WENTZ

It could be several years before Saatchi & Saatchi Co. solves its problems.

Last week the British advertising group stunned its annual meeting with a surprise announcement that 1989 pretax profits would fall below 1988 levels.

A source within Saatchi's U.S. organization said top managers were brought to London before the annual meeting and told to expect two to three years of rough times.

Sources say Saatchi & Saatchi is suffering from deep management problems requiring changes. Those changes include:

- Cutting back on or getting rid of various properties, including some in its consulting arm and ad agency McCaffrey & McCall, New York.
- Tightening financial controls that have been loosened since WPP Group Chief Executive Martin Sorrell left his job as Saatchi's group finance director in 1985. It may add a new financial officer.
- Deepening management to oversee businesses that are losing key staff while

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- **Maurice Saatchi's speech—P. 20**
- **Clients stand behind Saatchi—P. 70**
- **Takeovers seem less certain—P. 70**

Advertisers 'up in arms'

NBC's Tartikoff reacts to mood

By WAYNE WALLEY

The "New Puritanism," an attitude of consumers that network TV has gotten too lenient in its treatment of sex and violence, is starting to hit advertiser, agency and network TV executives hard.

There are even signs that the "New Puritanism" may affect the crucial upfront market, when advertisers buy time in network shows for the fourth quarter and first three quarters of the following year.

Since Terry Rakolta, a Michigan woman, made headlines a month ago by calling for advertisers to pull commercials off Fox Broadcasting Co.'s "Married . . . With Children," the repercussions have mushroomed.

Just last week, Chrysler Corp. and Sears, Roebuck & Co. pulled spots from NBC's "Nightingales" series after the American Nurses' Association mounted a massive letter-writing campaign against advertisers.

In a similar move, Mennen Co. pulled its commercials from "thirtysomething."

NBC Entertainment President Brandon Tartikoff, reacting to stinging criticisms about programming from consumers and advertisers, announced last week he's beefing up the network's broadcast standards operation. He named sociologist Rosalyn Weinman to the new post of VP-program standards and community relations.

It was only last year that the network cut back its standards unit.

ABC and CBS haven't been hit as hard by consumer and advertiser complaints, even though they, too, have cut standards staff.

"I do think there is a shift in audience taste, and we'd be foolish not to listen to that feedback," Mr. Tartikoff said at a news conference following the network's program development presentation last week to advertiser and agency executives.

"Any time you experiment or try to push the boundaries of what's acceptable, you're going to find sometimes you push too far," he said. "We're not in the business of pushing boundaries. It would be a frivolous enterprise to be pushing the boundaries back when the audience is saying, 'I can't watch this with my family because it's on at 9 p.m. and my 11-year-old is still up.' "

NBC and the other networks may end up paying for their mistakes in the upfront season. Advertisers may rebel against lenient network programming standards by withholding ad support from certain shows in the advance-sales period, sources say.

Agency executives, many of whom screened network shows in development in Los Angeles last week, acknowledged some clients are "up in arms" over what they perceive to be offensive programming.

Some advertisers are instructing agencies to "find other alternatives" if network programming is "the same as this year," sources say.

"There's going to be some reluctance to commit to any shows that look potentially offensive in any way, and in those shows the units may go at any price," said Michael Drexler, exec VP at Bozell, Jacobs, Kenyon & Eckhardt, New York.

Illustration by Christopher S. Tulcan

But if buyers avoid new shows and concentrate on existing series, it could also drive up prices for the tried-and-true network offerings.

"I don't think the networks are going to be significantly hurt in terms of ad revenues overall [in upfront], but there is the possibility some shows will not get advertiser support to the extent the networks want," Mr. Drexler said.

"We're probably going to have to build in

(Continued on Page 68)

Ogilvy pares its holdings

By GARY LEVIN

New York — Ogilvy Group is trying to spiff itself up for Wall Street.

The holding company last week shed Rolf Werner Rosenthal Inc., a $60 million pharmaceutical agency, in a move to strip away non-core businesses and focus on the bottom line.

The shop was sold to Nelson Cos., headed by Wayne Nelson, a former Johnson & Johnson executive committee member credited with building the Tylenol brand.

Ogilvy is also negotiating to sell the language-management arm of its Euramerica International unit, which has total billings of $50 million and estimated revenues of $7.5 million.

Yuri Radzievsky, Euramerica chairman-recconfirmed Ogilvy is negotiating to sell the language-management arm, including translation services, to Macmillan's Berlitz unit.

Ogilvy officials declined comment, but securities analysts and investors have been invited to a March 29 meeting at Ogilvy to discuss the company's future strategy.

If the Macmillan deal goes through, Euramerica's ad business would be folded into Ogilvy & Mather Worldwide. No other bidders have surfaced, Mr. Radzievsky said, and if a part of the agency isn't sold, "my guess is it would continue in its present form."

Among other measures aimed at streamlining or refocusing its businesses:

- Ogilvy plans to sell a larger stake in Scali, McCabe, Sloves to Scali management while retaining a minority interest (AA, Dec. 26, *et seq.*).

Progress on that front is "slow but sure," an agency official said, adding that a deal is expected sometime this year. Scali management already owns 20% and has options to buy another 10% by next year.

- Ogilvy & Mather has trimmed what it considers to be redundant multiple offices in foreign countries. In recent months, it has reduced the number of offices in Australia, West Germany and the Netherlands.

But foreign growth has been strong for the agency, and Ogilvy is committed to expanding its foreign business in general. The company is particularly intent on rebuilding a presence in Japan, where it has withdrawn twice before.

- SAGE Worldwide and Research International, two proprietary research and consulting companies that are key to Ogilvy's marketing-services lineup, have been streamlined and bolstered.

In a restructuring, Ogilvy combined its retail consulting and promotional marketing businesses into twin business units under the SAGE umbrella, headed by Executive Director Spencer Hapoienu. To London-based Research International Ogilvy added Decisions Center, a $16 million research company, and a 20% interest in the Futures Group, following a management-led buyback at that company.

Analysts and investors generally applaud these measures and expect them to help alleviate recurring problems of lackluster earnings performance and vulnerability to an unwanted takeover.

Sharp run-ups in the public company's stock price this year have prompted speculation that just such an offer is in the works.

After the latest such run-up, which boosted Ogilvy's share price $3.75 to $33.25 on March 16, the stock eased back to $32.13 on active trading when the market closed March 23.

"Anything they do to upgrade their portfolio and to focus their business more is a positive," said Greg Ostroff, analyst at Goldman, Sachs & Co.

"I suspect [the sales] are to improve returns

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Campbell looks to Tracy-Locke

By JUDANN DAGNOLI

Campbell Soup Co. has turned to Tracy-Locke, Los Angeles, to create a test commercial for its red-and-white label soups, bypassing regular agency Backer Spielvogel Bates, New York.

Campbell said the test doesn't mean the $40 million soup account will be moved from Backer.

"It's a special assignment and a one-time thing," said Paul Mulcahy, Campbell VP-advertising. "It doesn't mean we're changing agencies."

The test spot, filmed in California last month, starts airing this week in Philadelphia and Portland, Maine.

Still, sources say Campbell has been disenchanted with Backer's work on soups for some time. In particular, the company was annoyed by the agency's resistance to a recent change in campaigns, when the ad theme was switched to "M'm m'm good" from "Soup is good food."

Campbell isn't "deliriously happy," said a source, noting that soup sales volume is down 1% this year.

Sources say impatience with Backer is growing, particularly since Campbell USA President Herb Baum began running the soup group. Dan Santangelo, who'd been in charge of the soup group, has been on extended leave, attending an Advanced Management Program at the Harvard Business School.

In an earlier interview last week, Mr. Baum admitted that some of the creative work for red-and-white soups wasn't up to snuff, despite the campaign change. But he added that Backer wasn't in trouble.

Mr. Baum said he's working more closely on red-and-white soups with upper-level creatives at Backer to improve the advertising.

Mr. Mulcahy said the assignment for the test spot went to Tracy-Locke via Phil Slott, agency chairman-chief creative officer, because the commercial is an experiment in semiotics, or symbolism in commercials.

He said Mr. Slott and executives at Tracy-Locke's sister agency, BBDO Worldwide, have more experience in semiotics.

BBDO and Tracy-Locke are units of Omnicom Group.

Mr. Baum likened his efforts in working with Backer to last year's arrangement with BBDO New York Chairman Phil Dusenberry that resulted in the very successful Jimmy Stewart campaign for Home Cookin' soups. BBDO handles Home Cookin' and Chunky soups. #

TV magazines brace for battle

By PATRICK REILLY

Cable and TV magazines are fighting hard to win advertisers, cable system operators and readers at a time when cable TV's audience penetration is continuing to rise.

On April 1, Crosby Vandenburgh Group will fold two smaller cable magazines, *Cabletime* and *Choice*, into the new, 5 million-circulation *TV Entertainment Monthly*. The full-size magazine and program guide is a historic departure from digest-size competitors *Cable Guide* and *TV Guide*.

A color page in *TV Entertainment* is $56,150, a b&w page is $43,350 and a b&w page within the program listings is $36,000.

Others in the field are contemplating changing to a format like *TV Entertainment*.

Rupert Murdoch's *TV Guide* for the first time studied the cost of producing the 37-year-old weekly as a full-size magazine, though the idea now appears to be shelved.

At the same time, TVSM is testing its monthly *Cable Guide* as a weekly and at full size, and could relaunch it in the new format by early 1990.

Why all the stir?

Cable and TV magazines are becoming more valuable marketing vehicles than ever before as cable penetration increases and the Big 3 networks and cable services compete for viewers. As of November, cable reached 48.6 million U.S. households, or 53.8% of those households with TVs.

A favorite of cigarette advertisers,

(Continued on Page 8)

Trucks push Chevy ad recall up

By SCOTT HUME

It's winter. The Super Bowl's over. You think about maybe hopping in the car and getting a burger and a soft drink.

Maybe that's why the five advertisers that had the best recall in February were, in order, McDonald's Corp., Chevrolet, Pepsi-Cola, Coca-Cola and Ford. Fun products.

Chevrolet logged the most surprising showing for the month. While its advertising is nearly always among the top 10 in top-of-mind recall, Chevy placed second in February (tied with brand Pepsi), its best showing ever in unaided awareness.

When respondents to ADVERTISING AGE's monthly adWatch survey were asked to name the first car or truck advertiser that came to mind, Chevy came out on top.

That broke Ford's hold on the top spot in the car category, unchallenged for more than five years of monthly surveys.

So what happened? Did consumers suddenly notice and start humming Chevy's "Heartbeat of America" jingle after hearing it for several years?

Perhaps, but what put Chevy in the driver's seat may have been the advertising for its trucks rather than its cars. Chevrolet has been promoting its truck line in comparative spots with Ford trucks, putting the vehicles through some grueling tests like climbing impossibly steep hills and driving over ditches.

In the midst of winter, such stunts function as memorable entertainment.

The pitch has been effective enough that Ford in March changed advertising for its trucks to mention competitor Chevy by name (AA, March 6).

What lifted Chevrolet to the top spot in the "car or truck" category was very strong recall in the Southeast, where truck sales are highest. Chevrolet was also tops in the North Central area. In the West and Northeast, Ford was the best-recalled auto and truck maker.

While Ford has dominated the car or truck category, Coca-Cola and Pepsi-Cola have taken turns as best-recalled soft-drink ads.

In February, it was brand Pepsi's advertising that was on top, with 37.6% of first mentions. Brand Coca-Cola was named first by 32.5%, down 4.2 percentage points from its January showing.

But the news in the category is Diet Coke.

Advertising that broke in January claims the "Move is on" to Diet Coke and away from Pepsi, an assertion that Pepsi-Cola Co. howled about to the Big 3 networks (AA, Jan. 30).

The centerpiece of the Diet Coke campaign was the 3-D commercial during halftime at the Super Bowl. Consumers may not have gotten the full 3-D effect, but they remembered the effort.

Diet Coke got 9.3% of first mentions when respondents were asked to recall soft-drink ads. That was the product's best showing ever in the soft-drink category in terms of percentage. The campaign was best recalled among consumers ages 25 to 34.

AdWatch is a joint project of AD AGE and the Gallup Organization. Ad awareness is measured by asking a nationally projectable sample to name the first advertising that came to mind from all seen, heard or read in the previous 30 days.

Last month, 1,000 adults were polled by phone. The margin of error is 3.1%.

Among other changes last month:

- Just when it seemed McDonald's couldn't dominate the **fast-food** category any more thoroughly, it has done just that. In February, McDonald's advertising was named first by 55.9% of respondents, up 2.7 percentage points from its record 53.2% share in January.

Burger King Corp. continued to redefine the term "distant second," last month garnering 12.4% of first mentions. Wendy's International was third with a 5.4% share.

- Apple Computer held onto its traditional position atop the **computer** category with 34.8% of first mentions, vs. 34.6% in January. But its only real rival for the top spot, IBM Corp., dropped to a 20.5% share last month from 24.8% in January.

Radio Shack was third with 2.9%.

- E&J Gallo Winery logged a surprising post-holiday surge in advertising awareness in the **wine** category. Last month, its ads came to mind first for 23.1% of the sample, up a whopping 8.1 points from January.

Banfi Vintners' Riunite dropped to a 5.9% share from 9.7% the previous month but held on to the No. 2 spot.

Gallo's Bartles & Jaymes wine coolers were third with 3.2% of first mentions. #

For more information, contact the Gallup Organization, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

ADWATCH SURVEY OF ADVERTISING AWARENESS TOP 10 IN FEBRUARY

Last month, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Source: Gallup Organization, Lincoln, Neb.

Rank 2/89	Rank 1/89	Advertiser	Agency
1	4	McDonald's	Leo Burnett USA
2	3	Chevrolet	Lintas:Campbell-Ewald
2*	6	Pepsi-Cola	BBDO Worldwide
4	2	Coca-Cola	McCann-Erickson Worldwide
5	5	Ford	J. Walter Thompson USA
6	1	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham
7	10	Tide	Saatchi & Saatchi Advertising
8	9	California raisins	Foote, Cone & Belding
9	8	Miller	J. Walter Thompson USA/Backer Spielvogel Bates
9*	7	Oldsmobile	Leo Burnett USA

* Indicates a tie.

Frozen

(Continued from Page 25)

H.J. Heinz Co.'s Weight Watchers unit said jumped 47% in sales last year.

Weight Watchers is introducing a Peanut Butter Fudge Bar. An estimated $5 million network TV campaign, starring spokeswoman Lynn Redgrave, will support, starting in May. Ally & Gargano is handling.

Also entering the segment is Mars Inc.'s DoveBar International. Although the company wouldn't discuss its plans, it's rolling out new Dove Light next month.

The line extension will have one-third fewer calories and 40% less fat than regular Dove Bar. Grey is the agency.

Nostalgic brands, such as Drumstick and Eskimo Pie, are also experiencing a resurgence.

There's a "tremendous shift back to the basics—the cup, the ice cream sandwich and the pie—and away from the trendy complex products," said George Murphy, VP-marketing at Eskimo Pie Corp.

Eskimo Pie this year will introduce more sugar-free items, including a fudge bar, an ice cream sandwich and a new, milk chocolate version of its Eskimo Pie.

The new products will be supported by spot TV commercials from Hawley Martin Partners, Richmond, Va.

Drumstick has completed national distribution of eight flavored varieties of its Drumstick novelties. The company breaks its first national ad campaign in April.

The $4.5 million network TV and national print effort was created by Fahlgren & Swink, Columbus, Ohio. It's themed "Eight ways to sundae."

For the entire frozen novelties category, Leading National Advertisers' spending figures show a plunge in measured media spending to $33 million for the nine months ended September 1988 from $64 million for all of 1987.#

Janet Meyers in Washington and Marcy Magiera in Los Angeles contributed to this story.

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CHIAT/DAY

ADVERTISING AGENCY INCOME

Global ad volume soars for top 500

U.S.

Y&R stays on top despite solid run by Saatchi

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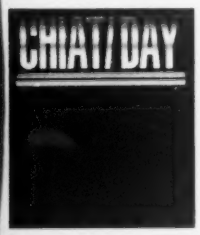
By R. Craig Endicott

Young & Rubicam held fast to its crown as the largest U.S.-based ad agency despite a strong bid by Saatchi & Saatchi Advertising Worldwide to overtake the perennial leader, according to ADVERTISING AGE's 45th annual Advertising Agency Income Report.

Composite returns of the AD AGE 500—the top 500 agencies in the report—showed advertising growth in the U.S. returning to more robust levels last year. U.S. gross income for the top 500 produced a 9.8% gain—to $6.8 billion—and, in billings, a gain of 12.4%—to $48.3 billion. Both U.S. gross income and billings in 1987 had fallen about 4% from the prior year.



Agency of the Year and International Agency of the Year appear on Pages 4 and 5.

Worldwide gross income grew to $11.2 billion on billings of $78 billion, up 16.9% and 18.7%, respectively, for the AD AGE 500.

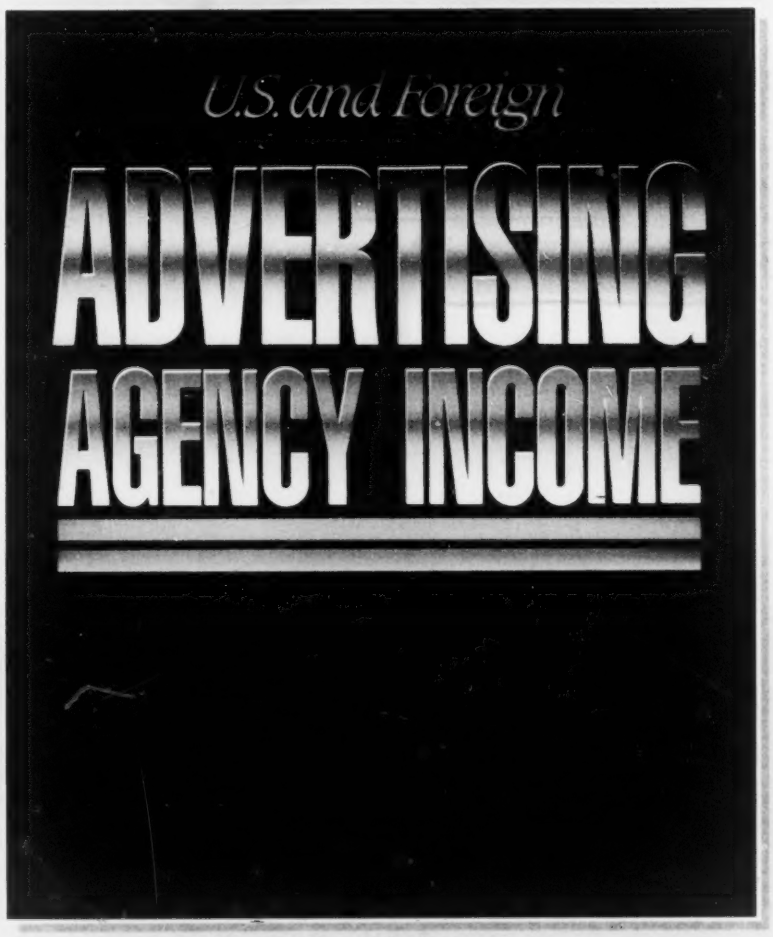
Y&R, which claimed the No. 1 position for the eighth consecutive year, accounted for about 7% of the 500's worldwide gross income and billings. The agency reported $757.6 million in worldwide gross income on worldwide billings of $5.39 billion in 1988.

Had fast-closing Saatchi & Saatchi won one more major account it might have replaced Y&R. As it was, Saatchi's gross income of $740 million on billings of $5.05 billion cut the Y&R margin to $17.1 million from a spread of $50.2 million in gross income a year ago.

Backer Spielvogel Bates Worldwide, Saatchi's sister agency in the Saatchi & Saatchi PLC group, took the No. 3 slot in worldwide gross income with $689.8 million.

Returns from these two huge Saatchi agencies, when added to the holding company's third U.S. agency, AC&R Advertising (No. 30), enabled London-based Saatchi & Saatchi PLC to emerge as the world's largest mega-group. Its worldwide gross income of $2 billion on $13.5 billion in billings, outdistanced Inter-

(Continued on Page 2)



Cover design by AVID Productions

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FOREIGN

No. 1 Dentsu hits lofty $1.2 billion in gross income

By Julie Skur Hill

Dentsu Inc. easily retained its "world's largest agency" title in 1988 as its gross income broke the $1 billion barrier.

According to AD AGE's 27th annual foreign agency income survey that included 945 agencies from 67 countries this year, the continuing fall of the U.S. dollar against major currencies helped agencies based in Japan, France and the U.K. hold down their U.S. competitors.

Perhaps Tokyo-based Dentsu and the other Japanese agencies benefited the most from the weakening dollar.

Dentsu '88 gross income leaped 38.9% from 1987, bringing the figure to more than $1.2 billion from $885 million. Its '88 billings grew a hefty 39.5% to $9.5 billion from the previous year's $6.8 billion.

Billings at Dentsu, which has significant holdings in non-advertising businesses, include some of its below-the-line activities.

Included in the billings figures are: equity in multicultural agency HDM; 49% stake in Lucerne, Switzerland-based sports marketing agency ISL Marketing; Dentsu's 12 overseas offices; and activities in printing, public relations, direct marketing, exhibitions, expositions and market research.

Earnings from Dentsu's large holdings in real estate are not included in its billings.

Growth at No. 2 Young & Rubicam—the top ranking U.S. agency—pales in comparison to Dentsu. Y&R's 1988 gross income reached $757.6 million, up 3.1% over 1987's $735 million, while billings grew 9.9% to $5.4 billion from $4.9 billion in 1987.

As the historical grudge match continues, the gap in gross income between Dentsu and Y&R has more than tripled from $145 million in '87 to $471 million in '88—or slightly more than the '88 gross income of No. 12 Grey Advertising.

The dollar's tumultuous ride throughout the 1980s has tipped the advantage back and forth between the Japanese and U.S. agency giants. Y&R last held claim to the No. 1 spot in 1985, when the dollar was strong and Dentsu was held down to the No. 3 position. Dentsu claimed the No. 1 spot from 1973 to 1983, while the dollar was relatively weak.

Total gross income for the top 50 worldwide agencies hit $12.8 billion, up 20.3% from $10.6 billion for those same agencies in 1987. Billings reached $90.1 billion, up 21.7% from $74 billion in 1987. During 1988, the top 50's average gross income grew 25%, while average

(Continued on Page 70)

Advertising Age's top 10 agencies of 1988

Top 10 U.S. agencies by gross income

Rank	Agency	Worldwide gross income	% chg
1	Young & Rubicam	$758	3.0
2	Saatchi & Saatchi Advertising Worldwide	740	8.1
3	Backer Spielvogel Bates Worldwide	690	14.8
4	McCann-Erickson Worldwide	657	28.2
5	FCB-Publicis	653	26.0
6	Ogilvy & Mather Worldwide	635	12.6
7	BBDO Worldwide	586	6.6
8	J. Walter Thompson Co.	559	14.7
9	Lintas: Worldwide	538	28.6
10	Grey Advertising	433	17.2

(See Page 8 for a complete ranking of U.S.-based agencies.)

Top 10 U.S. brand-name agencies

Rank	Agency	U.S. billings	% chg
1	Leo Burnett Co.	$1,765	13.9
2	Saatchi & Saatchi Advertising	1,740	3.9
3	J. Walter Thompson Co.	1,722	10.9
4	FCB-Publicis	1,552	12.6
5	Young & Rubicam	1,529	24.9
6	DDB Needham Worldwide	1,292	8.1
7	McCann-Erickson Worldwide	1,268	23.9
8	Ogilvy & Mather Worldwide	1,258	9.0
9	Grey Advertising	1,248	7.2
10	D'Arcy Masius Benton & Bowles	1,207	19.3

(See Page 56 for the top 50 brand-name agencies.)

Top 10 agencies worldwide

Rank	Agency	Worldwide gross income	% chg
1	Dentsu Inc.	$1,229	38.9
2	Young & Rubicam	758	3.1
3	Saatchi & Saatchi Advertising Worldwide	740	8.0
4	Backer Spielvogel Bates Worldwide	690	14.8
5	McCann-Erickson Worldwide	657	28.1
6	FCB-Publicis	653	26.1
7	Ogilvy & Mather Worldwide	635	12.6
8	BBDO Worldwide	586	6.5
9	J. Walter Thompson Co.	559	14.5
10	Lintas:Worldwide	538	28.7

(See Page 71 for a ranking of the top 50 agencies worldwide.)

Notes: Dollars are in millions.

AA chart: Kevin Brown

Y&R stays on top

(Continued from Page 1)

public Group of Cos., with $1.3 billion in gross income and $8.4 billion in billings.

Interpublic, having narrowed the billings gap by about $3 billion when media advertising-only billings are counted, received a strong performance from its lead agency in 1988. McCann-Erickson Worldwide (No. 4). McCann's worldwide gross income of $656.8 million and billings of $4.4 billion each rose a dramatic 28% from 1987.

But the most dramatic surge among the top 10 came from the merger of Foote Cone & Belding Communications and Publicis Communications, the French agency. The union, called an alliance, produced FCB-Publicis and a No. 5 ranking. FCB had ranked 13th in 1987. (See story on Page 84)

The FCB-Publicis rise affected the rankings of the other top 10 nesters. No. 6 Ogilvy & Mather dropped a notch as did No. 8 J. Walter Thompson Co. and No. 9 Lintas: Worldwide. BBDO Worldwide fell from No. 4 in 1987 to No. 7 and Grey Advertising bumped Leo Burnett Co. from the 10th spot. Burnett fell to No. 12, despite steady growth of 16% in worldwide gross income—an indication of the growth that took place among the top agencies.

Mergers

Mergers were a catalyst for major ranking swings among the top 100, and generally a byproduct of problems facing the corporate culture of the world's mega-holding companies. Problems range from client conflicts created by merged units to the need to pool billings among agency units to give them more clout and make them more competitive.

Della Femina, McNamee WCRS, No. 24, is a product of the merger of Della Femina, Travisano & Partners (No. 39 in 1987) and HBM/Creamer (No. 32 in '87) within British holding company, WCRS Group PLC.

Campbell-Mithun-Esty, No. 20, is the union of Campbell-Mithun (No. 23 in 1987) and William Esty Co. (No. 38 in '87) within the Saatchi & Saatchi PLC umbrella. Rapp Collins Marcoa, No. 51, is the amalgam of Rapp & Collins USA (No. 72 in 1987) and MARCOA DR Group (No. 60 in '87) in the Omnicom Group.

CCG/TCA, No. 69, is the result of the merger in 1988 of Ted Colangelo Associates (No. 97), owned by No. 11 D'Arcy Masius Benton & Bowles, with Connecticut Consulting Group.

Newcomers to the top 100 had a decidedly regional flair. They were No. 73 Gardner Advertising, WRG's St. Louis subsidiary, whose returns were broken out for the first time; No. 80 M E D Communications, Woodridge, N.J.; No. 86 Baver Bess Vanderwarker, Chicago; No. 91 Klemtner Advertising, New York; No. 93 Long, Haymes & Carr, Winston-Salem, N.C.; No. 97 Rumrill-Hoyt, Rochester, N.Y.; No. 99 Gross Townsend Frank Hoffman, New York, and No. 100, Mojo U.S.A, San Francisco.

Billings growth

The 12.4% increase in U.S. billings for the Ad Age 500 was more than matched by returns from foreign operations that totalled $4.4 billion in gross income and $29.7 billion in billings, both up about 30% from the prior year.

Foreign contributions were lifted by a weak dollar in some of the bigger ad markets.

Foreign billings among the 500 are virtually left to the top 25 agencies, and for the first time they recorded higher gross income from foreign operations than from domestic. Foreign gross income from this group rose 31.5% to $4.39 billion, compared with domestic income of $4.3 billion, up 23.3%.

Media

Of total U.S. billings of $48.3 billion for the Ad Age 500, some $35 billion is identified as commissionable media. Media totals demonstrate the power wielded by the 500. Of the four major media, this group accounted for 89% of the national spending in newspapers, 73% of spending in consumer magazines, 50% of spot TV, and virtually all of network TV.

Network TV for the 500 grabbed 27.9% or $9.7 billion of total media billings. Leo Burnett, No. 12, having directed 45.4% of its total volume, or $703.6 million, into network TV, could claim the top spot among agencies using network. J. Walter Thompson Co., No. 8, and Saatchi & Saatchi Advertising were close behind with expenditures of $699.4 million and $698.4 million, respectively.

In spot TV, with 21% or $7.3 billion of total media billings, Y&R topped all spot TV spenders with $391 million, or 20.2% of Y&R's media spending total.

Consumer magazines received $4.4 billion or 12.6% of the 500's media pie, with Y&R taking the biggest piece—$248.5 million. The 500 spent $3.2 billion in newspapers, 9.2% of their media billings. JWT laid out $194 million as the top newspaper spender.

Regional activity

As usual, New York showed its ad muscle, claiming 43.6% of all U.S. billings of the 500. The 169 agencies reporting from New York accounted for $21.1 billion in total billings, up 9.7% from the prior year. Chicago, with 80 shops reporting, retained the No. 2 spot with $5.9 billion. Los Angeles finished third with $3.3 billion, but had to fight off Detroit where aggregate billings of $3.1 billion increased 18.1% from 1987.

The ad climate was moderate to strong in most of the top 10 markets, except in No. 5 San Francisco where billings growth was only 0.8%; in No. 9 Philadelphia, 4.2%, and in No. 10 Cleveland, 4.5%. The smallest increase for the rest of the top 10 markets was 8.3%, for No. 7 Minneapolis.

Employment/productivity

Growth in billings also was accompanied by an upward swing in employment. The 500 list went from 2.6% growth in 1987 to 3.3% in '88 in the U.S., representing 2,368 more jobs. The number of U.S. advertising shops among these agencies increased to 1,192, up from 1,159 in 1987. With billings advancing at a faster clip than employment, ad productivity of the top 100 took a decidedly upward turn. It took an average of 1.55 employees to service $1 million in billings in 1988, compared with a 1.63 employee level in 1987.

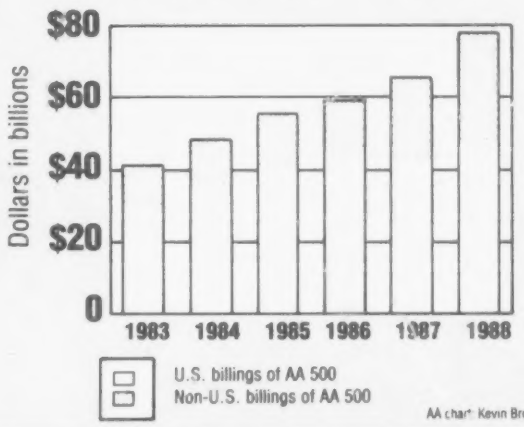
(Continued on Page 84)

Total agency personnel and facilities

	Top 25 agencies 1988	Top 25 agencies 1987	Top 100 agencies 1988	Top 100 agencies 1987	Top 500 agencies 1988	Top 500 agencies 1987
Worldwide personnel	104,250	96,665	117,318	109,559	135,483	126,974
Domestic personnel	43,226	41,757	56,038	54,420	74,203	71,835
Worldwide offices	2,149	1,850	2,349	2,044	2,877	2,566
Domestic offices	476	455	664	637	1,192	1,159

Notes: Source: AA survey

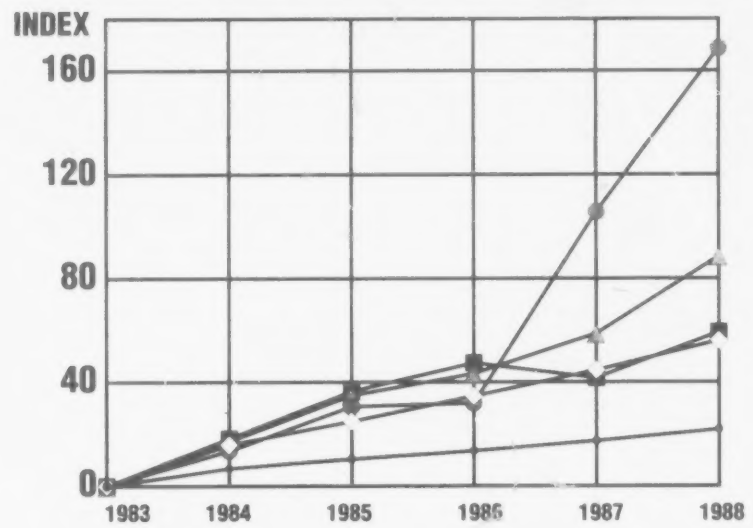
Worldwide billings since 1983



AA chart: Kevin Brown

Advertising Age 500 index

from base year 1983 in historic dollars



Notes: Index based on percentage change since 1983. Sources: Estimated U.S. advertising expenditures from Robert J. Coen, McCann-Erickson. Gross national product from U.S. Department of Commerce, Bureau of Economic Analysis. Billings from AA survey.

AA chart: Kevin Brown

AA's top 10 U.S. agencies by billings in 1988

Top 10 agencies by worldwide billings

Rank	Agency	Worldwide billings	% chg
1	Young & Rubicam	$5,390	9.9
2	Saatchi & Saatchi Advertising	5,054	11.1
3	Backer Spielvogel Bates Worldwide	4,678	15.0
4	McCann-Erickson Worldwide	4,381	28.2
5	FCB-Publicis	4,358	26.0
6	Ogilvy & Mather Worldwide	4,110	12.2
7	BBDO Worldwide	4,051	8.0
8	J. Walter Thompson Co.	3,858	18.6
9	Lintas:Worldwide	3,586	28.6
10	D'Arcy Masius Benton & Bowles	3,361	23.2

Top 10 agencies by U.S. billings

Rank	Agency	U.S. billings	% chg
1	Young & Rubicam	$2,792	8.5
2	BBDO Worldwide	2,414	7.6
3	Saatchi & Saatchi Advertising	2,210	3.9
4	Backer Spielvogel Bates Worldwide	1,964	8.6
5	DDB Needham Worldwide	1,929	17.8
6	Ogilvy & Mather Worldwide	1,875	7.4
7	FCB-Publicis	1,826	12.8
8	D'Arcy Masius Benton & Bowles	1,794	14.6
9	J. Walter Thompson Co.	1,788	10.4
10	Leo Burnett Co.	1,765	13.9

Top 10 agencies by non-U.S. billings

Rank	Agency	Non-U.S. billings	% chg
1	McCann-Erickson Worldwide	$3,067	31.0
2	Saatchi & Saatchi Advertising	2,844	17.4
3	Backer Spielvogel Bates Worldwide	2,714	20.0
4	Young & Rubicam	2,598	11.4
5	FCB-Publicis	2,532	37.6
6	Lintas:Worldwide	2,240	33.4
7	Ogilvy & Mather Worldwide	2,235	16.5
8	J. Walter Thompson Co.	2,070	26.8
9	HDM	1,709	45.1
10	BBDO Worldwide	1,637	8.6

Notes: Dollars are in millions. Only U.S.-based agencies are ranked in these tables. Agencies are consolidated to include subsidiaries.

AA chart: Kevin Brown

Methodology to ranking

The practice of allowing agencies to "double-dip" their subsidiaries makes compilations hazardous from the editor's end, and perhaps confusing to the reader.

Double-dipping is a tradition permitting parent advertising agencies to include the billings and income of subsidiaries in the parent totals by which agencies are ranked. Also, the subsidiaries are ranked based on their own lesser totals, in the same ranking as the parent.

In pulling totals, averages or other analytical data from the mound of information available in this issue, double-dipped subsidiaries must be marked so totals won't be counted twice—once in the parent totals, and separately as a subsidiary.

This can be confusing given the fact that all subsidiaries are not double-dipped for various reasons; some are double-dipped in the current year but not in the prior year, and some, like Rapp Collins Marcoa, have only a portion of their totals folded into the parent—in this case one-half each into BBDO Worldwide and DDB Needham Worldwide.

The following methodologies were used in preparing the tables, charts and totals for this issue.

Gross income ranking

The main ranking in this issue contains 588 agencies. With the top 100 agencies, if an agency is double dipped, it will have its parent agency's name in parentheses following its name. If a top 100 agency is an obvious subsidiary but does not contain the parent in parentheses, it was not reported in the parent's consolidated totals.

For example, Levine, Huntley, Schmidt & Beaver is a subsidiary of Grey Advertising but it does not have (Grey) after its name. This indicates LHS&B is not carried in Grey totals.

These parent companies are not to be confused with agency mega groups covered on Pages 80 and 81.

The following table lists parents' initials, the full name by which the parent is ranked, and any of its subsidiaries ranked in this issue *and* consolidated in its totals.

BBDO—BBDO Worldwide
- Doremus & Co.
- Blair Advertising
- Caravetta Allen Kimbrough
- Frank J. Corbett Inc.
- Franklin Spier Inc.
- Ingalls, Quinn & Johnson
- Lavey/Wolff/Swift
- Rapp Collins Marcoa (50%)
- Tracy-Locke

BSBW—Backer Spielvogel Bates Worldwide
- Campbell-Mithun-Esty
- Conill Advertising
- Kobs & Draft

DDB—DDB Needham Worldwide
- Bernard Hodes Group
- Kallir, Philips, Ross
- Kresser Craig/D.I.K.
- Rapp Collins Marcoa (50%)

DMB&B—D'Arcy Masius Benton & Bowles
- CCG/TCA
- Medicus Intercon International

FCB-Publicis
- Albert Frank-Guenther Law
- Lewis, Gilman & Kynett
- Vicom/FCB

LINTAS—Lintas:Worldwide
- Fahlgren & Swink

O&M—Ogilvy & Mather Worldwide
- Ogilvy & Mather Direct Response
- Rolf Werner Rosenthal

S&SAW—Saatchi & Saatchi Advertising Worldwide
- Klemtner
- McCaffrey & McCall
- Rumrill-Hoyt, Rochester
- Saatchi & Saatchi Direct

SCALI—Scali, McCabe, Sloves
- Martin Agency
- Fallon McElligott

JWT—J. Walter Thompson Co.
- Brouillard Communications

WRG—Wells, Rich, Greene
- Gardner Advertising Co.

Y&R—Young & Rubicam
- Creswell, Munsell, Fultz & Zirbel
- HDM (33⅓)
- Chapman/Stone & Adler
- Sudler & Hennessey
- Wunderman Worldwide

Unless otherwise noted, this list applies only to tables in the main gross income ranking.

Billed media rankings

Although media totals in parent agency profiles list consolidated billings by media, rankings by media category on Page 83 *do not*.

In the media charts, subsidiaries listed above are subtracted from the parent companies' billings in that medium.

This policy exists because the tables—which list only the top 10 agencies in each media category—would be unnecessarily repetitious if the parent were allowed to fold in billings of its subsidiaries.

For example, Bernard Hodes Group is ranked second in newspaper billings. A double-dipped table would have ranked both Hodes and its parent, DDB Needham Worldwide, on the chart. This would have unfairly excluded tenth ranked Bozell, Jacobs, Kenyon & Eckhardt, from the chart.

This policy does present problems. Some subsidiaries report media billings to their parent company differently than they are reported to AA. Sometimes direct response billings are reported to the parent company as capitalized fees and to AA as media billed, or vice versa. Newspaper and magazine categories often contain some or all of farm, business and medical publication billings in either parent or subsidiary.

Also, spot, network, cable and syndicated TV billings are sometimes combined.

In all cases, subsidiaries are given the full benefit of media billings reported.

Although this process is not undertaken to penalize parent companies, parent media billings must reflect the aggregate of all media billed by subsidiaries if the agency reports consolidated billings. As such, parent companies bear the full responsibility of subsidiary reporting. Parent companies which include the billings of subsidiaries are expected to reflect subsidiary totals within the parent's composite media totals.

Retrospective figures

The "Five-year gross income and billings review" and the "AA 500 Index" contain totals from 1984 to present, for the top 25, top 100 and top 500. In both charts, all figures are historic, meaning all figures are for the year in which they were reported. The AA 500 for 1988 is not the same group of agencies as the AA 500 for 1987.

In all cases in this issue, previous years' totals are historical unless otherwise noted. This is done for comparison purposes for individual agencies. Where agencies have been acquired within the last year, 1987 totals represent the parent agency's historical figures as if it owned the agency during the entire previous year.

AA's reference to the top 25 agencies refers to those ranked by gross income on Page 8. However, totals representing the top 25, top 100 and top 500 are all undouble-dipped. All subsidiaries have been subtracted.

This allows AA to maintain a constant top 25 agencies without double-dipping No. 22 Ogilvy & Mather Direct Response with parent, No. 6 Ogilvy & Mather Worldwide, for example.

Key to profile information

Data in agency profiles was obtained from agencies that received and completed a questionnaire prepared by ADVERTISING AGE.

Agencies were asked to provide gross income and total volume, the latter identified as the sum of media billings, billings to the client for materials and services and capitalized fees—a method of equating fees to billings by treating the raw fee as if it were the 15% commission the agency earned by billing an amount 6.67 times the raw fee.

Gross income in the traditional agency structure is the sum of the 15% commission earned from the media billings, the markup (usually 17.65%) for materials and services billed the client, and the raw fee. Where the agency profile states gross income as an estimate, it was provided by ADVERTISING AGE.

AD AGE again provided a geographic breakout of agency billings. When agencies did not comply with this request made in the questionnaire, their regional billings were estimated whenever possible and they were contacted about the estimates.

This year marked the fifth year in which agencies provided verification from an independent accountant for figures they reported. Those agencies providing a signature were noted in this issue by a check mark by their ranking beginning on Page 8 and a check mark in the box above the profile for the top 100 agencies.

Compliance has improved measurability. Five years ago, one-third of the agencies complied; this year ADVERTISING AGE achieved 64.6% compliance.

The statement of verification follows:

The undersigned, acting as outside accountant for the agency, confirms that the U.S. income figure indicated above for the year 1988 reflects totals as entered on the books of the company for the period reported.

Several variations of this statement were accepted including a more formal letter written in 1984 by the New York State Society of CPAs under the direction of Gene F. Gaughan, chairman of the advertising committee of the society.

(See statement below)

N.Y. cpa statement used

To agency board of directors:

We *(the accounting firm)* have applied certain agreed-upon procedures, as discussed below, to the account records of *(give name of* agency) for the year ended Dec. 31, 1988, solely to assist you in preparing your report to appear in the "1988 Agency Income Report" to be published by ADVERTISING AGE on March 29, 1989.

It is understood that our report on your accounting records is solely for your information and is not to be referred to or distributed for any purpose to anyone who is not a member of management of your agency without our consent. You may attach a copy of this letter to your agency's report to ADVERTISING AGE.

Our procedure was to confirm total 1988 "U.S. Income" of *(the amount is given)* shown on the agency income questionnaire agreed with the balances in general ledgers or other financial records maintained by your agency and its U.S. affiliates.

Because the above procedure does not constitute an examination made in accordance with generally accepted auditing standards, we do not express an opinion on any of the accounts or items referred to above.

In connection with the procedure referred to above, no matters came to our attention that caused us to believe that "U.S. Income" should be adjusted. Had we performed additional procedures or had we completed or made an examination of the financial statements in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you.

This report relates only to the accounts and items specified here and does not extend to any financial statements of your agency taken as a whole.

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Top 100 U.S.-based agencies by gross income

Rank 1988	Rank 1987		Agency, headquarters	Worldwide gross income 1988	Worldwide gross income 1987	Worldwide billings 1988	Worldwide billings 1987	U.S. gross income 1988	U.S. gross income 1987	U.S. billings 1988	U.S. billings 1987	U.S. capitalized fees 1988	U.S. capitalized fees 1987	Worldwide employees 1988	Worldwide employees 1987
1	1	✓	**Young & Rubicam**** , New York	$757.6	$735.5	$5,330.3	$4,905.7	$372.8	$385.8	$2,791.8	$2,573.0	NA	NA	12,311	11,634
2	2		**Saatchi & Saatchi Advertising Worldwide**, New York	740.5	685.3	5,053.9	4,548.5	326.3	328.1	2,209.6	2,126.1	NA	NA	7,750	NA
3	3		**Backer Spielvogel Bates Worldwide**, New York	689.8	600.7	4,677.9	4,068.7	282.7	261.6	1,964.2	1,808.0	NA	NA	6,739	6,580
4	6	✓	**McCann-Erickson Worldwide**, New York	656.8	512.5	4,381.0	3,418.5	197.0	161.6	1,314.0	1,078.0	NA	NA	8,606	7,941
5	13	✓	**FCB-Publicis**, Chicago/Paris	653.3	518.5	4,357.6	3,458.3	273.7	242.7	1,825.8	1,618.7	NA	NA	7,661	6,834
6	5	✓	**Ogilvy & Mather Worldwide**, New York	635.2	563.9	4,110.1	3,663.8	281.1	261.6	1,874.9	1,745.2	NA	NA	7,671	7,693
7	4	✓	**BBDO Worldwide**, New York	585.9	549.7	4,051.2	3,752.6	340.5	331.4	2,414.3	2,244.7	$483.0	$565.8	5,497	5,242
8	7	✓	**J. Walter Thompson Co.**, New York	559.3	487.6	3,857.5	3,252.2	257.5	242.8	1,787.9	1,619.3	NA	NA	6,738	6,735
9	8	✓	**Lintas:Worldwide**, New York	537.6	417.9	3,585.6	2,787.2	201.7	166.1	1,345.4	1,107.9	NA	NA	6,372	5,264
10	11	✓	**Grey Advertising**, New York	432.8	369.2	2,886.5	2,462.6	227.9	218.2	1,520.3	1,455.4	134.4	95.4	5,600	4,460
11	9	✓	**D'Arcy Masius Benton & Bowles**, New York	428.7	371.3	3,360.8	2,727.3	209.6	196.8	1,794.2	1,565.3	NA	NA	5,532	5,428
12	10	✓	**Leo Burnett Co.**, Chicago	428.4	369.2	2,865.1	2,461.8	263.4	232.5	1,765.0	1,550.0	61.4	52.7	5,211	4,643
13	12	✓	**DDB Needham Worldwide**, New York	399.9	368.5	3,020.3	2,670.1	244.4	218.0	1,929.3	1,637.5	594.1	393.0	4,697	4,355
14	14	✓	**HDM**, New York **(33% Y&R)**	279.0	204.0	1,937.7	1,383.6	28.6	27.4	228.9	206.0	69.4	55.6	2,528	372,270
15	16	✓	**N W Ayer**, New York	185.2	166.1	1,347.7	1,217.8	127.8	116.2	946.7	878.0	NA	NA	2,644	2,012
16	15	✓	**Bozell, Jacobs, Kenyon & Eckhardt**, New York	179.2	185.2	1,283.0	1,325.0	150.3	158.9	1,090.0	1,150.0	171.7	176.5	2,172	2,347
17	17		**Wells, Rich, Greene ***, New York	117.3	107.0	835.9	765.0	117.0	107.0	833.9	765.0	NA	NA	829	805
18	18	✓	**Scali McCabe Sloves**, New York	107.0	93.1	770.6	653.2	71.8	69.8	559.7	506.8	NA	NA	1,438	1,309
19	19	✓	**Ketchum Communications**, Pittsburgh	105.9	88.1	776.0	660.0	102.1	85.1	726.0	610.0	196.7	159.8	1,410	1,207
20	23		**Campbell-Mithun-Esty**, Minneapolis, Minn. **(BSBW)**	105.6	99.9	783.0	740.8	105.6	99.9	783.0	740.8	75.2	74.6	1,207	1,100
21	21		**TBWA Advertising**, New York	97.4	74.6	671.9	545.0	23.1	18.9	154.1	125.9	NA	NA	816	680
22	20	✓	**Ogilvy & Mather Direct Response**, New York **(O&M)**	97.0	84.0	647.0	560.0	41.0	39.0	272.3	260.0	NA	NA	1,212	1,200
23	22	✓	**Ross Roy Group**, Bloomfield Hills, Mich.	85.2	71.3	568.1	475.3	85.2	71.3	568.1	475.3	298.7	252.2	955	899
24	38		**Della Femina, McNamee WCRS**, New York	84.4	78.9	660.5	590.1	84.4	78.9	660.5	590.1	172.0	NA	991	947
25	24	✓	**Wunderman Worldwide**, New York **(Y&R)**	68.6	62.1	457.5	414.8	39.9	38.9	266.1	260.0	NA	NA	622	NA
26	25		**Chiat/Day**, Venice, Calif.	65.0	52.5	520.0	350.0	62.0	52.5	500.0	350.0	177.0	68.4	706	435
27	26	✓	**Tracy-Locke**, Dallas **(BBDO)**	54.5	47.3	408.0	326.0	54.5	47.3	408.0	326.0	144.6	120.8	654	593
28	29	✓	**Hill, Holliday, Connors, Cosmopulos**, Boston	50.2	43.4	335.0	289.6	43.1	36.7	287.4	245.0	230.9	201.8	530	512
29	27	✓	**Lowe Marschalk**, New York	45.6	45.6	304.2	304.2	45.6	45.6	304.2	304.2	NA	NA	408	NA
30	35		**AC&R Advertising**, New York	44.2	45.3	355.6	366.1	44.2	45.3	355.6	366.1	29.1	38.4	469	562
31	31		**Laurence, Charles, Free & Lawson ***, New York	43.3	43.2	302.0	302.0	43.3	43.2	302.0	302.0	16.0	16.0	334	322
32	30		**McCaffrey & McCall**, New York **(S&SAW)**	41.9	41.2	303.7	301.7	39.8	39.6	286.4	287.0	61.0	77.3	417	491
33	33		**W.B. Doner & Co.**, Southfield, Mich./Baltimore	41.9	40.6	303.3	270.1	37.0	37.6	268.7	247.2	62.3	28.3	523	501
34	37		**Admarketing Inc.**, Los Angeles	40.4	36.0	224.5	201.0	40.4	36.0	224.5	201.0	NA	NA	138	135
35	34		**Jordan, McGrath, Case & Taylor**, New York	38.5	38.4	300.0	280.0	38.5	38.4	300.0	280.0	50.7	44.7	283	310
36	40		**Earle Palmer Brown Cos.**, Bethesda, Md.	36.2	33.1	271.1	248.8	36.2	33.1	271.1	248.8	93.7	86.4	446	466
37	42	✓	**Medicus Intercon International**, New York **(DMB&B)**	35.5	32.0	286.2	249.9	12.5	11.9	117.6	104.2	79.0	75.0	435	421
38	36		**Ally & Gargano**, New York	34.4	37.2	295.2	316.7	34.4	37.2	295.2	316.7	26.4	12.5	220	255
39	44	✓	**Bernard Hodes Group**, New York **(DDB)**	32.8	28.1	218.6	187.2	30.7	27.0	204.4	180.3	NA	NA	477	424
40	45		**Levine, Huntley, Schmidt & Beaver**, New York	32.1	26.9	216.4	181.8	32.1	26.9	216.4	181.8	58.4	28.0	250	225
41	51	✓	**Telephone Marketing Programs**, New York	31.4	23.2	209.2	154.8	29.6	21.7	197.1	144.5	NA	NA	736	735
42	48	✓	**Sudler & Hennessey**, New York **(Y&R)**	29.5	26.8	196.5	178.9	20.6	19.7	137.2	131.1	NA	NA	282	272
43	47	✓	**Ammirati & Puris**, New York	28.0	25.5	210.0	170.0	28.0	25.5	210.0	170.0	NA	NA	260	245
44	28	✓	**Doremus & Co.**, New York **(BBDO)**	26.5	28.0	188.5	201.2	25.6	27.1	181.0	194.5	28.0	33.0	312	298
45	46		**Direct Marketing Group**, New York	26.1	25.6	152.9	149.8	26.1	25.6	152.9	149.8	116.1	113.4	637	688
46	43		**Tatham-Laird & Kudner**, Chicago	26.0	28.9	217.0	241.8	26.0	28.9	217.0	241.8	43.5	67.8	285	312
47	80		**Kobs & Draft Advertising**, Chicago **(BSBW)**	25.0	12.8	166.9	85.3	13.5	12.8	90.2	85.3	56.0	61.6	240	142
48	41	✓	**LGFE Inc.**, New York	24.6	31.8	172.4	221.3	24.6	31.8	172.4	221.3	17.2	18.6	129	325
49	50		**Nationwide Advertising Service ***, Cleveland	24.1	20.4	185.4	157.2	24.1	20.4	185.4	157.2	NA	NA	376	358
50	56		**Warwick Advertising**, New York	24.0	21.0	160.0	141.0	24.0	21.0	160.0	141.0	28.7	25.7	190	190
51	NA	✓	**Rapp Collins Marcoa**, New York **(BBDO/DDB)**	23.7	23.4	236.3	218.6	23.7	23.4	236.3	218.6	76.0	68.0	328	307
52	52		**Hal Riney & Partners ***, San Francisco	23.0	23.0	200.0	200.0	23.0	23.0	200.0	200.0	NA	NA	183	185
53	54	✓	**Bloom Cos.**, Dallas	22.1	22.4	182.6	175.9	22.1	22.4	182.6	175.9	NA	NA	263	265
54	53	✓	**Evans Communicunications**, Salt Lake City	22.1	22.8	147.5	152.0	22.1	22.8	147.5	152.0	42.0	42.5	336	342
55	49		**Keller-Crescent Co.**, Evansville, Ind.	22.0	23.5	110.3	114.5	22.0	23.5	110.3	114.5	49.8	49.2	561	561
56	67	✓	**Kallir, Philips, Ross**, New York **(DDB)**	21.5	15.8	188.6	137.0	17.7	13.9	163.2	123.9	117.9	92.3	215	185
57	55		**Griffin Bacal**, New York	20.0	21.2	155.8	165.7	18.4	20.5	143.9	160.4	NA	NA	187	211
58	66	✓	**Dailey & Associates**, Los Angeles	19.6	16.9	131.0	112.8	19.6	16.9	131.0	112.8	NA	NA	185	189
59	58	✓	**Lewis, Gilman & Kynett**, Philadelphia **(FCB)**	19.2	19.2	128.0	128.0	19.2	19.2	128.0	128.0	37.0	33.6	265	275
60	61	✓	**Fahlgren & Swink**, Parkersburg, W. Va. **(LINTAS)**	18.9	17.8	126.2	118.6	18.9	17.8	126.2	118.6	65.6	62.4	284	303
61	63		**Geer, DuBois**, New York	18.0	17.3	120.0	115.0	18.0	17.3	120.0	115.0	NA	NA	190	170
62	64		**McKinney & Silver**, Raleigh, N.C.	17.9	17.2	119.5	114.7	17.9	17.2	119.5	114.7	7.4	8.0	122	135
63	62	✓	**Rubin Postaer & Associates**, Los Angeles	17.5	17.6	128.7	125.5	17.5	17.6	128.7	125.5	0.4	1.7	148	151
64	NA		**Rosenfeld, Sirowitz, Humphrey & Strauss**, New York	17.4	16.5	116.0	110.0	17.4	16.5	116.0	110.0	8.8	6.7	122	114
65	68	✓	**Martin Agency**, Richmond, Va. **(SCALI)**	16.9	15.4	113.0	102.6	16.9	15.4	113.0	102.6	NA	NA	195	176
66	79	✓	**Thomas G. Ferguson Associates**, Parsippany, N.J.	16.9	12.9	102.1	84.1	16.9	12.9	102.1	84.1	90.7	75.2	110	100
67	65	✓	**Tucker Wayne/Luckie & Co.**, Atlanta/Birmingham, Ala.	16.7	17.2	119.7	123.3	16.7	17.2	119.7	123.3	24.0	25.8	187	198
68	75	✓	**Fallon McElligott**, Minneapolis **(SCALI)**	16.5	13.6	131.4	108.4	16.5	13.6	131.4	108.4	17.6	12.5	130	127
69	97	✓	**CCG/TCA**, Greenwich, Conn. **(DMB&B)**	16.4	10.7	109.6	67.2	16.4	10.7	109.6	67.2	NA	NA	126	71
70	71	✓	**Eisaman, Johns & Laws**, Los Angeles	16.1	14.9	111.5	102.2	16.1	14.9	111.5	102.2	7.0	6.7	199	168
71	59	✓	**Davis, Ball, Colombatto Advertising**, Los Angeles	15.9	18.9	135.7	134.2	15.9	18.9	135.7	134.2	23.1	15.7	215	204
72	57	✓	**Ingalls, Quinn & Johnson**, Boston **(BBDO)**	15.9	20.3	105.8	135.0	15.9	20.3	105.8	135.0	11.7	16.5	219	242
73	NA		**Gardner Advertising Co. ***, St. Louis **(WRG)**	15.8	15.8	106.0	106.0	15.8	15.8	106.0	106.0	NA	NA	147	147
74	82		**Wyse Advertising**, Cleveland	15.7	12.3	105.8	93.2	15.7	12.3	105.8	93.2	30.3	23.4	231	185
75	76		**GSDM**, Austin, Texas	15.3	13.5	124.1	103.0	15.3	13.5	124.1	103.0	24.0	NA	171	NA
76	70		**William Douglas McAdams Inc.**, New York	15.2	15.2	107.0	100.9	15.2	15.2	107.0	100.9	38.0	35.9	159	159
77	73	✓	**Weightman Group**, Philadelphia	15.2	14.0	101.4	93.4	15.2	14.0	101.4	93.4	NA	NA	210	201
78	77		**Richards Group**, Dallas	15.1	13.4	101.4	89.1	15.1	13.4	101.4	89.1	44.5	49.7	166	149
79	115		**Poppe Tyson**, New York	14.3	9.0	95.0	66.0	14.3	9.0	95.0	66.0	11.0	8.2	131	124
80	128		**M.E.D. Communications ***, Woodridge, N.J.	14.2	11.1	93.0	73.0	14.2	11.1	93.0	73.0	66.0	54.0	120	105
81	83	✓	**Cramer-Krasselt Co.**, Milwaukee	14.0	12.2	96.5	84.6	14.0	12.2	96.5	84.6	12.9	10.4	181	158
82	84	✓	**Cabot Communications**, Boston	13.7	12.1	95.5	80.0	13.7	12.1	95.5	80.0	32.6	19.0	161	155
83	96		**Avrett, Free & Ginsberg**, New York	13.3	10.8	112.0	90.2	13.3	10.8	112.0	90.2	23.2	18.0	70	60
84	NA		**Lois/GGK New York**, New York	13.3	10.4	99.4	89.0	13.3	10.4	99.4	89.0	NA	NA	95	93
85	86		**Venet Cos.**, Union, N.J.	13.1	11.4	87.4	76.0	13.1	11.4	87.4	76.0	NA	NA	220	214
86	108	✓	**Bayer Bess Vanderwarker ***, Chicago	13.0	10.0	84.9	64.8	13.0	10.0	84.9	64.8	7.0	2.0	150	106
87	95	✓	**Lavey/Wolff/Swift**, New York **(BBDO)**	12.7	10.8	84.5	72.2	12.7	10.8	84.5	72.2	NA	NA	120	112
88	90	✓	**Miller Advertising Agency**, New York	12.5	11.1	83.5	76.3	12.5	11.1	83.5	76.3	15.4	13.3	180	180
89	81		**Towne Silverstein & Rotter**, New York	12.5	12.3	83.0	83.5	12.5	12.3	83.0	83.5	NA	NA	45	45
90	88	✓	**Chapman Stone & Adler**, New York **(Y&R)**	12.3	11.3	83.6	74.9	12.3	11.3	83.6	74.9	77.8	68.9	123	127
91	111		**Klemtner Advertising**, New York **(S&SAW)**	12.0	9.5	90.2	70.0	12.0	9.5	90.2	70.0	71.4	54.7	125	110
92	89	✓	**Vicom/FCB**, San Francisco **(FCB)**	12.0	11.2	80.0	75.0	12.0	11.2	80.0	75.0	NA	NA	115	101
93	114	✓	**Long, Haymes & Carr**, Winston-Salem, N.C.	12.0	9.1	83.6	60.7	12.0	9.1	83.6	60.7	27.0	21.2	185	150
94	87	✓	**Creswell, Munsell, Fultz & Zirbel**, Cedar Rapids, Iowa **(Y&R)**	11.9	11.4	79.2	75.8	11.9	11.4	79.2	75.8	NA	NA	190	173
95	99		**Al Paul Lefton**, New York	11.7	12.2	68.0	70.8	11.7	12.2	68.0	70.8	9.3	9.7	149	180
96	93	✓	**Cole & Weber**, Seattle	11.6	11.0	93.3	87.1	11.6	11.0	93.3	87.1	36.7	36.1	156	147
97	102		**Rumrill-Hoyt**, Rochester, N.Y. **(S&SAW)**	11.3	10.2	75.6	68.2	11.3	10.2	75.6	68.2	55.3	47.5	NA	NA
98	100		**Henderson Advertising**, Greenville, S.C.	11.3	10.6	75.1	70.6	11.3	10.6	75.1	70.6	29.0	18.3	104	101
99	127	✓	**Gross Townsend Frank Hoffman**, New York	11.3	8.1	75.2	54.3	11.3	8.1	75.2	54.3	NA	NA	109	90
100	110	✓	**Mojo U.S.A.**, San Francisco	11.0	9.6	73.6	63.7	11.0	9.6	73.6	63.7	3.7	3.1	147	130

Notes: Dollars are in millions. Initials in parentheses indicate the parent company in which the subsidiaries' figures are included. See Page 6 for methodology. ✓ indicates that the agency received signature of an independent accountant verifying figures supplied to AA. * indicates that gross income and/or total volume figures are AA estimates. ** Y&R's 1987 totals include non-media-related gross income and billings figures eliminated from 1988 results. See Y&R profile.

AA chart: Kevin Brown

Agencies ranked 101 to 588 with U.S. billings by media category

Rank		Agency, headquarters	Gross income 1988	Gross income 1987	Total volume 1988	Total volume 1987	Capitalized fees 1988	Capitalized fees 1987	Commissionable media 1988	Commissionable media 1987	Print media billings 1988	Print media billings 1987	Broadcast media billings 1988	Broadcast media billings 1987	Top executive, title	Telephone number
101	✓	Asher/Gould Advertising, Los Angeles	11,003	9,003	75,003	60,003	6,003	6,003	61,000	48,000	3,800	3,000	49,100	41,000	Hal Asher, chmn, ceo	(213) 931-4151
102		HCF & Lois/GGK, Chicago *	11,000	9,900	72,000	65,000	NA	11,000	66,000	48,000	25,000	17,000	34,000	26,000	Edwin H. Holzer, chmn, ceo	(312) 527-5030
103	✓	Altschiller Reitzfeld Davis/Tracy Locke, New York	10,890	11,055	72,600	73,700	11,500	13,100	55,900	54,500	13,650	16,520	42,250	37,980	David Altschiller, chmn, ceo	(212) 586-1400
104	✓	Keye/Donna/Pearlstein, Los Angeles	10,835	11,912	72,267	79,450	4,112	4,219	62,397	69,568	18,719	20,175	39,374	40,697	Leonard Pearlstein, president, ceo	(213) 477-0061
105	✓	William Cook Advertising, Jacksonville, Fla.	10,697	10,282	76,463	70,449	NA	NA	76,463	70,449	9,864	9,652	63,464	58,050	Bernard C. Schramm Jr., president	(904) 353-3011
106	✓	Liggett-Stashower, Cleveland	10,609	10,500	70,300	70,200	6,884	9,484	50,616	48,017	22,243	20,807	27,670	26,508	David L. Stashower, chmn, ceo	(216) 348-8500
107		Margeotes Fertitta & Weiss, New York	10,583	7,747	68,726	50,275	19,676	9,025	38,650	33,440	24,940	20,335	11,690	9,025	John Margeotes, chmn	(212) 979-6600
108	✓	QLM Associates, Princeton, N.J.	10,547	8,462	69,733	55,910	65,739	52,426	514	495	392	382	NA	NA	W.R. Lipsky, president	(609) 683-1177
109	✓	Carmichael Lynch, Minneapolis	10,470	10,627	76,213	70,868	35,798	39,040	29,835	21,754	13,836	10,285	13,597	9,727	Lee Lynch, chmn, ceo	(612) 334-6000
110	✓	Barry Blau & Partners, Fairfield, Conn.	10,319	9,758	82,549	72,335	39,040	38,306	NA	NA	NA	NA	NA	NA	Barry Blau, chmn	(203) 254-3700
111	✓	Noble Communications, Springfield, Mo.	10,294	8,634	76,777	60,290	39,926	23,965	26,336	29,100	10,806	8,195	21,392	13,884	Robert B. Noble, chmn, ceo	(417) 882-5050
112	✓	Valentine-Radford, Kansas City, Mo.	10,196	11,015	70,287	80,918	36,380	36,702	28,359	31,244	11,763	12,729	12,794	15,419	Robert C. Lang, president	(816) 842-5021
113		Allied Advertising Agency, Boston	10,121	6,329	67,472	42,190	NA	NA	67,472	42,190	58,472	NA	9,000	NA	Gerald Feldman, president	(617) 482-4100
114	✓	Brouillard Communications, New York	9,951	9,973	66,376	66,517	NA	NA	NA	NA	23,377	26,990	11,048	13,070	James H. Foster, president	(212) 867-8300
115		Burrell Advertising, Chicago	9,862	8,559	65,747	57,063	28,612	36,900	31,935	16,118	5,223	9,200	32,587	26,565	Thomas Burrell, chmn	(312) 443-8600
116	✓	DCA Advertising, New York	9,814	8,705	71,163	62,761	NA	NA	55,191	53,662	31,423	29,999	19,940	19,177	Toshio Naito, president	(212) 703-1700
117		Martin-Williams, Minneapolis	9,800	8,800	83,000	76,000	56,000	43,900	25,500	26,400	13,800	11,800	17,100	13,800	David D. Floren, president	(612) 340-0800
118	✓	Frank J. Corbett Inc., Chicago	9,786	7,927	65,273	52,873	NA	NA	NA	NA	9,674	10,575	NA	NA	Frank J. Corbett, chmn	(312) 664-5310
119		Unispond Inc., Oakbrook Terrace, Ill. *	9,300	8,500	62,576	57,002	NA	NA	NA	NA	NA	NA	NA	NA	Terence M. Graunke, president, ceo	(312) 932-8400
120		Aragon Cos., St. Louis	9,200	10,316	53,989	50,512	23,674	24,326	10,906	10,692	3,970	4,099	6,883	5,572	Dennis P. Long, chmn	(314) 726-6838
121	✓	Carrafiello-Diehl & Associates, Irvington-on-Hudson, N.Y.	9,190	7,836	60,993	51,740	19,997	21,524	39,381	27,327	13,279	8,759	25,143	17,780	A. Louis Carrafiello, president, chmn	(214) 591-9191
122		Epsilon, Burlington, Mass.	9,073	9,080	58,722	58,357	44,962	42,655	3,662	3,262	NA	NA	NA	NA	Thomas O. Jones, president	(617) 273-0250
123		Meldrum & Fewsmith, Cleveland *	9,031	13,000	60,200	80,200	NA	NA	NA	NA	22,127	NA	22,243	NA	Chris N. Perry, chmn, ceo, creative dir	(216) 241-2141
124	✓	Keyes Martin Gaby Linett, Springfield, N.J.	9,000	8,950	58,000	58,000	36,000	35,500	17,000	17,900	8,400	8,413	4,300	4,296	Daniel M. Gaby, chmn	(201) 376-7300
125		Russ Reid Co., Pasadena, Calif.	9,000	6,515	57,474	41,302	18,209	14,767	20,470	17,268	NA	NA	NA	NA	Russ Reid, chmn	(818) 449-6100
126	✓	Christopher Thomas/MullerJordanWeiss, New York	8,990	NA	71,150	NA	7,430	NA	58,670	NA	27,500	NA	38,600	NA	Christopher B. Santry, chmn, ceo	(212) 603-6600
127		Saatchi & Saatchi Direct, Rochester, N.Y.	8,857	8,355	59,148	55,493	53,260	9,171	950	750	950	750	NA	NA	Richard A. Peters, chmn, president	(716) 272-2500
128	✓	Mullen Advertising, Wenham, Mass.	8,831	6,416	58,904	42,796	47,838	9,787	4,796	27,383	25,015	18,360	6,500	6,400	James X. Mullen, president	(508) 468-1155
129	✓	Miller Meester Advertising, Minneapolis	8,790	7,030	58,000	46,869	NA	NA	NA	NA	NA	NA	NA	NA	Robert V. Miller, president, ceo	(612) 337-6600
130	✓	Ackerman, Hood & McQueen, Oklahoma City	8,679	9,197	60,992	63,162	37,391	37,529	16,541	17,622	7,278	7,577	8,932	9,869	Angus L. McQueen, president, ceo	(405) 843-7777
131	✓	Richardson, Myers & Donofrio, Baltimore	8,654	7,975	59,282	58,000	11,707	9,500	34,975	37,500	NA	NA	NA	NA	Hal Donofrio, president, ceo	(301) 576-9000
132		Bernstein-Rein Advertising, Kansas City, Mo.	8,610	8,513	82,321	81,392	6,410	3,441	68,327	70,395	13,132	10,355	52,805	57,928	Robert A. Bernstein, president	(816) 756-0640
133	✓	Group 243, Ann Arbor, Mich.	8,557	7,996	50,982	48,500	5,349	3,669	38,779	41,850	1,565	6,600	34,523	32,000	Janet C. Muhleman, president	(313) 995-0243
134	✓	Marketing Resources, Overland Park, Kan.	8,337	5,160	55,700	35,600	14,000	8,650	35,700	22,150	3,700	3,700	1,400	2,200	Frank G. Weyforth Jr., president, ceo	(913) 648-8333
135	✓	David Deutsch Associates, New York	8,316	7,463	54,985	49,850	3,725	3,377	48,677	44,403	18,276	17,869	25,664	23,335	David Deutsch, chmn	(212) 867-0044
136	✓	Elkman Advertising, Bala Cynwyd, Pa.	8,300	9,200	55,328	61,359	26,830	35,118	18,064	20,076	6,711	6,846	10,403	11,363	Stanley Elkman, ceo	(215) 668-1100
137	✓	Albert Frank-Guenther Law, New York	8,284	8,379	55,258	55,888	5,625	7,364	40,792	43,814	40,492	43,189	NA	350	Stephen J. Witt, chmn, ceo	(212) 248-5200
138		Martin Marshall Jaccoma Mitchell, New York	8,255	7,010	55,000	40,000	NA	NA	NA	NA	30,000	20,000	15,000	10,000	John Martin, president	(212) 683-0001
139		Bentley, Barnes & Lynn, Chicago	8,221	6,720	54,807	44,801	1,772	1,687	51,496	40,686	45,529	34,355	5,722	5,317	Samuel M. Conforti, coo	(312) 467-9350
140	✓	MARC Advertising, Pittsburgh	8,220	7,400	54,811	49,000	22,011	18,600	25,000	23,000	8,700	9,000	14,600	13,300	Louis J. Cardamone, chmn, ceo	(412) 562-2000
141		McAdams, Richman & Ong, Bala Cynwyd, Pa.	8,150	8,375	57,000	57,200	19,950	18,200	34,000	36,000	12,500	13,000	20,000	21,300	Hank Kozlowski, chmn	(215) 667-8900
142	✓	Devon Direct Marketing & Advertising, Malvern, Pa.	8,000	6,500	66,200	53,000	24,700	17,300	2,100	100	200	100	NA	NA	Ronald Greene, managing dir	(215) 644-0333
143	✓	Lawler Ballard, Norfolk, Va.	7,886	8,218	52,598	54,812	NA	NA	NA	NA	NA	NA	NA	NA	B.R. Lawler, chmn	(804) 627-0261
144	✓	J. Richard Smith Ltd., Old Bethpage, N.Y.	7,840	6,350	40,150	35,630	NA	NA	33,540	30,600	17,365	15,200	12,985	11,650	Gerald R. Smith, president, ceo	(516) 293-8700
145	✓	William R. Biggs/Gilmore Associates, Kalamazoo, Mich.	7,820	6,000	52,300	40,200	47,500	36,152	2,600	2,073	27,650	20,200	1,150	1,600	Ron Davis, president, ceo	(616) 349-7711
146	✓	Colle & McVoy, Minneapolis	7,795	9,457	57,713	62,177	10,531	10,695	17,709	18,725	6,121	6,451	3,252	4,264	Clarence M. Thompson, ceo, chmn	(612) 851-2500
147	✓	Romann & Tannenholz Advertising, New York	7,757	5,946	51,011	39,197	8,671	6,667	38,340	30,030	25,315	21,830	10,525	6,500	Gad Romann, chmn, creative dir	(212) 645-0300
148	✓	Dugan/Farley Communications, Uppr. Sddl. Rvr., N.J.	7,653	6,805	50,026	44,482	37,732	33,540	6,552	5,824	6,100	3,203	403	NA	John P. Dugan, president	(201) 934-0720
149		Dorritie & Lyons, New York *	7,630	6,946	50,000	45,000	15,008	12,506	30,000	25,000	29,400	24,500	600	500	John F. Dorritie, president	(212) 687-9394
150	✓	Eric Mower & Associates, Syracuse, N.Y.	7,429	6,966	50,451	48,776	19,747	21,253	21,390	18,211	8,606	7,224	6,630	6,214	Eric Mower, president, ceo	(315) 466-1000
151		Levy, King & White Cos., Buffalo, N.Y.	7,275	6,825	48,500	45,500	26,700	25,025	15,100	14,560	5,753	5,824	7,354	7,149	Peter King, chmn, ceo	(716) 853-6755
152	✓	Bader Rutter & Associates, Brookfield, Wis.	7,126	7,023	50,310	49,202	18,219	14,887	20,832	25,411	13,452	15,340	7,380	7,529	Ronald L. Bader, president	(414) 784-7200
153	✓	Mintz & Hoke, Avon, Conn.	7,040	6,827	46,933	45,513	42,272	43,253	4,335	2,260	20,635	17,550	19,350	20,150	Joseph M. Hoke, ceo, creative dir	(203) 678-0473
154	✓	Cato Johnson/Y&R, New York	6,850	5,712	45,000	38,000	45,000	38,000	NA	NA	NA	NA	NA	NA	Don Casey, chmn, ceo	(212) 614-3900
155		Ruhr/Paragon, Minneapolis	6,847	7,302	51,100	54,900	19,470	19,440	24,987	23,380	6,500	9,420	15,690	15,300	Charles F. Ruhr, chmn	(612) 332-4565
156		D.M.C.A., St. Louis	6,812	5,284	31,206	24,593	29,128	23,039	NA	NA	NA	NA	NA	NA	Michael T. McSweeney, president, ceo	(314) 436-1122
157	✓	Waring & LaRosa, New York	6,800	6,200	50,200	44,800	10,300	6,900	36,400	35,100	14,100	15,075	22,000	19,950	Joseph A. LaRosa, chmn	(212) 755-0700
158		Hoffman York & Compton, Milwaukee	6,791	4,192	39,000	31,500	7,232	6,329	25,612	22,685	11,707	8,119	8,011	9,612	Gene Gilmartin, president	(414) 289-9700
159	✓	Yellow Pages Marketing Services, Mequon, Wis.	6,786	5,757	44,768	38,378	1,914	1,314	42,855	37,064	NA	NA	NA	NA	Richard C. Miller, president, ceo	(414) 241-8600
160		Slater Hanft Martin, New York	6,783	6,371	44,617	41,802	4,482	3,202	36,735	34,800	15,845	13,224	25,560	19,140	Gerold Martin, chmn	(212) 674-3100
161	✓	Campbell & Wagman, Los Angeles	6,774	5,572	58,494	37,148	14,147	8,551	41,466	26,796	5,318	5,359	35,319	21,169	Michael W. Wagman, chmn	(213) 444-3200
162		Smith/Greenland, New York	6,712	6,405	44,040	42,067	32,663	30,015	8,877	9,652	29,678	27,850	6,611	6,620	Leo Greenland, chmn, ceo	(212) 757-3200
163	✓	Rolf Werner Rosenthal, New York	6,675	7,400	44,525	49,350	44,525	49,350	NA	NA	13,750	14,500	500	500	Ronald J. Souza, president, ceo	(212) 684-0909
164	✓	Goodwin, Dannenbaum, Littman & Wingfield, Houston	6,607	6,599	49,400	44,000	22,678	16,342	22,000	23,159	8,032	8,106	12,798	13,894	Earl Littman, chmn, ceo	(713) 622-7676

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Rank		Agency, headquarters	Gross income 1988	Gross income 1987	Total volume 1988	Total volume 1987	Capitalized fees 1988	Capitalized fees 1987	Commissionable media 1988	Commissionable media 1987	Print media billings 1988	Print media billings 1987	Broadcast media billings 1988	Broadcast media billings 1987	Top executive, title	Telephone number
165		Berenter Greenhouse & Webster, New York	6,600	6,100	48,022	40,606	16,361	11,906	25,901	23,200	11,321	6,264	12,620	15,752	William Berenter, chmn	(212) 995-9500
166	✓	Grant/Jacoby, Chicago	6,600	6,200	65,680	61,350	26,680	33,350	35,000	22,000	9,000	7,000	35,600	31,000	Robert L. Flink, chmn	(312) 664-2055
167		Sacks & Rosen, New York	6,580	6,140	37,305	34,838	10,805	10,538	21,000	19,100	14,100	13,500	3,000	1,300	Leonard Sacks, president	(212) 826-4004
168		Benito Advertising, Tampa, Fla.	6,535	6,108	43,586	42,498	25,515	33,845	9,823	3,618	2,297	5,507	32,298	31,057	Jack S. Painter, president, chmn	(813) 287-8200
169		Jack Levy & Associates, Chicago	6,531	4,448	43,541	29,655	7,671	4,291	31,750	22,538	10,965	4,504	17,463	14,270	Jack Levy, president	(312) 332-7540
170		Borders, Perrin & Norrander, Portland, Ore.	6,518	5,315	41,674	33,746	13,653	10,850	17,910	13,321	7,392	6,129	9,831	5,662	Peter M. Hatt, ceo, chmn	(503) 227-2506
171	✓	Lally, McFarland & Pantello, New York	6,500	5,200	52,055	41,180	38,000	30,000	6,000	5,800	5,000	4,500	100	100	Ronald G. Pantello, president, ceo	(212) 532-1000
172		Partners & Shevack, New York	6,500	8,400	52,000	67,160	24,800	28,150	20,550	30,940	6,967	9,186	11,770	18,503	Brett Shevack, president, ceo	(212) 245-7300
173	✓	Kresser, Craig/D.I.K., Los Angeles	6,471	4,764	44,621	32,509	3,666	2,193	34,590	24,466	3,182	2,160	28,387	20,351	C. Robert Kresser, chmn, ceo	(213) 553-8254
174		Arnold & Co., Boston	6,402	6,293	42,447	40,045	7,559	6,702	28,635	27,271	4,625	4,509	22,551	21,315	John C. Verret, president, ceo	(617) 357-1900
175	✓	North Castle Partners Advertising, Stamford, Conn.	6,310	5,587	50,404	43,986	13,654	19,917	35,650	22,802	8,226	7,479	35,188	29,542	Lynn Andrew Rotando, president, ceo	(203) 358-2100
176	✓	Malone Advertising, Akron, Ohio	6,300	6,100	70,021	68,462	42,021	40,687	28,000	27,775	4,050	4,675	18,300	16,835	Harry P. Stitzlein, chmn	(216) 376-6148
177	✓	Eisner & Associates, Baltimore	6,113	5,892	46,005	45,475	13,342	14,051	26,229	25,418	8,160	7,995	16,219	15,594	Henry W. Eisner, chmn	(301) 685-3390
178	✓	Tarlow Advertising, New York	6,094	NA	39,857	NA	4,502	NA	31,000	NA	20,400	NA	10,600	NA	Dick Tarlow, president	(212) 826-0399
179	✓	Edwin Bird Wilson Inc., New York	6,077	6,534	44,877	48,836	21,652	25,546	17,219	16,859	13,027	11,464	3,870	4,046	Delano W. Ladd Jr., chmn	(212) 684-5220
180	✓	Robinson, Yesawich & Pepperdine, Maitland, Fla.	5,991	5,165	39,957	34,447	29,535	23,261	8,290	6,787	5,803	NA	829	NA	John E. Robinson Jr., chmn	(407) 875-1111
181		Buntin Advertising, Nashville	5,989	5,255	39,927	35,031	NA	NA	NA	NA	NA	NA	NA	NA	Jeffrey Buntin, president	(615) 244-5720
182	✓	Babbit & Reiman Advertising, Atlanta	5,900	4,200	41,185	29,180	36,685	26,680	3,000	1,500	760	430	2,100	1,400	Joey Reiman, chmn, cco	(404) 365-0550
183	✓	Jayme Organization, Cleveland	5,856	4,861	46,658	37,799	39,061	32,137	3,462	2,836	3,289	2,836	174	NA	George N. Havens, chmn, ceo	(216) 831-0110
184	✓	Abelson-Taylor Inc., Chicago	5,838	4,074	43,954	34,921	34,502	27,177	3,993	3,781	13,832	12,391	794	176	Marvin Abelson, chmn, ceo	(312) 781-1700
185	✓	VanSant, Dugdale & Co., Baltimore	5,811	4,940	38,739	32,930	3,953	3,541	26,936	25,300	10,505	10,120	16,161	14,927	Kenneth E. Mayhorne, president	(301) 539-5400
186		Frankenberry, Laughlin & Constable, Milwaukee, Wis.	5,775	5,490	38,500	36,600	NA	NA	31,185	27,890	8,635	8,951	21,160	17,100	Dennis Frankenberry, partner	(414) 272-2400
187	✓	Grace & Rothschild, New York	5,754	4,996	38,360	33,310	NA	NA	35,410	30,855	26,750	22,310	5,060	4,505	Roy Grace, chmn	(212) 319-1616
188	✓	Elgin Syferd Advertising, Seattle	5,691	5,316	34,800	37,001	19,361	15,336	13,020	16,834	3,246	9,511	9,174	6,820	Ron Elgin, president	(206) 442-9900
189	✓	Ad Team of Florida, North Miami Beach, Fla.	5,660	5,143	37,400	33,954	NA	NA	37,400	33,954	12,400	11,577	24,900	22,127	Russ Oasis, president	(305) 949-8326
190	✓	Eric Ericson & Associates, Nashville	5,598	6,002	37,340	40,033	13,740	15,760	15,788	17,345	4,366	2,979	11,104	13,956	Janice W. Wendell, chmn, ceo	(615) 242-1050
191		Fogarty & Klein, Houston	5,540	5,015	36,936	33,666	3,809	3,428	28,510	26,043	8,410	7,743	16,807	16,546	William H. Fogarty, principal	(713) 528-3354
192		Conill Advertising, New York	5,500	4,442	37,000	29,613	7,957	6,366	21,312	16,162	895	451	19,835	15,270	Carlos Rossi, chmn, ceo	(212) 481-3131
193	✓	Lauerer Markin Gibbs, Maumee, Ohio	5,475	4,262	35,866	27,985	28,349	22,373	3,846	3,130	2,757	1,881	997	1,174	Ken Lauerer, sr partner, acct svcs	(419) 893-2500
194		Kolon, Bittker & Desmond, Troy, Mich.	5,400	4,800	30,000	28,000	13,350	12,000	13,750	13,000	3,800	3,770	8,300	7,800	John S. Kolon, president, coo	(313) 524-2500
195		Newmark, Posner & Mitchell, New York	5,369	5,258	30,877	30,175	804	804	28,010	27,535	29,058	29,966	915	700	Sidney Posner, president	(212) 867-3900
196	✓	Lord, Sullivan & Yoder, Columbus, Ohio	5,341	4,689	43,843	35,841	24,255	19,476	15,200	11,946	6,171	4,911	8,071	6,171	Robert E. Sullivan, chmn, ceo	(614) 846-8500
197		Jordan/Tamraz/Caruso, Chicago	5,338	4,757	35,590	31,710	4,150	3,089	25,610	23,205	9,774	8,354	14,915	13,923	Joseph A. Caruso, president	(312) 951-2000
198	✓	Price McNabb Advertising, Asheville, N.C.	5,270	4,347	41,591	33,542	21,312	13,467	16,865	17,225	2,361	1,838	13,829	15,387	Charles R. Price Jr., chmn	(704) 255-2600
199		Shaw & Landey, New York	5,250	NA	35,000	NA	NA	NA	30,000	NA	10,300	NA	19,300	NA	Martin H. Landey, chmn	(212) 838-5900
200		Vickers & Benson/FKB, Buffalo	5,033	5,352	33,563	35,688	15,350	18,185	10,243	10,132	6,934	4,226	3,193	5,441	Robert O. Faller, chmn	(716) 688-1177
201	✓	Winius-Brandon Advertising, Bellaire, Texas	5,020	4,675	39,525	37,105	11,796	11,527	23,716	21,966	7,833	7,491	13,972	12,675	Art Casper, chmn, president, ceo	(713) 666-1765
202	✓	Levenson, Levenson & Hill, Irving, Texas	5,007	4,935	37,853	38,511	17,371	15,620	17,378	20,381	9,808	6,315	7,564	14,066	Barbara Levenson, president	(214) 556-0944
203	✓	Stern Walters Partners, Chicago *	5,004	4,146	32,767	27,014	8,569	9,412	20,806	14,015	2,714	1,835	25,511	21,869	William Thomas, chmn, dir client svcs	(312) 642-4990
204	✓	Paolin & Sweeney, Cherry Hill, N.J.	5,000	3,400	24,209	16,500	11,339	11,806	10,820	3,294	4,400	1,600	5,900	1,400	John R. Paolin, president	(609) 667-7700
205		Taylor Brown Smith & Perrault, Houston *	4,950	4,950	33,028	33,000	23,097	3,000	8,756	30,000	4,109	4,500	15,600	25,500	Larry Taylor, chmn, ceo	(713) 877-1220
206	✓	Gillespie Advertising, Princeton, N.J.	4,900	4,100	33,000	27,500	23,250	19,425	5,000	4,225	2,500	2,200	1,800	1,650	Richard J. Gillespie, president	(609) 799-6000
207	✓	HutchesonShutze, Atlanta	4,850	3,448	33,274	24,131	22,633	16,423	7,945	5,753	5,100	3,600	17,500	12,600	Don Hutcheson, chmn, ceo	(404) 523-2000
208	✓	Ephron, Raboy & Tsao Advertising, New York	4,825	5,502	33,368	38,254	608	1,574	29,434	34,039	10,537	15,112	14,497	13,848	Dick Raboy, chmn, ceo	(212) 463-6900
209		Leonard Monahan Lubars & Partners, Providence, R.I.	4,820	4,290	32,153	28,615	28,993	24,582	1,975	249	13,114	11,130	3,310	3,760	Bruce N. Leonard, chmn, ceo	(401) 277-9020
210	✓	Lyons Inc., Wilmington, Del.	4,752	4,526	30,574	28,323	24,062	21,335	3,160	3,238	1,960	1,750	550	300	William N. Spiker, chmn, ceo	(302) 654-6146
211		Stone & Simons Advertising, Southfield, Mich.	4,743	4,740	31,560	31,290	6,393	6,357	21,945	21,153	2,755	2,507	16,476	15,513	Charles G. Stone, president	(313) 358-4800
212	✓	Giardini/Russell, Watertown, Mass.	4,730	4,500	31,000	29,500	23,600	22,700	4,300	3,900	1,806	1,638	1,505	1,365	Robert Russell, chmn	(617) 926-5030
213	✓	Haddon Advertising, Chicago	4,725	4,450	43,012	38,211	23,512	21,011	12,000	10,000	4,900	4,000	4,750	4,000	Harvey L. Haddon, president	(312) 943-6266
214		Lord Einstein O'Neill & Partners, New York	4,714	NA	32,713	NA	663	NA	26,338	NA	20,386	NA	5,758	NA	Richard J. Lord, chmn, ceo	(212) 614-4646
215		Smith Burke & Azzam, Baltimore	4,700	4,557	39,165	36,300	7,160	5,672	21,161	20,540	6,156	4,680	13,055	13,592	Roger L. Gray, chmn, ceo	(301) 727-4306
216		Anderson & Lembke, Stamford, Conn.	4,670	3,200	31,100	NA	25,350	21,300	4,600	12,300	4,600	NA	NA	NA	Steve Trugg, chmn	(203) 326-7500
217	✓	Tycer Fultz Bellack, Palo Alto, Calif.	4,664	4,847	31,110	32,328	20,245	22,473	9,254	7,707	8,033	7,651	984	17	Robert Fultz, president	(415) 856-1600
218	✓	Keroff & Rosenberg Advertising, Chicago	4,650	2,790	31,000	18,600	12,000	7,200	12,800	7,680	8,500	5,100	8,300	4,980	William B. Keroff, president	(312) 321-9000
219	✓	Shelly Berman Communicators, Westerville, Ohio	4,569	3,806	30,477	25,383	27,733	22,536	2,730	2,556	627	945	11,093	9,744	Sheldon M. Berman, president, ceo	(614) 891-7070
220	✓	Greenstone Rabasca Roberts, Melville, N.Y.	4,505	3,337	30,052	22,260	2,438	2,068	12,038	8,540	7,404	6,004	4,589	2,498	Ronald M. Greenstone, chmn, pres.	(516) 249-2121
221	✓	Lohmeyer Simpson Communications, Morristown, N.J.	4,500	3,900	30,000	26,000	21,500	19,000	8,000	6,500	5,200	4,875	2,050	975	Richard J. Lohmeyer, president	(201) 267-0400
222	✓	Trahan, Burden & Charles, Baltimore	4,500	3,400	40,800	35,900	700	500	36,000	33,100	11,300	6,100	22,700	25,400	Robert Matz, president	(301) 347-7500
223		Barnum Communications, New York	4,379	4,073	36,494	37,821	27,499	27,401	6,187	8,553	18,700	20,045	1,367	1,362	Barbara J. Barnum, chmn	(212) 995-2990
224		McKinney Inc., Philadelphia	4,328	3,920	31,216	27,743	23,372	19,872	5,626	5,958	5,190	5,495	113	119	George G. Thompson, chmn	(215) 922-2635
225	✓	Sutton Healthcare Group, New York	4,300	3,400	28,800	22,600	25,800	20,900	1,000	900	1,000	900	NA	NA	Glenn DeSimone, president	(212) 779-1818
226	✓	Simons Michelson Zieve, Troy, Mich.	4,275	3,450	29,000	23,500	10,434	8,522	16,830	13,423	6,228	4,966	8,737	6,711	Morton Zieve, chmn	(313) 362-4242
227	✓	Leslie Advertising, Greenville, S.C.	4,268	4,030	30,111	28,582	8,505	8,100	18,157	16,993	3,425	2,853	13,882	12,888	E. Dean Anderson, president	(803) 271-8340
228	✓	Doe-Anderson Advertising, Louisville	4,213	3,965	31,106	27,520	12,987	12,964	14,797	11,467	6,129	4,890	5,724	3,896	Robert S. Allison, president, ceo	(502) 589-1700

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229		Stone, August, Baker Communications Cos., Troy, Mich.	4,183	3,550	30,373	27,014	20,268	17,923	6,773	6,660	1,922	1,639	4,701	4,828	Ronald Stone, chmn	(313) 641-0400
230		Stern Advertising, Pepper Pike, Ohio *	4,050	3,450	27,000	23,000	NA	NA	27,000	23,000	4,860	6,210	21,870	16,560	Nelson M. Stern, chmn	(216) 464-4850
231	✓	Decker Rickard, Glastonbury, Conn.	4,048	NA	27,000	NA	23,345	NA	1,900	NA	1,406	NA	399	NA	Albert D. Mason, ceo	(203) 659-1311
232	✓	Anderson Communications Cos., Dallas	4,046	3,548	29,385	24,885	23,933	21,131	3,851	2,489	3,517	2,019	296	445	Joseph Anderson, chmn	(214) 233-8461
233		Warner, Bucking & Fenwick, New York	4,030	3,586	26,876	23,974	13,376	12,762	11,710	9,689	3,942	3,600	6,645	4,950	John E. Warner, chmn	(212) 759-7900
234	✓	Marketing Support, Chicago	4,020	3,854	36,891	34,217	27,166	27,109	4,934	2,576	5,558	3,737	6,050	5,750	David L. Weiner, president	(312) 565-0044
235		Lempert Co., Belleville, N.J.	4,000	3,330	26,671	22,203	8,671	6,003	14,000	12,700	3,500	2,795	7,000	6,985	Philip Lempert, president	(201) 759-2900
236	✓	Franklin Spier Inc., New York	3,988	3,730	26,601	24,880	4,759	4,745	18,933	17,276	16,193	15,276	2,394	1,673	Alix Nelson, chmn, ceo	(212) 679-4444
237		Cranford Johnson Robinson Associates, Little Rock, Ark.	3,969	3,528	26,473	23,534	21,567	15,329	4,907	7,705	2,205	3,891	2,031	3,190	Wayne Cranford, chmn	(501) 376-6251
238	✓	Pedone & Partners, New York	3,962	2,294	26,413	15,291	5,003	NA	21,410	12,309	4,950	5,027	14,500	7,244	Michael F. Pedone, president, ceo	(212) 319-2000
239	✓	BBDM Advertising, Chicago	3,946	3,154	26,307	21,025	11,893	11,908	12,828	8,296	13,153	10,092	12,627	10,933	Walter S. Browning, president	(312) 644-9600
240	✓	Homer & Durham Advertising, New York	3,943	3,910	26,291	25,632	11,477	11,152	11,696	12,003	8,538	7,922	2,573	1,800	Tamara K. Homer, president	(212) 477-5400
241	✓	Juhl Agency, Mishawaka, Ind.	3,905	3,313	29,163	27,977	22,779	19,838	3,789	5,939	5,387	4,744	1,099	875	Howard J. Blackwood, president	(219) 271-5621
242	✓	Wolf Blumberg Krody, Cincinnati	3,902	4,084	26,013	27,227	23,574	23,062	2,439	4,164	1,784	NA	558	NA	Dale Wolf, president	(513) 751-0258
243	✓	Goldberg Marchesano & Associates, Washington	3,877	3,583	25,861	23,900	2,076	2,757	19,188	18,266	5,308	5,513	13,091	12,051	Carole Marchesano, president	(202) 789-2000
244	✓	Gilbert, Whitney & Johns, Whippany, N.J.	3,875	3,225	26,000	21,500	NA	NA	26,000	21,500	7,030	5,700	6,510	4,670	John Daltner, president	(201) 386-1776
245		Ice Communications, Rochester, N.Y.	3,791	2,870	25,000	20,000	21,728	16,749	1,205	1,891	1,055	1,490	150	400	Francis Cosentino, president	(716) 244-5400
246		Rossin Greenberg Seronick & Hill, Boston	3,770	3,206	25,130	21,380	20,330	17,302	1,200	1,015	NA	NA	NA	NA	Jack Rossin, chmn	(617) 350-6200
247		Tromson Monroe Advertising, New York	3,765	2,375	29,500	21,000	8,000	6,000	20,000	14,000	16,500	13,500	3,500	500	Mario Trombone, president	(212) 752-8660
248		Sawyer Riley Compton, Gainesville, Ga.	3,762	NA	24,498	NA	20,055	NA	2,673	NA	NA	NA	NA	NA	L. Gordon Sawyer, chmn	(404) 532-6285
249	✓	Blair Advertising, Rochester, N.Y.	3,756	4,039	25,043	26,927	17,226	16,762	5,090	5,502	2,014	1,761	2,935	3,536	John F. Kraushaar, chmn, ceo	(716) 473-0440
250		Marquardt & Roche, Stamford, Conn.	3,738	3,335	24,656	22,231	19,311	17,175	3,800	3,735	1,873	1,867	1,235	1,195	James Marquardt, president, partner	(203) 327-0890
251	✓	Cohen/Johnson, Los Angeles	3,729	3,450	24,862	23,000	19,735	18,262	2,972	2,737	NA	NA	NA	NA	Howard Cohen, chmn, creative dir	(213) 553-2300
252	✓	Kerker & Associates, Minneapolis	3,701	3,890	26,835	27,409	11,380	10,560	12,203	13,598	NA	NA	NA	NA	Douglas A. Freeman, chmn	(612) 835-7922
253	✓	Barker Campbell & Farley, Virginia Beach, Va.	3,671	2,834	24,475	18,890	12,813	8,076	8,097	8,379	4,085	4,170	3,407	3,690	Robert A. Barker, president	(804) 497-4811
254	✓	Emerson Lane Fortuna, Boston	3,663	3,288	31,258	31,301	19,656	19,236	8,721	8,460	1,791	1,878	5,766	5,570	Richard B. Emerson, president	(617) 720-2424
255	✓	Lawrence Butner Advertising Agency, New York	3,649	4,052	24,338	27,012	2,470	2,981	20,768	22,822	NA	NA	NA	NA	Lawrence Butner, president, ceo	(212) 682-3200
256		McCaffery & Ratner, New York	3,649	3,918	25,206	25,453	5,910	6,003	16,196	16,450	9,000	NA	5,100	NA	Samuel I. Ratner, chmn	(212) 661-8940
257		Cosmopulos, Crowley & Daly, Boston	3,525	3,232	23,500	22,600	NA	NA	22,300	21,550	13,500	13,050	7,000	6,850	Stavros Cosmopulos, chmn	(617) 266-5500
258		Sullivan Higdon & Sink, Wichita, Kan.	3,490	2,035	27,654	17,257	16,428	11,685	7,134	3,305	4,111	2,500	2,955	780	B. Vaughn Sink, president	(316) 263-0124
259	✓	Dahlin Smith White, Salt Lake City	3,490	2,292	23,278	15,289	9,505	4,129	7,050	7,185	8,600	8,629	550	395	John D. Dahlin, president	(801) 364-0919
260	✓	Dudnyk Co., Horsham, Pa.	3,480	3,208	23,200	20,880	18,800	16,924	4,400	3,956	1,480	1,320	200	200	Ed Dudnyk, president	(215) 443-9406
261	✓	Warren/Kremer Advertising, New York	3,475	4,021	26,825	27,270	7,387	3,500	16,465	23,770	20,675	21,370	1,825	1,600	Peter Warren, president	(212) 686-2914
262	✓	Gardner Communications, San Francisco	3,416	2,979	19,010	17,066	879	839	14,466	12,731	2,459	2,275	10,126	8,912	Robert K. Gardner, president	(415) 434-2191
263	✓	Rizzo Simons Cohn, Boston	3,380	3,376	22,545	22,520	19,242	16,860	1,614	2,670	4,980	6,342	1,900	2,524	J. Peter Rizzo, chmn, ceo	(617) 423-2700
264	✓	Kolesar & Hartwell, Minneapolis	3,373	2,314	22,500	15,432	15,868	11,586	3,146	2,345	4,268	2,325	947	739	David Kolesar, president	(612) 343-0418
265	✓	Kert Advertising, Ft. Lauderdale, Fla.	3,332	3,273	25,465	24,672	334	334	3,343	2,100	790	844	2,138	954	Norman Kert, president	(305) 484-4488
266	✓	Soghigian & Macuga Advertising, Washington	3,310	3,168	20,101	19,800	2,481	2,401	15,069	15,349	9,850	10,478	2,900	3,224	Harry Soghigian, chmn	(202) 337-5151
267		Rubin Reid Noto & Ehrenthal, New York	3,251	2,407	31,868	22,459	1,668	1,334	27,500	19,625	11,000	5,000	16,200	14,500	Mel Rubin, president	(212) 598-6900
268	✓	Larkin, Meeder & Schweidel, Dallas	3,230	2,326	21,254	15,507	4,589	3,103	10,165	8,063	2,948	2,135	6,201	5,297	Carl Larkin, chmn, president	(214) 688-7070
269	✓	Brady Co., Menomonee Falls, Wis.	3,219	2,625	22,424	18,596	14,588	12,050	3,769	2,910	3,584	2,642	NA	60	John B. Liebenstein, president, ceo	(414) 255-0100
270		Steinert & Associates, New York	3,206	2,571	21,277	17,075	20,677	16,675	NA	NA	NA	NA	NA	NA	Jan Allan Steinert, president, ceo	(212) 889-5000
271	✓	Publicidad Siboney, New York	3,188	2,395	21,264	15,883	12,470	9,265	6,892	6,124	NA	2	6,807	5,911	Jose M. Cubas, president	(212) 213-6640
272	✓	Zechman & Associates Advertising, Chicago	3,180	3,596	17,638	19,819	NA	NA	14,894	16,584	3,054	3,824	11,609	12,423	Jan E. Zechman, president, creative dir	(312) 346-0551
273	✓	Dorland & Sweeney, Philadelphia	3,167	2,052	22,968	14,369	17,279	11,393	2,052	1,135	2,050	1,135	NA	NA	Harry A. Sweeney Jr., president	(215) 625-0111
274		Pihas Schmidt Westerdahl Co., Portland, Ore.	3,149	2,707	23,003	20,002	13,978	11,467	5,063	5,022	5,751	4,900	9,201	8,200	John S. Pihas, president	(503) 279-4000
275	✓	Food Group, New York	3,115	2,961	20,139	19,112	11,339	10,912	5,200	4,600	5,700	5,200	NA	NA	Donald Axleroad, president	(212) 725-5766
276	✓	Goldfarb Hoff & Co., Southfield, Mich.	3,108	2,426	20,350	15,850	13,487	9,405	4,713	4,570	1,500	1,145	2,250	2,700	Robert Goldfarb, chmn	(313) 350-8200
277	✓	Van Brunt & Co. Advertising, New York	3,087	2,550	20,254	20,154	7,404	7,004	11,000	11,250	6,160	5,963	3,850	4,275	Edwin Van Brunt, chmn, exec comm	(212) 949-1300
278		Healy-Schutte & Co., Buffalo, N.Y.	3,064	2,563	23,347	21,576	13,501	12,142	7,060	5,848	2,981	2,383	3,892	3,333	Alden F. Schutte, president, ceo	(716) 884-2120
279		Charnas Inc., Glastonbury, Conn.	3,057	2,295	20,300	15,600	10,438	7,410	9,372	7,815	5,766	4,456	2,509	2,215	Robert D. Charnas, president	(800) 242-7627
280		Potter Hazlehurst, E. Greenwich, R.I.	3,057	2,818	20,381	18,799	9,707	9,132	8,361	7,337	7,776	6,603	502	660	Thomas E. Hazlehurst, chmn	(401) 885-4300
281	✓	Marcus Advertising, Cleveland	3,056	3,217	23,295	24,618	4,940	4,032	16,574	19,208	2,665	3,463	8,718	9,628	Harvey Scholnick, president	(216) 292-4700
282	✓	BHN Advertising & PR, St. Louis	3,044	4,529	19,439	28,525	8,730	13,895	7,634	9,377	3,393	3,915	2,882	4,370	Kennett C. Johnson, chmn	(314) 241-1200
283		Waldbillig & Besteman, Madison, Wis.	3,015	2,453	21,409	17,036	16,895	12,672	3,438	3,376	4,870	3,390	2,816	3,509	William Waldbillig, president	(608) 238-4757
284		Stan Merritt Inc., New York	3,000	2,879	28,000	25,900	6,670	4,384	20,330	20,506	6,400	7,485	11,950	11,483	Stan Merritt, president, ceo	(212) 867-4650
285	✓	Merling Marx & Seidman, New York *	3,000	2,500	20,200	16,560	2,430	2,650	17,400	13,600	18,170	NA	2,020	NA	Arthur A. Marx, president, ceo	(212) 683-2100
286	✓	Yaffe & Co., Southfield, Mich.	2,971	2,651	19,801	17,656	7,001	5,790	10,047	9,763	1,925	1,452	8,122	8,312	Fred Yaffe, ceo	(313) 552-7800
287	✓	Muldoon Direct, New York	2,963	2,129	19,659	14,100	19,009	13,480	50	60	NA	NA	NA	NA	Katie Muldoon, president	(212) 979-7200
288	✓	Sharp Hartwig, Seattle	2,939	2,447	19,602	16,324	NA	NA	NA	NA	7,840	6,530	5,450	4,900	David Sharp, president	(206) 282-6242
289	✓	Blaisdell & Westlie, St. Paul, Minn.	2,925	1,800	19,500	12,000	8,000	5,000	5,850	3,000	2,000	750	3,500	2,100	Linda K. Westlie, ceo	(612) 292-1263
290	✓	Clarity Coverdale Rueff Advertising, Minneapolis	2,900	2,600	19,700	17,400	10,000	8,840	7,025	6,210	8,270	7,630	8,470	6,960	Robert Rueff, ceo, mktg dir	(612) 339-3902
291		Hammond Farrell, New York	2,865	2,808	19,110	18,720	19,110	18,720	NA	NA	14,333	14,028	382	562	Hugh J. Farrell, president, creative dir	(212) 995-5680
292	✓	Sefton Associates, Grand Rapids, Mich.	2,857	2,695	19,060	20,329	16,653	15,781	1,614	2,357	1,014	1,472	582	515	G. William Sefton, chmn	(616) 957-0600

Notes: Dollars are in thousands. Print media billings include newspaper, consumer magazine, Sunday magazine, business publication, medical journal, and farm publication billings; broadcast media billings include spot, network, cable and syndicated TV billings, as well as radio. Print and broadcast media may include some media bought on a fee basis. * indicates that gross income and/or total volume figures are AA estimates.
✓ indicates that agency received signature of independent accountant verifying figures supplied to AA.

Agencies ranked 101 to 588 with U.S. billings by media category

Rank		Agency, headquarters	Gross income 1988	Gross income 1987	Total volume 1988	Total volume 1987	Capitalized fees 1988	Capitalized fees 1987	Commissionable media 1988	Commissionable media 1987	Print media billings 1988	Print media billings 1987	Broadcast media billings 1988	Broadcast media billings 1987	Top executive, title	Telephone number
293	✓	Girgenti, Hughes, Butler & McDowell, New York	2,850	1,850	19,000	12,300	19,000	12,300	NA	NA	9,750	6,200	NA	NA	Steven Girgenti, president	(212) 481-7080
294	✓	Gerber Advertising Agency, Portland, Ore. *	2,836	2,660	18,005	16,500	6,520	2,100	6,355	7,400	4,025	NA	2,200	NA	Phil Stevens, president, ceo	(503) 221-0100
295	✓	Harris, Baio & McCullough, Philadelphia	2,818	1,708	18,796	11,393	14,587	8,625	2,847	2,087	2,267	1,277	430	520	George J. Harris, president	(215) 440-9800
296	✓	Gumpertz/Bentley/Fried, Los Angeles	2,781	2,469	22,500	21,500	4,038	4,378	16,308	14,810	2,780	2,957	11,806	11,018	Richard H. Fried, president	(213) 931-6301
297	✓	McKone & Co., Irving, Texas	2,767	3,115	18,455	20,778	12,642	15,525	1,829	1,740	NA	NA	NA	NA	Peter J. McKone, president	(214) 550-7433
298		Harris & West Advertising, Minneapolis	2,750	2,500	20,260	18,000	6,270	NA	8,390	NA	5,860	NA	1,050	NA	Rob West, president	(612) 941-9500
299		Stephan & Brady, Madison, Wis.	2,750	2,386	21,186	18,414	13,940	11,798	5,047	4,803	3,309	3,145	1,337	1,226	Jack Ragel, chmn, president, ceo	(608) 241-4141
300	✓	Rhea & Kaiser Advertising, Naperville, Ill.	2,736	NA	18,238	NA	8,338	NA	7,000	NA	3,950	NA	2,950	NA	Stephen L. Rhea, president	(312) 505-1100
301		Firestone & Associates, New York	2,734	2,730	18,227	18,199	5,731	5,717	10,672	10,685	4,772	4,642	8,958	8,881	Murray Firestone, president	(212) 247-4900
302		Alexander Marketing Services, Grand Rapids, Mich.	2,732	2,501	18,222	16,684	18,222	16,684	NA	NA	NA	NA	NA	NA	James S. Alexander, chmn	(616) 957-2000
303	✓	Duffy & Shanley, Providence, R.I.	2,702	2,335	18,024	15,573	10,816	9,410	4,955	4,060	3,862	3,167	2,216	1,817	David A. Duffy, president	(401) 274-0001
304	✓	KK&M Advertising, Boston	2,700	2,300	28,700	26,500	2,700	1,000	19,000	18,500	9,300	9,500	10,600	8,800	Dennis Kunian, chmn	(617) 787-0330
305		Windermere Communications, Bala Cynwyd, Pa.	2,700	NA	19,800	NA	NA	NA	NA	NA	NA	NA	NA	NA	Louis E. Starr Jr., president, ceo	(215) 664-5550
306		John Emmerling Inc., New York	2,700	2,482	18,000	16,545	3,750	3,945	12,000	11,000	7,200	6,490	4,200	4,235	John Emmerling, chmn	(212) 751-7460
307	✓	Karsh & Hagan, Englewood, Colo.	2,671	3,145	22,592	28,651	11,440	16,431	7,157	8,672	1,438	1,896	5,607	6,745	Philip H. Karsh, co-chmn	(303) 770-8088
308	✓	Publicis Inc., New York	2,666	2,381	19,040	17,005	2,744	2,321	14,114	11,350	12,295	10,755	1,638	307	Frederick W. Rhines, president, ceo	(212) 980-8550
309	✓	Baxter, Gurian & Mazzei, Beverly Hills, Calif.	2,650	2,050	17,675	13,673	NA	NA	NA	NA	6,118	3,673	NA	NA	Donald J. Baxter, chmn	(213) 657-5050
310		Baron & Zaretsky, New York	2,640	2,400	17,050	15,450	NA	NA	13,640	12,360	10,890	10,300	2,750	2,060	Kenneth Baron, president, creative dir	(212) 677-1747
311	✓	Lipman, Richmond, Greene, New York	2,636	2,680	15,962	16,753	4,613	5,055	11,349	11,698	6,753	7,078	3,689	3,860	H. Lipman, partner	(212) 684-1100
312		Hallmark Advertising, Pittsburgh *	2,571	2,281	17,137	15,203	NA	NA	NA	NA	2,504	2,037	12,105	10,950	Marvin S. Jacobson, president	(412) 687-0400
313	✓	McDougall Associates, Peabody, Mass.	2,550	2,870	17,147	19,300	13,031	14,659	3,520	3,887	3,239	3,296	211	431	Michael J. McDougall, chmn	(508) 532-6500
314	✓	Baker, Abbs, Cunningham & Klepinger, Birmingham, Mi	2,533	2,722	16,892	18,154	8,163	8,688	6,366	5,947	3,375	4,182	2,612	1,488	Ernest W. Baker, chmn	(313) 540-5400
315	✓	Forsythe Marcelli Johnson, Newport Beach, Calif.	2,531	1,275	16,554	8,205	13,026	6,495	1,525	860	1,275	800	150	35	James H. Forsythe, president	(714) 759-9500
316	✓	Drossman Lehmann Marino, New York	2,514	2,642	19,853	23,252	1,627	4,602	15,484	15,800	4,189	3,900	11,295	16,300	Neil Drossman, chmn	(212) 627-9340
317		Robert McKim Advertising, Los Angeles	2,514	1,206	16,760	9,155	5,696	5,144	8,539	2,611	3,820	3,650	3,485	2,525	Robert McKim, president	(213) 382-2358
318	✓	Hughes Advertising, St. Louis	2,511	2,032	16,824	15,152	9,683	8,555	5,190	4,884	2,396	2,287	2,766	2,584	Jack A. Hughes, president	(314) 721-3400
319	✓	Berenson, Isham & Partners, Boston	2,504	2,913	17,558	18,992	12,654	12,865	3,936	3,655	3,739	709	NA	364	Paul S. Berenson, president	(617) 423 1120
320		Spencer Bennett Nowak, Seekonk, Mass.	2,500	2,475	16,697	16,590	10,672	10,705	3,325	3,195	3,300	3,195	250	NA	Edward G. Nowak Jr., president, ceo	(508) 336-5801
321	✓	Fitzgerald & Co., Atlanta	2,491	1,620	16,711	10,183	9,693	3,835	5,683	4,600	5,248	3,419	1,869	3,100	David P. Fitzgerald, president	(404) 239-0468
322		Smith Badofsky & Raffel, Chicago	2,460	1,502	16,009	16,595	7,942	8,018	5,846	6,120	1,988	2,081	3,332	3,488	Robert J. Smith, president	(312) 642-0500
323	✓	Bonneville Media Communications, Salt Lake City	2,449	2,172	14,355	13,362	NA	NA	3,200	6,672	915	667	2,285	5,004	Richard D. Alsop, president	(801) 237-2600
324	✓	E.H. Brown Advertising Agency, Chicago	2,448	2,215	16,322	14,766	3,043	2,789	12,337	11,277	4,829	4,285	7,507	6,992	Edward H. Brown Jr., chmn	(312) 372-9494
325	✓	Zylke & Associates, Northbrook, Ill.	2,428	1,802	17,062	12,528	11,871	8,976	2,788	2,137	2,788	2,117	NA	10	Ralph B. Zylke, president	(312) 498-9300
326	✓	Herring Newman, Seattle	2,423	1,517	17,124	12,250	14,189	9,238	187	393	NA	NA	NA	NA	Phil Herring, president	(206) 343-9654
327	✓	Penny/Ohlmann/Neiman, Dayton, Ohio	2,413	2,240	22,626	20,060	15,823	13,829	4,951	4,539	2,293	1,919	2,787	2,078	Walter Ohlmann, president, ceo	(513) 278-0681
328	✓	Cole Henderson Drake, Atlanta	2,400	2,800	17,300	19,300	6,400	8,100	8,800	9,200	6,000	6,900	2,900	3,800	John H. Drake, president, cfo	(404) 237-0057
329	✓	CPA Inc., Key Biscayne, Fla.	2,386	1,824	15,672	11,948	14,312	10,666	NA	41	NA	41	NA	NA	Hugues de Rochefort, chmn	(305) 361-3199
330		Clarke Goward Fitts Matteson, Boston	2,335	1,888	14,748	12,208	9,131	8,124	3,000	25,000	NA	NA	NA	NA	Terence Clarke, chmn	(617) 536-7611
331	✓	Davidoff & Partners, Westport, Conn.	2,301	2,004	15,341	13,759	8,654	7,947	5,879	4,503	2,572	2,263	6,023	3,570	Denise T. Davidoff, president	(203) 454-3425
332	✓	Kaufman & Maraffi, New York *	2,291	1,112	15,000	11,054	2,000	667	12,100	7,686	6,150	5,150	3,300	1,921	John B. Kaufman, chmn	(212) 867-0670
333	✓	Chester Gore Co., New York	2,271	NA	14,889	NA	4,489	NA	8,950	NA	7,155	NA	875	NA	Chester Gore, president	(212) 754-9111
334	✓	Lockhart & Pettus, New York	2,261	1,592	15,073	10,613	1,286	NA	10,602	8,889	2,990	2,568	7,372	6,181	Keith E. Lockhart, president	(212) 725-2828
335	✓	Dudreck DePaul Ficco & Morgan, Pittsburgh	2,260	2,454	17,975	18,700	7,595	8,970	8,261	8,630	1,863	1,800	5,652	5,870	Albert W. Dudreck, chmn	(412) 261-2580
336	✓	Posey Quest Genova, Greenwich, Conn.	2,250	2,250	28,800	26,000	12,000	12,675	13,800	10,800	7,400	6,100	5,400	4,700	James H. Quest, chairman, ceo	(203) 531-4900
337	✓	Huntsinger & Jeffer, Richmond, Va.	2,240	2,242	14,201	14,130	5,419	3,871	6,433	7,512	NA	NA	NA	NA	Jerald E. Huntsinger, chmn	(804) 266-2499
338	✓	McConnaughy Barocci Brown, Chicago	2,200	1,100	20,250	10,000	4,750	NA	14,000	10,000	9,100	NA	2,800	NA	Tom McConnaughy, president	(312) 321-8000
339	✓	S.J. Weinstein Associates, New York	2,200	1,800	14,667	12,000	2,000	1,334	6,000	5,000	4,000	3,000	NA	NA	Stephen J. Weinstein, ceo	(212) 206-0222
340	✓	Townsend Agency, Rosemont, Ill.	2,184	2,048	14,686	12,936	12,985	11,258	328	325	40	44	238	431	Gary Tillery, chmn	(312) 318-9010
341	✓	Fox MMJM Direct, New York	2,176	1,450	15,007	10,002	6,507	4,502	7,500	4,500	7,500	4,500	NA	NA	Neil S. Fox, president, ceo	(212) 683-0002
342	✓	Schenkein Inc., Denver	2,167	1,931	14,455	12,880	13,333	11,612	757	853	1,901	1,345	1,574	1,398	Robert A. Schenkein, president	(303) 292-6655
343		Fern/Hanaway, Warwick, R.I.	2,166	1,928	13,212	12,860	1,520	2,048	4,528	3,806	NA	NA	NA	NA	Sanford M. Fern, president	(401) 732-6610
344		Houston Advertising, Boston	2,147	1,382	20,382	9,218	11,747	9,218	8,046	NA	700	NA	7,346	NA	Douglas Houston, ceo, creative dir	(617) 267-5050
345		Stiegler, Wells & Brunswick, Bethlehem, Pa.	2,140	2,065	14,274	13,792	9,802	9,649	3,306	3,077	2,857	2,510	257	365	Ernie G. Stiegler, chmn	(215) 866-0611
346		Hawley Martin Partners, Richmond, Va.	2,140	NA	13,997	NA	9,630	NA	2,822	NA	2,886	NA	783	NA	David N. Martin, chmn	(804) 285-4500
347		Launey, Hachmann & Harris, New York	2,138	2,369	14,254	15,790	4,672	5,362	8,402	9,088	4,997	5,661	1,373	1,415	Robert E. Launey, president	(212) 679-1702
348	✓	Smith, Kaplan, Allen & Reynolds, Omaha	2,101	1,667	14,014	11,113	2,375	1,827	9,348	7,335	2,711	2,420	5,422	3,961	H. Wayne Smith, president	(402) 330-0110
349	✓	Rick Johnson & Co., Albuquerque, N.M.	2,096	1,800	14,267	13,409	8,136	8,200	4,938	4,126	NA	NA	NA	NA	Eric D. Johnson, president	(505) 266-1100
350	✓	August, Bishop & Meier, Chicago	2,084	1,617	12,631	10,174	11,692	8,613	NA	NA	NA	NA	NA	NA	Norman August, president	(312) 988-9200
351	✓	Lieberman-Appalucci, Allentown, Pa.	2,070	2,011	14,226	14,279	8,342	8,617	4,678	4,303	NA	NA	NA	NA	Joseph L. Appalucci, chmn	(215) 395-7111
352		Buyer Advertising, Newton, Mass.	2,059	1,852	13,325	12,028	1,874	1,336	11,211	10,535	11,211	10,535	NA	NA	Betty R. Buyer, president	(617) 969-4646
353	✓	Umphenour Martin Lonadorf, Atlanta	2,044	1,669	15,143	12,042	7,093	6,048	5,140	3,593	272	311	2,940	1,865	Russell V. Umphenour Jr., chmn	(404) 881-8080
354	✓	Barney & Patrick Advertising, Mobile, Ala.	2,017	1,808	13,018	12,061	2,534	2,274	9,204	8,699	1,782	1,212	7,256	7,327	McGowin I. Patrick, president	(205) 433-0401
355		Greenwald/Christian Advertising, Philadelphia	2,011	1,590	13,250	10,600	3,144	2,515	9,200	7,360	3,680	2,944	5,060	4,048	Joseph T. Greenwald, president	(215) 568-9797
356	✓	Sommer Inc., Englewood, N.J.	2,01*	1,946	12,854	12,180	3,789	3,635	6,496	6,178	6,496	6,166	NA	NA	Bernard Sommer, president	(201) 568-3838

Notes: Dollars are in thousands. Print media billings include newspaper, consumer magazine, Sunday magazine, business publication, medical journal, and farm publication billings; broadcast media billings include spot, network, cable and syndicated TV billings, as well as radio. Print and broadcast media may include some media bought on a fee basis. * indicates that gross income and/or total volume figures are AA estimates.
✓ indicates that agency received signature of independent accountant verifying figures supplied to AA.

Agencies ranked 101 to 588 with U.S. billings by media category

Rank		Agency, headquarters	Gross income 1988	Gross income 1987	Total volume 1988	Total volume 1987	Capitalized fees 1988	Capitalized fees 1987	Commissionable media 1988	Commissionable media 1987	Print media billings 1988	Print media billings 1987	Broadcast media billings 1988	Broadcast media billings 1987	Top executive, title	Telephone number
357	✓	Hume Sindelar & Associates, Miami	2,001	1,273	14,391	9,313	3,552	1,329	8,063	6,339	2,722	2,282	5,010	4,007	David Hume, chmn	(305) 856-2511
358		CDHM Advertising, Stamford, Conn. *	2,000	NA	14,000	NA	NA	NA	14,000	NA	4,200	NA	7,100	NA	Joseph A. DelGaldo, president	(203) 967-7200
359	✓	Michael & Partners, Dallas	1,974	1,625	13,166	10,838	NA	NA	NA	NA	NA	NA	NA	NA	George Michael, president	(214) 520-1200
360		Maris, West & Baker, Jackson, Miss.	1,952	2,531	13,021	16,879	10,168	12,532	1,415	2,403	751	770	414	1,398	Gerrit A. Maris, president	(601) 362-6306
361	✓	Solin Associates, New York	1,942	1,620	20,200	16,900	NA	NA	20,200	16,900	450	1,000	18,000	14,100	Darrol B. Solin, chmn, ceo	(212) 661-9541
362		Rosenthal, Greene & Campbell, Bethesda, Md.	1,910	1,180	11,790	7,357	10,597	6,516	NA	NA	3,472	2,470	2,548	1,814	Dan Rosenthal, chmn, creative dir	(301) 657-3400
363	✓	Fessel, Siegfriedt & Moeller Advertising, Louisville	1,908	1,863	9,759	10,005	2,282	1,901	6,364	6,491	4,305	4,612	1,849	1,701	Rudy F. Moeller Sr., president	(502) 585-5154
364		O'Neal & Prelle, Hartford, Conn.	1,900	2,000	12,900	13,100	6,000	6,700	4,600	3,800	2,124	2,608	3,481	3,192	William J. O'Neal, chmn, ceo	(203) 527-3233
365		Pool/Sarraille Advertising, Los Angeles *	1,900	2,000	10,700	14,200	NA	NA	NA	NA	5,500	NA	1,300	NA	Harvey Pool, president, creative dir	(213) 479-4166
366	✓	Ken Schmidt Co., Milwaukee	1,900	1,698	11,778	10,885	3,907	3,888	5,827	4,986	5,437	4,255	NA	135	Daniel H. Nelson, chmn	(414) 224-0210
367	✓	McFarland Group, Elm Grove, Wis.	1,879	1,623	9,888	9,197	3,148	3,082	3,880	3,475	2,370	1,762	1,020	2,967	Michael McFarland, president	(414) 786-5891
368	✓	Winterkorn Lillis, Rochester, N.Y.	1,868	1,419	7,307	5,153	2,548	2,030	1,742	1,178	1,742	1,178	NA	NA	William J. Lillis, president	(716) 454-1010
369		Pagano Schenck & Kay, Providence, R.I.	1,852	NA	12,431	NA	7,250	NA	3,699	NA	5,573	NA	3,021	NA	Robert P. Pagano, president	(401) 456-0650
370	✓	Scharfberg & Associates, Jenkintown, Pa.	1,828	1,940	12,593	13,358	2,668	2,668	9,255	10,000	2,828	2,855	5,524	5,910	Sheldon Scharfberg, president	(215) 885-7050
371		H. Richard Silver Inc., New York *	1,806	1,588	11,841	10,425	3,844	3,090	6,860	6,493	NA	NA	NA	NA	H. Richard Silver, president	(212) 867-6800
372	✓	Simms & McIvor, Somerville, N.J.	1,805	1,227	12,338	8,686	9,719	6,577	862	623	862	623	NA	NA	Patrick J. McIvor, president	(201) 722-8777
373	✓	Lohman Organization, New York	1,800	1,607	12,000	10,712	8,270	7,422	2,620	2,110	2,520	2,010	100	100	Arthur J. Lohman, president	(212) 213-4000
374		Penny & Speier, Houston	1,794	1,530	15,429	14,047	11,106	10,197	3,050	2,726	1,983	1,661	911	810	C.R. Penny, chmn	(713) 965-033
375		Hal Langerman Co., Blue Bell, Pa.	1,782	1,665	9,619	9,257	9,219	8,886	NA	NA	NA	NA	NA	NA	Hal Langerman, creative dir	(215) 275-1901
376	✓	Haselow & Associates, Cleveland	1,749	980	11,668	6,540	11,668	6,540	NA	NA	NA	NA	NA	NA	John H. Haselow, president	(216) 831-5060
377		Wardrop Murtaugh Temple, Chicago	1,748	1,723	11,200	10,800	1,560	660	7,056	6,265	4,444	2,192	2,118	3,258	John C. Wardrop, president	(312) 750-9200
378	✓	Intercommunications Inc., Newport Beach, Calif.	1,740	1,717	15,734	14,103	11,604	11,453	3,343	2,000	7,867	7,052	3,147	2,821	Toni Alexander, president	(714) 644-7520
379	✓	Mitchell & Comer, Toledo, Ohio	1,739	1,564	12,454	11,498	11,596	10,433	NA	NA	NA	NA	NA	NA	Lee Comer, chmn	(419) 243-7600
380		Middleberg Middleton Picower, New York	1,734	1,500	11,828	10,003	9,179	7,644	1,725	1,567	1,550	1,467	175	100	Don Middleberg, chmn, ceo	(212) 753-6883
381		Martiny & Co., Cincinnati	1,724	1,102	11,500	7,352	8,065	5,467	1,870	892	NA	NA	NA	NA	Kim Martiny, ceo	(513) 784-0400
382		Harris & Love Advertising, Salt Lake City, Utah	1,720	1,682	11,731	11,088	1,598	1,169	8,058	7,300	1,160	1,138	6,600	6,470	Donald G. Ware, president	(801) 532-7333
383	✓	John Volk Co., Chicago	1,710	1,680	15,738	12,733	10,173	7,447	4,901	3,941	4,514	3,531	382	410	John Volk, president	(312) 787-7117
384	✓	Gregory Inc., Cleveland	1,684	1,740	11,733	11,881	5,868	5,549	5,210	5,377	2,339	2,430	189	25	Joseph A. Rini, president, ceo	(216) 621-9632
385	✓	NKH&W Marketing Communications, Kansas City, Mo.	1,666	1,775	11,112	11,839	11,112	11,839	NA	NA	1,310	704	1,107	375	F. Peter Kovac, president	(816) 753-8881
386		Larson Colby Koralek, Los Angeles	1,652	1,500	11,000	10,000	3,260	4,500	7,400	5,300	2,200	1,100	5,200	4,200	Garry Koralek, president	(213) 931-0009
387	✓	Kaprielian O'Leary Advertising, New York	1,650	NA	12,317	NA	1,067	NA	8,500	NA	NA	NA	NA	NA	Walter Kaprielian, chmn, creative dir	(212) 696-1300
388	✓	Caravetta Allen Kimbrough, Miami	1,648	1,631	10,984	10,877	2,003	2,280	5,526	5,961	3,444	3,185	1,643	2,342	Nina Cohen, president	(305) 594-1896
389		Warren Anderson Advertising & PR, Davenport, Iowa	1,647	1,427	10,983	9,516	8,810	7,459	1,604	1,627	1,678	1,777	1,029	1,290	Gerald D. Jacks, chmn	(319) 326-2596
390	✓	Communication & Design Agency, Latham, N.Y.	1,642	1,026	11,756	7,722	6,797	4,781	3,938	2,099	2,888	1,645	851	414	Francis J. Lipari, president	(518) 783-0001
391		J.H. Lewis Advertising, Mobile, Ala.	1,634	1,538	11,847	10,858	7,730	6,851	2,079	1,600	707	688	1,081	672	John H. Lewis Jr., president	(205) 476-2507
392	✓	Loeffler Ketchum Mountjoy, Charlotte, N.C.	1,627	1,706	11,200	11,700	NA	NA	NA	NA	NA	NA	NA	NA	William G. Loeffler, president	(704) 542-8131
393	✓	Hiebing Group, Madison, Wis.	1,613	1,260	12,148	12,004	9,559	7,563	1,196	3,266	432	686	4,204	1,927	Roman Hiebing, president	(608) 256-6357
394	✓	Rainoldi Kerzner & Radcliffe, San Francisco	1,597	1,536	10,623	10,391	8,438	7,761	649	1,133	603	1,133	NA	NA	Joseph C. Rainoldi, president	(415) 398-6222
395	✓	Donald L. Arends Inc., Oak Brook, Ill.	1,584	1,535	10,565	10,239	1,574	2,050	2,995	2,939	2,145	1,929	840	882	Donald L. Arends, ceo	(312) 990-0220
396	✓	Wendt Advertising, Great Falls, Mont.	1,582	1,304	10,579	8,772	5,711	5,772	3,792	2,153	1,745	1,483	1,994	646	Stanley F. Meyer, chmn	(406) 452-8581
397	✓	Phillips Miller Speyer & Frost, Amityville, N.Y.	1,568	1,594	10,279	10,529	9,384	9,022	546	1,208	509	1,131	37	77	Louis Phillips, chmn	(516) 691-1911
398	✓	Lewis, Browand & Associates, Oakland, Calif.	1,565	1,528	14,229	13,889	711	694	10,671	10,416	NA	NA	NA	NA	C. Roger Lewis, president	(415) 536-0500
399	✓	Weiser Group, Chicago	1,551	1,567	10,674	10,513	10,123	8,631	186	1,589	186	1,510	NA	79	Michael L. Weiser, chmn *	(312) 368-1500
400	✓	SGM & Co., Norwell, Mass.	1,550	1,503	9,976	9,692	6,337	6,150	1,605	1,667	1,605	1,667	NA	NA	Robert H. Brandt, president, ceo	(617) 871-2730
401	✓	Marontate & Co., Auburn Hills, Mich.	1,539	1,451	10,732	10,192	1,181	1,127	9,183	8,705	4,859	4,533	4,104	4,001	Felix Malinowski, vp	(313) 373-1700
402		Estey-Hoover, Newport Beach, Calif.	1,527	963	10,124	8,619	8,659	7,646	1,137	675	828	459	268	98	Daniel W. Hoover, president	(714) 756-8501
403		Peterson-Morris MacLachlan, Minneapolis	1,524	1,684	10,162	11,283	NA	NA	NA	NA	NA	NA	NA	NA	Jack Morris, president	(612) 331-8000
404	✓	Glazen Communciations, Cleveland	1,517	1,242	9,929	8,119	3,742	3,492	5,139	3,701	1,205	1,051	4,708	2,482	Alan B. Glazen, chmn, creative dir	(216) 241-7200
405		John Risdall Advertising, New Brighton, Minn.	1,512	1,097	10,081	7,313	5,175	3,351	3,714	3,145	2,319	1,359	311	269	John Risdall, president	(612) 631-1098
406		Advertising, Boelter & Lincoln, Madison, Wis.	1,505	1,529	10,033	10,193	4,613	4,887	3,523	3,642	458	473	1,656	1,712	Robert Boelter, president	(608) 251-3381
407		Edgar S. Spizel Advertising & PR, San Francisco *	1,500	1,500	10,005	10,005	10,005	10,005	NA	NA	NA	NA	NA	NA	Edgar S. Spizel, president	(415) 474-5735
408		Beckman Associates Advertising, Albany, N.Y.	1,491	1,762	10,701	12,241	8,392	9,220	468	983	645	786	1,613	1,965	Richard N. Beckman, chmn, ceo	(518) 465-4573
409		HMK Advertising, Chestnut Hill, Mass.	1,489	1,145	15,866	11,902	NA	NA	11,872	8,542	11,872	8,542	NA	NA	Harvey Karp, president	(617) 969-7777
410		R.L. Meyer Advertising, Milwaukee	1,484	1,388	12,599	12,082	2,879	2,908	8,431	8,725	66	1,201	7,329	7,452	Robert L. Meyer, president	(414) 933-3344
411	✓	G. Temple Associates, Southfield, Mich.	1,443	1,825	9,330	8,033	7,237	6,316	1,216	987	1,216	987	NA	NA	Gerald L. Temple, president	(313) 353-9750
412	✓	Nash Direct, New York	1,433	881	9,558	5,876	NA	NA	NA	NA	NA	NA	NA	NA	Edward Nash, president	(212) 758-0120
413		Orackett & Lavidge, Phoenix *	1,420	1,000	9,804	7,307	400	NA	6,329	NA	3,825	863	2,021	1,672	William R. Lavidge, president	(602) 266-0022
414	✓	Adair-Greene Advertising, Atlanta	1,415	1,168	7,775	6,092	5,180	3,275	964	763	197	166	491	409	Willam M. Adair, chmn	(404) 351-8424
415	✓	Beaumont, Heller & Sperling, Reading, Pa.	1,413	1,189	9,458	7,981	8,610	7,138	106	141	66	115	3	0	Robert D. Beaumont, president	(215) 375-4311
416	✓	Stimpson-Clarke Advertising, Seattle	1,411	1,223	9,294	8,014	5,262	3,773	3,392	3,436	882	893	1,527	1,546	James W. Clarke, president	(206) 583-8110
417	✓	Kip Myers & Associates, Stuart, Fla.	1,370	1,004	12,001	9,272	6,241	5,250	4,900	3,300	2,630	1,715	2,011	1,419	Kip Myers, president, creative dir	(407) 287-1990
418	✓	Furman, Roth Advertising, New York	1,367	1,259	9,114	8,394	1,374	1,001	7,220	6,966	2,000	1,900	4,460	6,100	Ernie Roth, president, coo	(212) 757-7393
419		J.P. Hogan & Co., Knoxville, Tenn.	1,366	1,800	9,108	12,000	7,159	8,660	1,305	1,800	874	1,176	431	540	Joseph P. Hogan, chmn, ceo	(615) 546-7661
420	✓	Dickison & Rakaseder, Westport, Conn.	1,350	1,200	9,000	8,000	3,400	2,950	5,000	4,500	2,750	2,720	1,750	1,400	Don Dickison, chmn	(203) 226-1296

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Agencies ranked 101 to 588 with U.S. billings by media category

Rank		Agency, headquarters	Gross income 1988	Gross income 1987	Total volume 1988	Total volume 1987	Capitalized fees 1988	Capitalized fees 1987	Commissionable media 1988	Commissionable media 1987	Print media billings 1988	Print media billings 1987	Broadcast media billings 1988	Broadcast media billings 1987	Top executive, title	Telephone number
421	✓	Armando Testa Advertising, New York	1,322	476	9,915	4,061	7,364	2,414	1,712	760	1,712	304	NA	NA	Giacomo Boggetto, exec vp, ceo	(212) 683-3030
422		Ad Hoc Marketing Resources, New York	1,309	1,214	8,260	8,080	6,726	6,527	117	110	NA	NA	NA	NA	Karen Hochman, president	(212) 947-7100
423	✓	Wolkcas Advertising, Albany, N.Y.	1,307	832	8,169	5,412	4,700	2,001	2,320	2,325	637	1,065	2,411	1,332	Stewart Sackrow, president	(518) 863-4846
424		Birdsall-Voss & Associates, Mequon, Wis.	1,300	NA	8,667	NA	NA	NA	5,200	NA	3,140	NA	1,225	NA	Don Birdsall, president	(414) 241-4890
425	✓	Martz & Associates, Scottsdale, Ariz.	1,297	1,150	8,500	7,500	3,669	2,897	4,000	3,650	3,400	3,200	500	150	Carrie A. Martz, president	(602) 998-3154
426	✓	Roni Hicks & Associates, San Diego	1,291	* 464	8,499	9,606	6,833	6,781	1,024	1,937	755	1,715	164	99	Roni Hicks, president	(619) 238-8787
427	✓	Roggers, French & Co., Newport Beach, Calif.	1,290	1,276	8,196	8,133	2,738	2,501	4,250	4,450	2,688	3,249	587	579	William C. French, president	(714) 760-3004
428	✓	Grant & Palombo, Minneapolis	1,282	1,409	8,553	9,401	NA	NA	NA	NA	5,132	3,761	1,283	2,350	Susan Grant Palombo, president	(612) 338-4080
429	✓	Grant Marketing Communications, Conshohocken, Pa.	1,275	1,145	8,503	7,608	5,503	5,270	1,500	1,004	1,200	1,100	NA	NA	Howard C. Grant, chmn	(215) 834-0550
430		Topin & Associates, Chicago *	1,275	1,125	8,500	7,500	NA	NA	8,500	8,500	NA	NA	NA	NA	Alan J. Topin, president	(312) 645-0100
431	✓	Voss Advertising, Peoria, Ill.	1,254	1,338	9,643	10,210	7,816	8,450	999	769	NA	NA	NA	NA	A. Wayne Flittner, president	(309) 691-4436
432	✓	Thielen & Associates, Fresno, Calif.	1,245	1,074	7,521	6,788	1,636	1,024	4,979	4,989	1,671	1,363	3,183	3,333	Michel C. Thielen, president	(209) 252-2500
433		Zubi Advertising Services, Miami	1,238	1,095	7,900	7,300	1,173	1,084	4,713	4,355	1,367	1,407	3,022	2,700	Teresa A. Zubizarreta, president	(305) 381-9222
434	✓	Ericksen/Basloe Advertising, New York	1,206	1,067	7,685	6,801	4,475	3,956	1,198	1,066	1,078	959	120	107	Robert P. Ericksen, president	(212) 239-3313
435	✓	Humphrey, Herbert & Alber, Pittsburgh	1,199	821	8,301	5,933	5,162	3,854	2,001	1,456	1,449	1,101	529	355	John J. Humphrey, chmn	(412) 261-4611
436	✓	Robert LaPointe & Co. Advertising & PR, San Francisco	1,197	956	8,318	6,741	5,590	4,182	1,869	1,744	1,869	1,744	NA	NA	Bob LaPointe, president	(415) 398-1940
437	✓	Jason Group, New York	1,189	1,170	12,280	12,100	NA	NA	7,925	7,800	9,210	9,075	3,070	3,025	Art Sasso, president	(212) 967-6550
438	✓	Laven, Fuller & Perkins Advertising, Chicago	1,182	1,172	7,841	7,769	1,863	1,857	5,712	5,657	5,030	4,996	337	322	James P. Perkins, president	(312) 440-1818
439	✓	Wyble Advertising, Millville, N.J.	1,169	1,092	7,298	7,221	4,384	4,621	2,125	1,749	2,125	2,125	NA	NA	Henry E. Wyble, president	(609) 825-3403
440	✓	MacDonald Boyd White, Boston	1,169	889	7,640	5,811	3,748	3,091	3,001	2,056	627	783	2,276	1,257	Terrence M. MacDonald, chmn	(617) 439-7040
441	✓	Marx/Knoll, Denig... & Dodge, Portland, Ore.	1,161	982	7,563	6,476	3,044	2,928	3,448	2,576	1,541	1,081	1,670	1,218	Robert Knoll, president	(503) 226-2867
442		Point Communications, Dallas	1,147	1,572	8,285	10,485	3,691	5,007	3,322	4,445	1,544	NA	1,486	NA	Bill Neale, chmn	(214) 851-1100
443	✓	Broyles Garamella Fitzgerald & Czysz, Los Angeles	1,131	569	5,746	3,248	4,230	2,355	346	84	346	84	NA	NA	Chip Garamella, president	(213) 650-9888
444		Emerson Marketing Agency, New York	1,114	900	7,243	5,999	5,489	4,857	652	53	NA	NA	NA	NA	Andi Emerson, president	(212) 213-0320
445		Hickman & Associates, Indianapolis	1,110	995	7,406	6,990	5,581	4,419	1,170	1,540	516	737	634	779	Vaughn B. Hickman, president, ceo	(317) 843-1113
446	✓	Wooding Housley DiLeo, Providence, R.I.	1,101	1,028	7,507	7,040	4,368	4,637	2,243	2,403	2,198	2,253	35	75	Benjamin E. Wooding, president	(401) 272-9494
447		Peter Scannell Inc., New York *	1,100	1,600	7,629	10,591	2,459	3,380	5,143	7,071	NA	NA	NA	NA	Peter Scannell, president	(212) 947-3822
448	✓	George P. Clarke Advertising, New York	1,098	1,074	7,253	7,100	3,934	3,858	2,942	2,874	3,264	3,195	1,813	1,775	George P. Clarke, president	(212) 490-2212
449	✓	S.R. Knapp Associates, Arlington Hts., Ill.	1,092	878	7,287	6,749	6,204	5,458	554	871	2,561	2,885	1,312	672	Stephen R. Knapp, president	(312) 392-0707
450	✓	Qually & Co., Chicago	1,081	658	7,500	4,500	NA	NA	NA	NA	3,980	1,150	1,795	2,410	Robert Qually, president, creative dir	(312) 944-0237
451	✓	Adams Colway & Associates, Rochester, N.Y.	1,065	NA	7,491	NA	5,508	NA	1,312	NA	670	NA	631	NA	H. Mat Adams, president	(716) 325-6830
452	✓	Tepe, Hensler & Westerkamp, Cincinnati	1,038	1,224	8,209	9,045	4,789	5,888	2,716	2,346	1,848	1,597	733	633	John Tepe, president	(513) 241-0100
453		Three Arts, Cedar Rapids, Iowa	1,030	725	6,460	4,660	1,622	2,069	NA	NA	NA	NA	NA	NA	Daniel Perkins, president, ceo	(319) 365-7572
454	✓	Tri-State Advertising Co., Warsaw, Ind.	1,024	816	6,661	5,276	3,166	2,241	2,568	2,144	2,548	2,144	NA	NA	William L. Kreicker, president	(219) 267-5178
455		McKee Advertising, Elk Grove Village, Ill.	1,022	879	9,023	7,207	6,101	4,304	1,821	1,710	1,814	1,676	NA	20	Edward H. McKee, president	(312) 956-8188
456		Smith & Yehle, Kansas City, Mo.	1,001	996	6,677	6,644	4,005	3,971	1,638	1,618	1,469	1,462	4,206	4,185	Harold F. Smith, chmn	(816) 842-4900
457	✓	Littlefield Marketing & Advertising, Tulsa, Okla.	1,001	674	17,187	13,214	6,675	2,897	6,204	4,772	2,368	1,473	3,117	3,187	David G. Littlefield, president	(918) 742-7250
458		Richardson, Thomas & Bushman, Plymouth Meeting, Pa.	987	951	6,328	6,091	2,428	2,341	3,150	3,000	3,150	3,000	NA	NA	Arthur J. Boyle, president	(215) 834-0430
459	✓	Schroeder Advertising, New York	985	NA	3,734	NA	734	NA	2,800	NA	2,650	NA	100	NA	Chuck Schroeder, president	(212) 674-3030
460		Landers & Partners, St. Petersburg, Fla. *	977	879	6,425	5,483	2,051	1,034	3,875	4,119	721	437	3,055	3,520	Samuel P. Landers, chmn, ceo	(813) 577-6868
461	✓	Martin A. Lave Marketing, Indianapolis *	969	689	6,288	4,463	285	266	5,044	3,479	394	368	619	415	Martin A. Lave, president	(317) 872-0971
462	✓	Cascino & Purcell, Atlanta	952	882	6,349	5,883	4,270	1,084	1,760	4,104	634	2,102	1,074	1,908	Alfred M. Cascino, president, ceo	(404) 237-9945
463	✓	Daymark Inc., Cincinnati	945	905	6,473	5,888	5,518	5,038	49	29	49	29	NA	NA	Kerry B. Dibday, president	(513) 751-1730
464	✓	Delfino Marketing Communications, Valhalla, N.Y.	931	791	6,155	5,232	5,189	4,411	676	575	572	486	54	46	Geno B. Delfino, president	(914) 747-1400
465	✓	Adelanta Advertising, New York	924	909	6,034	5,934	1,234	1,234	4,100	4,000	410	400	2,255	2,200	Sy Davis, president	(212) 696-0855
466	✓	Mallof, Abruzino & Nash Marketing, Lombard, Ill. *	914	803	6,092	5,200	80	NA	6,000	5,200	2,400	3,374	3,360	1,035	Edward G. Mallof, president	(312) 964-7722
467	✓	Leff & Squicciarini Advertising & PR, Columbus, Ohio	912	740	5,970	4,883	3,442	3,548	1,788	919	391	448	1,353	374	Myron J. Leff, president	(614) 228-4900
468	✓	Kopf & Isaacson Advertising, Melville, N.Y.	906	945	5,593	5,762	233	107	2,820	3,225	2,730	3,161	90	NA	Arthur Zimmermann, president	(516) 293-6115
469	✓	M&H Advertising, Minneapolis	897	822	4,989	4,618	942	116	3,033	3,197	2,179	1,882	907	805	Steven C. Martin, partner	(612) 339-2991
470	✓	Smith Lask Associates, Chicago *	890	876	5,965	5,844	5,571	5,354	227	204	NA	NA	NA	NA	Barbara Lask, president, creative dir	(312) 222-1900
471	✓	D.P.L. Advertising, Battle Creek, Mich.	884	673	5,701	4,296	4,669	3,512	441	215	441	195	NA	10	Perry L. Phillips, president, acct exec	(616) 979-9191
472	✓	Patterson Advertising, Topeka, Kan.	855	783	5,585	5,220	2,761	3,101	2,181	1,561	446	402	1,455	997	Donald M. Shurtz, president, treasurer	(913) 266-3636
473	✓	Symon & Hilliard, New York	854	850	5,658	5,619	4,643	4,395	800	941	4,847	4,692	596	534	James Symon, chmn	(212) 505-0688
474	✓	Haynes & Pittenger Direct, Indianapolis	853	566	5,889	3,643	4,752	2,873	15	25	NA	NA	NA	NA	Thomas J. Haynes, chmn, ceo	(317) 262-4800
475	✓	White, Good & Co., Lebanon, Pa.	851	645	5,602	4,370	4,265	2,853	933	986	680	614	160	225	Robert F. Good, chmn, coo	(717) 274-8301
476	✓	Pierson & Flynn, Chicago	844	793	8,022	5,169	3,075	775	3,050	2,800	700	1,000	1,750	1,550	William L. Flynn, president	(312) 644-6090
477	✓	Haller Schwarz, Los Angeles	833	784	5,556	5,227	NA	NA	NA	NA	3,611	3,659	1,111	523	Henry Schwarz, president	(213) 977-1111
478	✓	Carter Callahan Advertising, Fort Lee, N.J. *	830	1,147	6,230	8,532	5,138	6,271	550	1,564	411	594	116	235	Peter Carter, president, ceo	(408) 998-5433
479	✓	Sheldon Fredericks Advertising, New York	829	527	5,373	5,118	1,342	1,322	3,120	2,940	562	429	135	NA	Frederick A. Schwartz, president	(212) 867-0110
480		Gardiner-A Marketing Co., Salt Lake City	810	879	5,403	5,863	5,403	5,863	NA	NA	445	NA	3,067	NA	Harold Gardiner, chmn	(801) 364-5600
481	✓	Richard Yeager Associates, Moorestown, N.J.	807	664	6,654	5,505	5,409	4,328	515	613	678	NA	36	NA	Richard A. Yeager, president	(609) 235-5768
482	✓	Neiman Group, Harrisburg, Pa.	804	721	5,713	4,777	3,804	3,380	1,068	834	500	350	458	414	Steven H. Neiman, ceo, president	(717) 232-5554
483	✓	Kalmar ad/marketing, Fort Lee, N.J.	802	797	5,000	5,000	NA	NA	3,050	3,250	2,800	2,500	250	750	Albert E. Markarian, chmn, ceo	(201) 947-7770
484	✓	AdCorp International Hawaii, Honolulu	801	204	5,297	1,297	3,291	230	1,740	714	381	429	1,151	214	Francis Wandell, ceo	(808) 599-8444

Notes: Dollars are in thousands. Print media billings include newspaper, consumer magazine, Sunday magazine, business publication, medical journal, and farm publication billings; broadcast media billings include spot, network, cable and syndicated TV billings, as well as radio. Print and broadcast media may include some media bought on a fee basis. * indicates that gross income and/or total volume figures are AA estimates.
✓ indicates that agency received signature of independent accountant verifying figures supplied to AA.

Agencies ranked 101 to 588 with U.S. billings by media category

Rank		Agency, headquarters	Gross income 1988	Gross income 1987	Total volume 1988	Total volume 1987	Capitalized fees 1988	Capitalized fees 1987	Commissionable media 1988	Commissionable media 1987	Print media billings 1988	Print media billings 1987	Broadcast media billings 1988	Broadcast media billings 1987	Top executive, title	Telephone number
485	✓	Ad-Tech Communications, Miami Lakes, Fla.	797	675	5,318	4,554	4,511	3,901	375	238	368	238	8	NA	Daniel K. Palmer, managing partner	(305) 556-7261
486	✓	Roger White Advertising, Binghamton, N.Y.	788	670	5,153	4,380	4,549	3,866	28	24	23	20	5	4	Roger White, president	(607) 724-4356
487	✓	Praco Ltd., Colorado Springs, Colo.	788	747	5,165	4,876	3,290	3,045	1,374	1,252	687	611	283	640	James Hall, president	(719) 473-0704
488	✓	Stevens Kirkland Kreer, Chicago	775	664	5,167	4,983	4,336	4,202	831	781	775	781	56	NA	Henry B. Kreer, president	(312) 372-7868
489		Sheffer Advertising, South Bend, Ind.	767	753	5,025	4,830	4,224	3,960	532	301	585	372	96	92	Richard D. Sheffer, chmn, ceo	(219) 233-6970
490		Noble Arnold & Associates, Schaumburg, Ill. *	765	610	4,916	3,950	3,301	2,753	564	534	511	NA	NA	NA	Noble Arnold, president	(312) 605-8808
491	✓	Bradford Advertising, Ivoryton, Conn.	764	539	5,102	3,517	1,777	2,805	3,003	291	2,522	272	450	NA	Wilson G. Bradford, chmn, creative dir	(203) 767-0173
492		Gallagher Group, New York	750	750	5,000	5,000	NA	NA	5,000	5,000	1,660	1,400	3,055	3,350	James B. Carlein, vp	(212) 836-0616
493	✓	Perry Ballard/Advertising, St. Joseph, Mich.	733	694	4,696	4,536	3,866	3,845	480	353	326	227	94	84	Perry O. Ballard Jr., president, chmn	(616) 983-0611
494	✓	Duke Unlimited, Metairie, La.	721	713	5,108	5,463	3,122	3,568	1,367	1,252	581	580	722	645	Lana Duke, president	(504) 836-5150
495		Poindexter Associates, Roanoke, Va.	720	866	4,724	5,473	1,845	1,791	2,425	3,379	922	1,284	1,358	1,892	Dale Poindexter, president	(703) 345-2400
496	✓	Kocs, Wesson & Associates, Elm Grove, Wis.	713	615	4,750	4,100	3,580	3,160	620	580	1,760	1,580	1,310	900	Warren R. Eulgen, president	(414) 786-6624
497		QML Communications, Dedham, Mass. *	709	709	4,719	4,719	4,669	4,669	NA	NA	NA	NA	NA	NA	Alan E. Nash, chmn, president	(617) 329-8111
498	✓	Reynolds-Sullivan Advertising, Mobile, Ala.	701	509	3,888	2,806	1,069	730	2,081	1,488	832	479	1,042	839	Richard C. Sullivan, president	(205) 432-2780
499	✓	Topline Design, Islandia, N.Y.	700	929	4,993	5,740	1,668	1,668	2,500	3,272	833	589	1,575	2,617	Jeanne Fontana, ceo	(516) 348-6969
500		Rich, Gardner Advertising, Atlanta	693	NA	4,620	NA	780	NA	3,010	1,950	1,160	NA	1,240	NA	Fredric S. Rich, president	(404) 392-0340
501	✓	Hull & Signorile, Florham Park, N.J.	689	995	4,659	6,894	4,277	4,489	NA	1,790	NA	NA	NA	NA	Richard P. Hull, president	(201) 514-1888
502	✓	Graff Advertising, Palo Alto, Calif.	685	533	2,741	2,044	1,191	924	900	580	870	560	30	20	Lloyd L. Graff, president	(415) 856-4040
503	✓	Sargent & Potratz, Milwaukee	675	445	4,502	2,968	4,002	2,668	500	300	NA	NA	NA	NA	John W. Sargent, president	(414) 259-1199
504		Don Wise & Co., New York *	675	825	4,500	5,500	NA	NA	NA	NA	4,000	NA	NA	NA	Donald Wise, president	(212) 371-3333
505	✓	Jiloty Communications, Holly Hill, Fla.	663	628	4,308	4,066	2,551	2,219	1,111	1,168	533	537	367	363	Michael J. Jiloty, president	(904) 677-0673
506		Sullivan & Brownell, Randolph, Vt. *	652	470	4,352	3,135	3,282	2,375	1,069	761	460	327	535	380	Paul J. Sullivan, president	(802) 728-3300
507		FitzSimons Advertising & PR, Cleveland	645	523	4,209	3,884	2,095	1,903	1,582	1,475	924	855	610	575	Daniel A. FitzSimons, president	(216) 241-5656
508	✓	Asher Agency, Fort Wayne, Ind.	644	515	4,364	3,491	1,151	920	2,438	1,950	887	709	3,383	2,640	Timothy S. Borne, president	(219) 424-3373
509		Lardis, McCurdy & Co., Meriden, Conn.	635	640	4,494	4,517	1,447	1,414	1,561	1,557	1,060	1,072	186	180	John S. McCurdy, president	(203) 235-7040
510	✓	Ad-Pro Inc., Sycamore, Ill.	613	554	4,145	3,664	3,304	2,876	446	372	423	355	NA	NA	Diana L. Leifheit, principal, president	(815) 895-2000
511	✓	Earle Bower Associates, New York	586	582	3,836	3,722	1,260	1,252	2,131	1,822	338	414	1,125	559	Earle Bower, president	(212) 268-7474
512	✓	CTS Associates, Detroit	582	542	4,768	3,895	2,924	521	688	795	177	186	427	271	C. Thomas Scholl, president	(313) 965-0575
513	✓	Ambassador Marketing Group, Montvale, N.J.	577	NA	3,846	NA	1,800	NA	93	NA	93	NA	NA	NA	Dennis J. Romano, chmn, ceo	(201) 930-1400
514	✓	Sader & Associates, New York	570	473	3,800	3,150	1,660	1,400	1,800	1,200	195	110	310	280	Archie A. Sader, president	(212) 725-0770
515	✓	Jaeger Inc., Berea, Ohio	566	573	3,605	3,662	NA	NA	2,602	2,718	2,502	2,685	100	330	Donald C. Auble, president	(216) 243-8700
516	✓	DFK Advertising, New York	563	532	3,700	3,500	500	500	2,900	2,750	1,885	1,788	580	550	David Krieger, president	(212) 696-0766
517		Hammerman & Morse, Chicago	548	536	3,652	3,574	3,652	3,574	NA	NA	NA	NA	NA	NA	Gayle Morse, chmn, vp	(312) 337-0404
518	✓	MarketAide Inc., Salina, Kan.	546	500	3,642	3,489	2,687	2,663	1,354	1,645	494	395	152	214	Gary D. Ray, chmn	(913) 825-7161
519	✓	Bauer Communications, Chicago	535	335	3,534	2,214	334	167	3,000	1,947	2,762	1,904	33	10	Nancy S. Bauer, president	(312) 923-0035
520	✓	Covey & Koons, Canton, Ohio	527	439	3,516	2,925	2,088	1,722	971	639	796	472	165	167	W. Roderic Covey, president	(216) 456-7381
521	✓	Keith Bates & Associates, Chicago	523	417	3,301	2,489	2,155	1,838	568	168	568	168	NA	NA	Keith W. Bates, president	(312) 263-5820
522		DIVERSA Advertising, Kent, Ohio	513	421	3,413	2,801	2,701	2,148	442	400	259	213	139	150	Eugene F. Petrus, president	(216) 673-6763
523	✓	James & Thomas, Chicago	497	509	3,263	3,341	2,188	2,275	787	768	655	628	85	77	William J. Bloch, president	(312) 751-0520
524	✓	Hinton & Steel, Seattle	493	472	3,285	4,000	2,244	2,676	650	758	430	633	163	125	Dennis D. Hinton, president	(206) 441-3455
525		Minturn Marketing, Fairway, Kan.	490	915	3,300	6,100	NA	NA	NA	NA	NA	NA	NA	NA	Brian N. Minturn, president	(913) 831-3601
526		Leo J. Brennan Inc., Troy, Mich. *	490	NA	3,208	NA	2,818	NA	64	NA	64	NA	NA	NA	Leo J. Brennan, president	(313) 362-3131
527	✓	R.F. Broadus & Associates, Atlanta *	481	286	2,539	1,904	320	120	2,219	1,784	1,243	776	342	535	Robert F. Broadus, president	(404) 237-1503
528		Underline Inc., Dallas	474	420	3,118	2,635	2,668	2,335	200	70	200	55	NA	NA	P.A. Favri, president	(214) 747-6565
529		Brewster Advertising, Cambridge, Mass.	442	425	3,190	2,909	2,390	2,228	419	435	585	725	NA	NA	Donald R. Brewster, president	(617) 661-8318
530	✓	Kinzie & Green, Wausau, Wis.	440	378	2,805	2,515	1,716	1,551	830	793	385	362	209	186	Kirk E. Howard, president	(715) 845-4251
531	✓	Phoenix Advertising, Design & Promotion, Elm Grove, Wis.	409	251	2,658	1,617	1,677	931	573	372	387	365	187	8	Jean Radtke, ceo	(414) 785-2636
532	✓	Mullin/Ashley Associates, Chestertown, Md.	409	363	2,663	2,388	1,886	1,570	283	279	440	427	NA	NA	J. Rigby Mullen Jr., president	(301) 778-2184
533		Hautigan Advertising, Chicago	387	364	2,524	2,430	2,027	1,930	176	165	320	305	8	NA	William J. Hautigan, ceo, creative dir	(312) 777-0424
534	✓	Bulloch & Haggart Advertising, Colorado Springs, Colo.	384	415	2,578	2,717	1,439	1,246	987	1,267	116	304	857	934	Stephen R. Haggart, president	(719) 635-7576
535	✓	Significs Inc., Rochester, N.Y. *	383	343	2,426	2,207	1,047	760	673	999	673	999	NA	NA	Douglas Baker, president, creative dir	(716) 271-2622
536		Robert J. Scott Associates-Direct Mail Plus, Indianapolis *	375	214	2,501	1,421	NA	NA	NA	NA	NA	NA	NA	NA	Sandra Lee Hoffman, partner	(317) 872-4333
537	✓	J. Ronald Gaffe Inc., Okemos, Mich.	372	536	2,470	3,645	1,176	1,599	744	1,001	74	260	640	731	J. Ronald Gaffe, president	(517) 349-6770
538	✓	Lowell/Harrison, Rockville Centre, N.Y. *	368	326	1,516	1,350	206	82	894	867	843	821	36	46	John W. Harrison, president	(516) 536-2020
539		MSA Advertising, Philadelphia	360	344	3,267	3,119	1,415	1,283	1,380	1,407	949	1,091	257	131	Michael Schwartz, ceo	(215) 546-8000
540	✓	William Mills Advertising & Marketing, Atlanta	341	411	1,615	2,082	859	1,026	100	387	95	337	NA	8	William E. Mills Jr., president, chmn	(404) 261-4900
541	✓	Creel Associates, Oak Brook, Ill.	340	241	2,371	1,664	1,190	1,047	694	342	424	274	170	17	David R. Creel, president	(312) 990-0402
542	✓	J.W. Prendergast & Associates, New York	315	355	2,080	2,320	1,880	2,020	100	100	NA	NA	NA	NA	J.W. Prendergast, president	(212) 687-8805
543	✓	Geoghegan/Griffiths, Cincinnati	310	NA	2,064	NA	1,194	NA	460	NA	135	NA	299	NA	John R. Geoghegan, president	(513) 579-1800
544	✓	R.J. Hunter & Associates, Exton, Pa.	310	323	2,048	2,112	1,281	1,220	683	699	NA	NA	NA	NA	Raymond J. Hunter, president	(215) 363-0606
545	✓	G. Duff Associates, Somerville, N.J.	309	187	2,029	1,229	299	NA	1,553	1,117	1,365	1,037	86	20	Glee A. Duff, president	(201) 874-0500
546	✓	Felix Ruslin Direct Response, Chicago	299	154	1,975	1,014	500	334	1,425	650	NA	NA	NA	NA	Steven S. Gilbertz, president	(312) 737-7800
547		Friedman Associates, West Orange, N.J. *	292	314	1,862	2,030	NA	NA	1,862	2,030	1,744	1,926	37	50	Joseph Friedman, owner	(201) 325-1314
548		Barlow Murray Advertising, Syracuse, N.Y.	286	268	1,874	1,758	1,479	1,407	215	170	158	113	49	43	Holly Barlow Burns, partner	(315) 478-2154

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✓ indicates that agency received signature of independent accountant verifying figures supplied to AA.

Agencies ranked 101 to 588 with U.S. billings by media category

Rank		Agency, headquarters	Gross income 1988	Gross income 1987	Total volume 1988	Total volume 1987	Capitalized fees 1988	Capitalized fees 1987	Commissionable media 1988	Commissionable media 1987	Print media billings 1988	Print media billings 1987	Broadcast media billings 1988	Broadcast media billings 1987	Top executive, title	Telephone number
549	✓	Dugan, Valva Associates, Fairfield, N.J. *	285	98	1,118	652	1,118	652	NA	NA	NA	NA	NA	NA	Peter Dugan, chmn	(201) 227-7396
550	✓	Faber Shervey Advertising, Minneapolis	284	282	1,895	1,880	890	1,105	795	574	795	574	NA	NA	Paul Shervey, president	(612) 881-5111
551	✓	Hicks & Associates, Coral Gables, Fla.	264	350	1,528	2,064	423	357	862	1,352	437	761	426	591	Donald J. Hicks, president	(305) 444-7463
552		Varon & Associates, Birmingham, Mich.	257	NA	1,714	NA	NA	NA	1,714	NA	NA	NA	NA	NA	Jerry Varon, president	(313) 645-9730
553	✓	Cowden Associates, Grand Junction, Colo.	251	238	1,651	1,566	1,015	1,125	510	319	227	109	237	167	Elizabeth R. Cowden, proprietor	(303) 245-4676
554	✓	Burgess, Brewer, Stanyon & Payne, Portland, Maine	245	124	1,632	826	1,430	660	85	77	385	NA	5	NA	Meredith N. Strang Burgess, president	(207) 775-5227
555	✓	Bernard Popick Associates, Atlantic City, N.J.	239	346	1,593	2,310	1,567	2,310	4	NA	NA	NA	NA	NA	Bernard A. Popick, president	(609) 348-2600
556	✓	Mycomm Advertising, Chicago	224	NA	1,476	NA	1,327	NA	70	NA	70	NA	NA	NA	Roger Myers, co-owner, president	(312) 372-7272
557		Jack Mathis Advertising, Libertyville, Ill.	221	210	1,451	1,384	848	813	487	465	463	441	NA	NA	Jack Mathis, president	(312) 367-1826
558	✓	DK Group, Hillsdale, N.J.	221	NA	1,471	NA	281	NA	703	NA	NA	NA	NA	NA	Richard Knel, president	(201) 358-6100
559	✓	Adams & Longino Advertising, Greenville, N.C.	217	161	1,405	1,041	566	329	612	547	455	458	108	75	Charles P. Adams Jr., president	(919) 355-5566
560	✓	Admiralty Marketing & Advertising, Burlingame, Calif.	215	189	1,433	1,219	452	334	825	760	825	730	NA	NA	Charles Thomas, president	(415) 348-9377
561		Lundmark Advertising & Design, Kansas City, Mo. *	207	199	1,202	1,150	NA	NA	210	170	70	57	6	2	Fred Trent, president	(816) 842-5236
562	✓	Everett, Brandt & Bernauer, Kansas City, Mo.	205	216	1,323	1,391	354	383	708	730	258	286	263	261	James A. Everett, president	(816) 421-0000
563	✓	Dennis R. Green Associates, Southfield, Mich.	204	221	1,318	1,424	319	358	872	912	320	293	505	579	Dennis R. Green, president	(313) 540-7277
564	✓	Shafer & Associates, Northport, N.Y. *	200	NA	1,800	NA	NA	NA	1,800	NA	NA	NA	NA	NA	Rik Shafer, president	(516) 754-1750
565		NPC & Associates, Landover, Md.	194	178	1,288	1,187	436	367	813	820	306	NA	508	NA	Nathaniel Pope Jr., president	(301) 925-9475
566	✓	Adtech Inc., Plano, Texas *	194	140	1,213	862	200	140	558	315	455	417	NA	NA	Marc Liebman, president	(214) 578-8899
567	✓	Holtzman & Silverman Comm., Farmington Hills, Mich.	193	123	1,308	1,085	458	250	724	585	713	579	7	3	Jonathan Holtzman, president	(313) 851-9600
568	✓	Fraser Advertising, Atlanta	182	NA	1,228	NA	268	NA	810	NA	331	NA	450	NA	Neil L. Fraser, president	(404) 892-7060
569	✓	L. Quillin & Associates, La Crosse, Wis.	174	190	1,101	1,231	594	663	337	464	150	467	380	517	Lawrence J. Quillin, president	(608) 788-8292
570	✓	Creative Media Inc., East Lansing, Mich.	172	61	1,111	396	385	253	516	90	20	NA	422	82	Gary G. Naeyaert, media dir, owner	(517) 337-2355
571		D&S Advertising, Ft. Lauderdale, Fla.	166	132	1,109	880	534	400	500	420	NA	NA	NA	NA	Peter Dornau, president	(305) 587-6280
572		Keller Haver, New York	165	190	966	1,200	66	30	900	1,170	800	NA	50	NA	Gerald Keller, president	(212) 867-9494
573		Cummings Group, Oklahoma City	155	102	1,032	681	749	520	211	115	91	44	82	48	Ross W. Cummings, owner	(405) 524-9441
574		Clarke Advertising & PR, Bradenton, Fla.	147	NA	978	NA	578	NA	400	NA	NA	NA	NA	NA	Timothy J. Clarke, president	(813) 753-6047
575		Ribnick & Associates, Houston *	138	131	920	870	NA	NA	920	870	NA	NA	NA	NA	Gloria Ribnick, president, ceo	(713) 952-3089
576	✓	High Plains Advertising, Dodge City, Kan.	132	81	365	235	90	53	246	154	139	52	107	101	Joe Berkely, president	6) 227-7171
577	✓	Andy Ulrich Advertising, Palatine, Ill.	122	65	720	380	NA	NA	720	380	NA	NA	720	380	Andy Ulrich, president	(312) 991-9500
578		Mills Marketing, Los Angeles	122	97	775	610	200	161	375	250	275	200	NA	NA	Ezra Millstein, president, creative dir	(213) 223-1178
579	✓	Arnold & Underwood, San Francisco *	120	80	804	536	NA	NA	NA	NA	145	168	60	NA	Maxwell Arnold, owner, creative dir	(415) 781-0530
580	✓	Breakstone & Hughes, Greenwich, Conn.	111	95	688	604	680	600	3	NA	61	30	1	16	Elaine Breakstone, president	(203) 622-0388
581	✓	Shea & Ziegler, Darien, Conn.	110	94	741	615	517	445	156	109	156	97	NA	NA	Michael S. Ziegler, president	(203) 655-9100
582		Eric Holch/Advertising, New Canaan, Conn. *	106	101	550	525	NA	NA	400	400	400	400	NA	NA	Eric Holch, president	(203) 966-7347
583	✓	Marketing Lab, Danbury, Conn.	106	83	869	712	490	421	216	132	216	132	NA	NA	Allen F. Flouton, president	(203) 790-7939
584	✓	Concepts & Strategies, Westport, Conn.	105	96	663	638	440	638	NA	NA	NA	NA	NA	NA	Gladys Lindner, owner	(203) 227-4903
585		N. Armstrong Advertising Agency, Lubbock, Texas	96	86	629	560	203	154	362	343	127	97	227	238	Nelda Armstrong, owner	(806) 794-0715
586	✓	Valiquette & Shamon, Burlington, Vt.	94	NA	599	NA	439	NA	79	NA	74	NA	5	NA	Stephen M. Valiquette, president	(802) 658-4249
587	✓	Communication Plus Advertising/PR, Richardson, Texas	64	83	363	519	237	352	109	125	109	123	NA	2	Ed Fries, managing ptnr, ceo	(214) 783-8543
588		Sweet Advertising Agency, Mt. Morris, Ill. *	54	48	350	310	NA	NA	300	270	NA	NA	NA	NA	Virginia A. Grek, owner	(815) 734-6520

Notes: Dollars are in thousands. Print media billings include newspaper, consumer magazine, Sunday magazine, business publication, medical journal, and farm publication billings; broadcast media billings include spot, network, cable and syndicated TV billings, as well as radio. Print and broadcast media may include some media bought on a fee basis. * indicates that gross income and/or total volume figures are AA estimates.
✓ indicates that agency received signature of independent accountant verifying figures supplied to AA.

Alphabetical index to agency rankings

Agency	Rank
Abelson-Taylor Inc.	184
Ackerman, Hood & McQueen	130
AC&R Advertising	30
Adair-Greene Advertising	414
Adams Calway & Associates	451
Adams & Longino Advertising	559
AdCorp International Hawaii	484
Adelante Advertising	465
Ad Hoc Marketing Resources	422
Admarketing Inc.	34
Admiralty Marketing & Advertising	560
Ad-Pro Inc.	510
Ad Team of Florida	189
Ad-Tech Communications	485
Adtech Inc.	566
Alexander Marketing Services	302
Allied Advertising Agency	113
Alry & Gargano	38
Altschiller Reitzfeld Davis Tracy Locke	103
Ambassador Marketing Group	513
Ammirati & Puris	43
Anderson Communications Cos	232
Anderson & Lembke	216
Aragon Cos	120
Donald L. Arends Inc.	395
Armando Testa Advertising	421
N. Armstrong Advertising Agency	585
Arnold & Co	174
Noble Arnold & Associates	490
Arnold & Underwood	579
Asher Agency	508
Asher Gould Advertising	101
August, Bishop & Meier	350
Avrett, Free & Ginsberg	83
NW Ayer	15
Babbit & Reiman Advertising	182
Backer Spielvogel Bates Worldwide	3
Bader Rutter & Associates	152
Baker, Abbs, Cunningham & Kleppinger	314
Perry Ballard Advertising	493
Barker Campbell & Farley	253
Barlow Murray Advertising	548
Barney & Patrick Advertising	354
Barnum Communications	223
Baron & Zarelsky	310
Keith Bates & Associates	521
Bauer Communications	519
Baxter, Gurian & Mazzei	309
Bayer Bess Vanderwarker	86
BBDM Advertising	239
BBDO Worldwide	7
Beaumont, Heiler & Sperling	415
Beckman Associates Advertising	408
Benito Advertising	168
Bentley, Barnes & Lynn	139
Berenson, Isham & Partners	319
Berenter Greenhouse & Webster	165
Shelly Berman Communicators	219
Bernstein-Rein Advertising	132
BHN Advertising & PR	282
William R. Biggs Gilmore Associates	145
Birdsall-Voss & Associates	424
Blair Advertising	249
Blaisdell & Westlie	289
Barry Blau & Partners	110
Bloom Companies	53
Advertising, Boelter & Lincoln	406
Bonneville Media Communications	323
Borders, Perrin & Norrander	170
Earle Bower Associates	511
Bozell, Jacobs, Kenyon & Eckhardt	16
Bradford Advertising	491
Brady Co.	269
Breakstone & Hughes	580
Leo J. Brennan Inc.	526
Brewster Advertising	529
R.F. Broadus & Associates	527
Brouillard Communications	114
Earle Palmer Brown Cos	36
E.H. Brown Advertising Agency	324
Broyles Garamella Fitzgerald & Crysz	443
Bullock & Haggart Advertising	534
Buntin Advertising	181
Burgess, Brewer, Stanyon & Payne	554
Leo Burnett Co.	12
Burrell Advertising	115
Lawrence Butner Advertising Agency	255
Buyer Advertising	352
Cabot Communications	82
Campbell-Mithun-Esty	20
Campbell & Wagman	161
Caravetta Allen Kimbrough	388
Carmichael Lynch	109
Carrafiello-Diehl & Associates	121
Carter Callahan Advertising & PR	478
Cascino & Purcell	462
Cato Johnson/Y&R	154
CCG/TCA	69

(Continued on Page 38)

Alphabetical index to agency rankings

(Continued from Page 36)

Agency	Rank
CDHM Advertising	358
Chapman Stone & Adler	90
Charnas Inc	279
Chiat/Day	26
Christopher Thomas Muller/JordanWeiss	126
Clarity Coverdale Rueff Advertising	290
Clarke Advertising & PR	574
George P. Clarke Advertising	448
Clarke Goward Fitts Matteson	330
Cohen/Johnson	251
Cole Henderson Drake	328
Cole & Weber	96
Colle & McVoy	146
Communication & Design Agency	390
Communication Plus Advertising PR	587
Concepts & Strategies	584
Conill Advertising	192
William Cook Advertising	105
Frank J. Corbett Inc	118
Cosmopulos, Crowley & Daly	257
Covey & Koons	520
Cowden Associates	553
CPA Inc	329
Cramer-Krasselt Co	81
Cranford Johnson Robinson Associates	237
Creative Media Inc	570
Creel Associates	541
Creswell, Munsell, Fultz & Zirbel	94
CTS Associates	512
Cummings Group	573
Dahlin Smith White	259
Dailey & Associates	58
D'Arcy Masius Benton & Bowles	11
Davidoff & Partners	331
Davis, Ball, Colombatto Advertising	71
Daymark Inc	463
DCA Advertising	116
DDB Needham Worldwide	13
Decker Rickard	231
Delfino Marketing Communications	464
Della Femina, McNamee WCRS	24
David Deutsch Associates	135
Devon Direct Marketing & Advertising	142
DFK Advertising	516
Dickison & Rakaseder	420
Direct Marketing Group	45
DIVERSA Advertising	522
DK Group	558
D.M.C.A.	156
Doe-Anderson Advertising	228
W.B. Doner & Co	33
Doremus & Co	44
Dorland & Sweeney	273
Dorrite & Lyons	149
D.P.L. Advertising	471
Drackett & Lavidge	413
Drossman Lehmann Marino	316
D&S Advertising	571
Dudnyk Co	260
Dudreck DePaul Ficco & Morgan	335
G. Duff Associates	545
Duffy & Shanley	303
Dugan Farley Communications Associates	148
Dugan, Valva Associates	549
Duke Unlimited	494
Eisaman, Johns & Laws	70
Eisner & Associates	177
Elgin Syferd Advertising	188
Elkman Advertising	136
Emerson Marketing Agency	444
Emerson Lane Fortuna	254
John Emmerling Inc	306
Ephron, Raboy & Tsao Advertising	208
Epsilon	122
Ericksen/Basloe Advertising	434
Eric Ericson & Associates	190
Estey-Hoover	402
Evans Communications	54
Everett, Brandt & Bernauer	562
Faber Shervey Advertising	550
Fahlgren & Swink	60
Fallon McElligott	68
FCB-Publicis	5
Felix Ruslin Direct Response	546
Thomas G. Ferguson Associates	66
Fern/Hanaway	343
Fessel, Siegfriedt & Moeller Advertising	363
Firestone & Associates	301
Fitzgerald & Co	321
FitzSimons Advertising & PR	507
Fogarty & Klein	191
Food Group	275
Forsythe Marcelli Johnson Advertising	315
Fox MMJM Direct	341
Albert Frank-Guenther Law	137
Frankenberry, Laughlin & Constable	186
Fraser Advertising	568
Friedman Associates	547
Furman, Roth Advertising	418
J. Ronald Gaffe Inc	537
Gallagher Group	492
Gardiner-A Marketing Co	480
Gardner Advertising Co	73
Gardner Communications	262
Geer, DuBois	61
Geoghegan Griffiths	543
Gerber Advertising Agency	294
Giardini Russell	212
Gilbert, Whitney & Johns	244
Gillespie Advertising	206
Girgenti, Hughes, Butler & McDowell	293
Glazen Communications	404
Goldberg Marchesano & Associates	243
Goldfarb Hoff & Co	276
Goodwin, Dannenbaum, Littman & Wingfield	164
Chester Gore Co	333
Grace & Rothschild	187
Graff Advertising	502
Grant Jacoby	166
Grant Marketing Communications	529
Grant & Palombo	428
Dennis R. Green Associates	563
Greenstone Rabasca Roberts	220
Greenwald Christian Advertising	355
Gregory Inc	384
Grey Advertising	10
Griffin Bacal	57
Gross Townsend Frank Hoffman	99
Group 243	133
GSDM	75
Gumpertz Bentley Fried	296
Haddon Advertising	213
Haller Schwarz	477
Hallmark Advertising	312
Hammerman & Morse	517
Hammond Farrell	291
Harris, Baio & McCullough	295
Harris & Love Advertising	382
Harris & West Advertising	298
Haselow & Associates	376
Hautigan Advertising	533
Hawley Martin Partners	346
Haynes & Pittenger Direct	474
HCF & Lois/GGK	102
HDM	14
Healy-Schutte & Co	278
Henderson Advertising	98
Herring Newman	326
Hickman & Associates	445
Hicks & Associates	551
Roni Hicks & Associates	426
Hiebing Group	393
High Plains Advertising	576
Hill, Holliday, Connors, Cosmopulos	28
Hinton & Steel	524
HMK Advertising	409
Bernard Hodes Group	39
Hoffman York & Compton	158
J.P. Hogan & Co	419
Eric Holch Advertising	582
Holtzman & Silverman Communications	567
Homer & Durham Advertising	240
Houston Advertising	344
Hughes Advertising	318
Hull & Signorile	501
Hume Sindelar & Associates	357
Humphrey, Herbert & Alber	435
R.J. Hunter & Associates	544
Huntsinger & Jeffer	337
HutchesonShutze	207
Ice Communications	245
Ingalls, Quinn & Johnson	72
Intercommunications Inc	378
Jaeger Inc	515
James & Thomas	523
Jason Group	437
Jayme Organization	183
Jiloty Communications	505
Rick Johnson & Co	349
Jordan, McGrath, Case & Taylor	35
Jordan/Tamraz/Caruso	197
Juhl Agency	241
Kallir, Philips, Ross	56
Kalmar ad/marketing	483
Kaprielian O'Leary Advertising	387
Karsh & Hagan	307
Kaufman & Maraffi	332
Keller-Crescent Co	55
Keller Haver	572
Kerker & Associates	252
Keroff & Rosenberg Advertising	218
Kert Advertising	265
Ketchum Communications	19
Keye/Donna/Pearlstein	104
Keyes Martin Gaby Linett	124
Kinzie & Green	530
KK&M Advertising	304
Klemtner Advertising	91
S.R. Knapp Associates	449
Kobs & Draft Advertising	47
Kocs, Wesson & Associates	496
Kolesar & Hartwell	264
Kolon, Bittker & Desmond	194
Kopf & Isaacson Advertising	468
Kresser, Craig/D.I.K.	173
Lally, McFarland & Pantello	171
Landers & Partners	460
Hal Langerman Co	375
Robert LaPointe & Co. Advertising & PR	436
Lardis, McCurdy & Co	509
Larkin, Meeder & Schweidel	268
Larson Colby Koralek	386
Lauerer Markin Gibbs	193
Launey, Hachmann & Harris	347
Laurence Charles Free & Lawson	31
Martin A. Lave Marketing	461
Laven, Fuller & Perkins Advertising	438
Lavey/Wolff/Swift	87
Lawler Ballard	143
Leff & Squicciarini Advertising & PR	467
Al Paul Lefton	95
Lempert Co	235
Leonard Monahan Lubars & Partners	209
Leslie Advertising	227
Levenson, Levenson & Hill	202
Levine, Huntley, Schmidt & Beaver	40
Jack Levy & Associates	169
Levy, King & White Cos	151
Lewis, Browand & Associates	398
Lewis, Gilman & Kynett	59
J.H. Lewis Advertising	391
LGFE Inc	48
Lieberman-Appalucci	351
Liggett-Stashower	106
Lintas:Worldwide	9
Lipman, Richmond, Greene	311
Littlefield Marketing & Advertising	457
Lockhart & Pettus	334
Loeffler Ketchum Mountjoy	392
Lohman Organization	373
Lohmeyer Simpson Communications	221
Lois Pitts Gershon Pon/GGK	84
Long, Haymes & Carr	93
Lord Einstein O'Neill & Partners	214
Lord, Sullivan & Yoder	196
Lowell Harrison	538
Lowe Marschalk	29
Landmark Advertising & Design	561
Lyons Inc	210
MacDonald Boyd White	440
Mailof, Abruzino & Nash Marketing	466
Malone Advertising	176
MARC Advertising	140
Marcus Advertising	281
Margeotes Fertitta & Weiss	107
Maris, West & Baker	360
MarketAide Inc	518
Marketing Lab	583
Marketing Resources	134
Marketing Support	234
Marontate & Co	401
Marquardt & Roche	250
Martin Agency	65
Martin Marshall Jaccoma Mitchell	138
Martin-Williams	117
Martiny & Co	381
Martz & Associates	425
Marx/Knoll, Denight & Dodge	441
Jack Mathis Advertising	557
McAdams, Richman & Ong	141
William Douglas McAdams Inc	76
McCaffery & Ratner	256
McCaffrey & McCall	32
McCann-Erickson Worldwide	4
McConnaughy Barocci Brown	338
McDougall Associates	313
McFarland Group	367
McKee Advertising	455
Robert McKim Advertising	317
McKinney & Silver	62
McKinney Inc	224
McKone & Co	297
M.E.D. Communications	80
Medicus Intercon International	37
Meldrum & Fewsmith	123
Stan Merritt Inc	284
Merling Marx & Seidman	285
R.L. Meyer Advertising	410
M&H Advertising	469
Michael & Partners	359
Middleberg Middleton Picower	380
Miller Advertising Agency	88
Miller Meester Advertising	129
Mills Marketing	578
William Mills Advertising & Marketing	540
Minturn Marketing	525
Mintz & Hoke	153
Mitchell & Comer	379
Mojo U.S.A.	100
Eric Mower & Associates	150
MSA Advertising	539
Muldoon Direct	287
Mullen Advertising	128
Mullin/Ashley Associates	532
Mycomm Advertising	556
Kip Myers & Associates	417
Nash Direct	412
Nationwide Advertising Service	49
Neiman Group	482
Newmark, Posner & Mitchell	195
NKH&W Marketing Communications	385
Noble Communications	111
North Castle Partners Advertising	175
NPC & Associates	565
Ogilvy & Mather Direct Response	22
Ogilvy & Mather Worldwide	6
O'Neal & Prelle	364
Pagano Schenck & Kay	369
Paolin & Sweeney	204
Partners & Shevack	172
Patterson Advertising	472
Pedone & Partners	238
Penny/Ohlmann/Neiman	327
Penny & Speier	374
Peterson-Morris MacLachlan	403
Phillips Miller Speyer & Frost	397
Phoenix Advertising, Design & Promotion	531
Pierson & Flynn	476
Pihas Schmidt Westerdahl Co	274
Poindexter Associates	495
Point Communications	442
Pool/Sarraille Advertising	365
Bernard Popick Associates	555
Poppe Tyson	79
Posey Quest Genova	336
Potter Hazlehurst	280
Praco Ltd	487
J.W. Prendergast & Associates	542
Price McNabb Advertising	198
Publicidad Siboney	271
Publicis Inc	308
QLM Associates	108
QML Communications	497
Qually & Co	450
L. Quillin & Associates	569
Rainoldi Kerzner & Radoff	394
Rapp Collins Marcoa	51
Russ Reid Co	125
Reynolds-Sullivan Advertising	498
Rhea & Kaiser Advertising	300
Ribnick & Associates	575
Rich, Gardner Advertising	500
Richards Group	78
Richardson, Myers & Donofrio	131
Richardson, Thomas & Bushman	458
Hal Riney & Partners	52
John Risdall Advertising	405
Rizzo Simons Cohn	263
Robinson, Yesawich & Pepperdine	180
Roggers, French & Co	427
Rolf Werner Rosenthal	163
Romann & Tannenholz Advertising	147
Rosenfeld, Sirowitz, Humphrey & Strauss	64
Rosenthal, Greene & Campbell	362
Ross Advertising	431
Rossin Greenberg Seronick & Hill	246
Ross Roy Group	23
Rubin Postaer & Associates	63
Rubin Reid Noto & Ehrenthal	567
Ruhr/Paragon	155
Rumrill-Hoyt	97
Saatchi & Saatchi Advertising	2
Saatchi & Saatchi Direct	127
Sacks & Rosen	167
Sader & Associates	514
Sargent & Potratz	503
Sawyer Riley Compton	248
Scali McCabe Sloves	18
Peter Scannell Inc	447
Scharfberg & Associates	370
Schenkein Inc	342
Ken Schmidt Co	366
Schroeder Advertising	459
Robert J. Scott Associates-Direct Mail Plus	536
Sefton Associates	292
SGM & Co	400
Shafer & Associates	564
Sharp Hartwig	288
Shaw & Landey	199
Shea & Ziegler	581
Sheffer Advertising	489
Sheldon Fredericks Advertising	479
Significs Inc	535
H. Richard Silver Inc	371
Simms & McIvor	372
Simons Michelson Zieve	226
Slater Hanft Martin	160
Smith Badofsky & Raffel	322
Smith Burke & Azzam	215
Smith/Greenland	162
J. Richard Smith Ltd	144
Smith, Kaplan, Allen & Reynolds	348
Smith Lask Associates	470
Smith & Yehle	456
Soghigian & Macuga Advertising	266
Solin Associates	361
Sommer Inc	356
Spencer Bennett Nowak	320
Franklin Spier Inc	236
Edgar S. Spizel Advertising & PR	407
Steinert & Associates	270
Stephan & Brady	299
Stern Advertising	230
Stern Walters Partners	203
Stevens Kirkland Kreer	488
Stiegler, Wells & Brunswick	345
Stimpson-Clarke Advertising	416
Stone, August, Baker Communications Cos	229
Stone & Simons Advertising	211
Sudler & Hennessey	42
Sullivan & Brownell	506
Sullivan Higdon & Sink	258
Sutton Healthcare Group	225
Sweet Advertising Agency	588
Symon & Hilliard	473
Tarlow Advertising	178
Tatham-Laird & Kudner	46
Taylor Brown Smith & Perrault	205
TBWA Advertising	21
Telephone Marketing Programs	41
G. Temple Associates	411
Tepe, Hensler & Westerkamp	452
Thelen & Associates	432
J. Walter Thompson Co	8
Three Arts	453
Topin & Associates	430
Topline Design	499
Towne Silverstein & Rotter	89
Townsend Agency	340
Tracy-Locke	27
Trahan, Burden & Charles	222
Tri-State Advertising Co	454
Tromson Monroe Advertising	247
Tucker Wayne/Luckie & Co	67
Tyger Fultz Bellack	217
Andy Ulrich Advertising	577
Umphenour Martin Lonsdorf	353
Underline Inc	528
Unispond Inc	119
Valentine-Radford	112
Valiquette & Shamon	586
Van Brunt & Co. Advertising	277
VanSant, Dugdale & Co	185
Varon & Associates	552
Venet Cos	85
Vickers & Benson/FKB	200
Vicom/FCB	92
John Volk Co	383
Waldbillig & Besteman	283
Wardrop Murtaugh Temple	377
Waring & LaRosa	157
Warner, Bucking & Fenwick	233
Warren Anderson Advertising & PR	389
Warren/Kremer Advertising	261
Warwick Advertising	50
Weightman Group	77
S.J. Weinstein Associates	339
Weiser Group	399
Wells, Rich, Greene	17
Wendt Advertising	396
White, Good & Co	475
Roger White Advertising	486
Edwin Bird Wilson Inc	179
Windermere Communications	305
Winius-Brandon Advertising	201
Winterkorn Lillis	368
Don Wise & Co	504
Wolf Blumberg Krody	242
Wolkcas Advertising	423
Wooding Housley DiLeo	446
Wunderman Worldwide	25
Wyble Advertising	439
Wyse Advertising	74
Yaffe & Co	286
Richard Yeager Associates	481
Yellow Pages Marketing Services	159
Young & Rubicam	1
Zechman & Associates Advertising	272
Zubi Advertising Services	433
Zylke & Associates	325

Top 100 in 45th agency report

These industry leaders generated $9.85 billion in worldwide gross income, up 13.6% from their 1987 composite

RANK 30

AC&R Advertising

New York
GROSS INCOME: $ 44 MILLION

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	44.1	45.3	(2.4)
Volume	954.1	999.7	(4.6)
U.S. volume stats	**1988**	**1987**	**% chg**
Media	764.0	760.5	0.5
Materials & services	61.7	61.4	0.5
Capitalized fees	78.4	84.4	(7.1)

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	63.1	60.6	4.1
Consumer magazine	164.3	162.5	1.1
Sunday magazines	10.4	10.5	(1.1)
Business publications	5.5	5.7	(3.5)
Medical journals	1.8	1.8	0.0
Free-standing inserts	6.2	10.4	(40.0)
Outdoor	2.9	2.1	38.5
Spot TV	96.8	90.6	6.8
Network TV	18.2	29.9	(39.0)
Radio	14.0	17.1	(18.2)
Direct response	6.9	7.1	(2.8)

Workforce & facilities

U.S.	1988	1987	% chg
Employees	469	562	(16.5)
Offices	6	6	NA

1988 billings by major office

Office, City	Billings
AC&R Advertising, New York	264.8
AC&R Advertising, Cambridge, Mass.	7.9
AC&R Advertising, Miami	4.7
AC&R Advertising, Boston	2.8
AC&R Advertising, San Francisco	1.5
AC&R Advertising, San Diego	0.0

Annual Review

This joint agency of AC&R Advertising and Cochrane Chase Livingston had a combined total billings decrease of 2.9%. Major new business came from Austin Rover of North America ($30 million annualized); Fosters Lager Beer ($25 million) and Regency Cruises ($3 million) along with increased spending from Estée Lauder, Footlocker and Tri-Star. But gains could not outweigh losses from the departing Kinney Shoe Corp. ($13.5 million annualized), NBC Entertainment ($25 million), Paramount Pictures ($7 million) and Matchbox USA ($12 million). The agency projects a 5% increase in billings for 1989. AC&R, the renamed shop that existed in 1987 as AC&R/DHB & Bess (a combo of various Backer Spielvogel Bates units), bought CCL from Saatchi & Saatchi Worldwide to form an independent agency within Saatchi & Saatchi PLC that is connected with neither BSB or S&SW. In the merger, the three CCL West Coast offices were merged into AC&R's three California offices.

U.S. Accounts

Gained: Sterling; Esther Williams; Fosters Lager; Regency Cruises; Sunline Cruises; UCI Stanford Medical Center; Signal Landmark Properties; Microgone.
Lost: Paramount; Beefeater Gin; NBC; Lorimar Telepictures; Zayre; DeLaurentiis Entertainment Group; Vestron; Buffman.

Officers

Stephen Rose, ceo; chmn-exec committee, AC&R; Henry Weintraub, chmn-AC&R; Alvin Cheskin, vice chmn-AC&R; Martin Mitchell, Sheldon Marks, vice chmns-exec comm, AC&R; Louis Miano, vice chmn-creative svcs, AC&R; Harry Koenig, vice chmn-cfo, AC&R; Patrick King, president-AC&R, chmn-ceo, AC&R/CCL; Morton Weinstein, exec vp, dir-mktg svcs, AC&R; R. Lynn Livingston, president, coo-AC&R/CCL; Frank Addis, exec vp-AC&R/CCL.
Phone: (212) 696-3900.

RANK 34

Admarketing Inc.

Los Angeles
GROSS INCOME: $ 40 MILLION

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	40.4	36.0	12.2
Volume	224.5	201.0	11.7
U.S. volume stats	**1988**	**1987**	**% chg**
Media	220.0	196.6	11.9
Materials & services	4.5	4.4	2.3
Capitalized fees	0.0	NA	NA

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	3.2	7.6	(57.9)
Consumer magazine	1.0	3.8	(73.7)
Free-standing inserts	0.6	1.9	(68.4)
Outdoor	0.4	1.9	(78.9)
Point of sale	2.1	3.7	(43.2)
Spot TV	166.0	148.2	12.0
Network TV	1.1	0.0	NA
Cable TV	1.7	0.0	NA
Radio	23.1	13.6	67.4
Direct response	16.8	15.0	25.3
Other	2.0	1.9	5.3

Workforce & facilities

U.S.	1988	1987	% chg
Employees	138	135	2.2
Offices	2	1	NA

Annual Review

Projections for 1989 call for breaking the $250 million mark in billings based on an expected 13% growth from current accounts, not including any new business acquired. An 11.7% billings increase was reported for 1988 from existing clients Circuit City Stores, C&R Clothiers and Superior Brands, and new business from Clothestime, Home Depot and Osco Drug. Lost business of $500,000 came from accounts all resigned.

U.S. Accounts

Gained: Clothestime; Daihatsu; Home Depot, Music Plus; Osco Drugs; Pioneer Take-Out; Pogen Cookies.
Lost: Daihatsu; Home Club; MGM Grand Air.

Officers

Jack Roth, president-ceo; Robert Recht, chmn; Robert Roth, treasurer; Martin Cagan, exec vp; Denis Kalscheur, exec vp-cfo; Howie Krakow, exec vp-creative dir; George Abdell, Arlynn Whittaker, Frank Farrell, sr vps-acct supers; Patricia Gleason, vp-natl media dir; Larry Mandel, vp, dir-media; Calif.
Phone: (213) 203-8400.

RANK 38

Ally & Gargano

New York
GROSS INCOME: $ 34 MILLION

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	34.4	37.2	(7.6)
Volume	295.2	316.7	(6.8)
U.S. volume stats	**1988**	**1987**	**% chg**
Media	250.9	286.0	(12.3)
Materials & services	17.9	18.3	(2.1)
Capitalized fees	26.4	12.5	112.3

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	13.0	17.0	(23.5)
Consumer magazine	65.5	64.5	1.4
Outdoor	25.5	24.0	6.3
Transit	3.5	4.0	(12.5)
Point of sale	0.2	0.5	(60.0)
Spot TV	71.0	82.7	(14.1)
Network TV	74.0	76.5	(3.3)
Cable TV	8.5	7.0	21.4
Radio	5.5	4.8	14.6
Direct response	4.5	4.0	12.5
Other	0.5	1.0	(50.0)

Workforce & facilities

U.S.	1988	1987	% chg
Employees	220	255	(13.7)
Offices	2	2	NA

Annual Review

A 6.8% drop in billings in 1988 resulted from $315 million in lost business including Saab Car ($20 million) and Ecotrin ($6 million) as well as a decrease in spending from the Maxithin account as that category concentrated more on promotion. A 10% or more increase is predicted for this year from new business including Eversoft Lotion ($10 million annualized) and Mott's Fruit Packs ($8 million annualized); and growth from direct response, a new assignment from Weight Watchers and the introduction of Icy Vodka.

U.S. Accounts

Gained: Jergens; Brown Forman; Cadbury Schweppes; Tambrands; Ralston Purina; Pfizer.
Lost: Saab Scania; SmithKline Consumer Prods; Fieldcrest Cannon.

Officers

William Luceno, ceo; Amil Gargano, chmn; William Bishop, president; Mike Tesch, exec vp, dir-creative svcs; Warren Dechter, exec vp, dir-client svcs; Dawn Sibley, exec vp, dir-media svcs.
Phone: (212) 688-5300.

RANK 43

Ammirati & Puris

New York
GROSS INCOME: $ 28 MILLION ✓

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	28.0	25.5	9.8
Volume	210.0	170.0	23.5

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	25.2	15.3	64.7
Consumer magazine	56.7	39.1	45.0
Sunday magazines	2.1	0.0	NA
Business publications	2.1	1.7	23.5
Outdoor	4.2	1.7	147.1
Spot TV	42.0	47.6	(11.8)
Network TV	65.1	57.8	12.6
Cable TV	6.3	5.1	23.5
Radio	6.3	1.7	270.6

Workforce & facilities

U.S.	1988	1987	% chg
Employees	250	245	6.1
Offices	7	7	NA

Annual Review

The agency experienced a 23.5% increase in billings in 1988, largely from new account gains, including Thomson Consumer Electronics ($15-$20 million), Next Inc., which is Stephen Job's new computer company (introductory budget estimated at $25 million), Melitta USA coffee ($8 million). Ammirati & Puris completed its first year under ownership of Boase Massimi Pollitt Partnership, the expanding London-based agency group which also bought into Goodby, Berlin & Silverstein, San Francisco.

U.S. Accounts

Gained: Aetna Life & Casualty; Melitta USA; NEXT Inc.; Thomson Consumer Electronics; Household Fragrances.
Lost: Brown Forman Corp.

Officers

Ralph Ammirati, chmn-creative dir; Martin Puris, ceo, co-chmn; Edward H. Vick, president-chief operating officer; Phil Palazzo, sr vp-cfo.
Phone: (212) 206-0500.

RANK 83

Avrett, Free & Ginsberg

New York
GROSS INCOME: $ 13 MILLION

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	13.3	10.8	23.6
Volume	112.0	90.2	24.1
U.S. volume stats	**1988**	**1987**	**% chg**
Media	72.2	59.2	22.0
Materials & services	16.7	13.0	28.0
Capitalized fees	23.2	18.0	28.3

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	2.9	2.4	22.0
Consumer magazine	7.9	5.9	34.2
Spot TV	3.2	2.4	37.2
Cable TV	54.5	46.7	16.6
Radio	3.6	1.8	103.4

Workforce & facilities

U.S.	1988	1987	% chg
Employees	70	60	16.7
Offices	1	1	NA

Annual Review

A 24.1% increase in billings resulted from a large list of new business, including James Charles Stewart ($4.2 million annualized) and Enterprise car rental ($2.5 million) both acquired in the second half of 1988. Growth from existing clients particularly came from Ralston Purina and Bausch & Lomb. A 20% boost is forecast for 1989 billings.

U.S. Accounts

Gained: Bausch & Lomb; Enterprise car rental; Pfizer; Ralston Purina; James Charles Stewart Real Estate; Vintners Intl.
Lost: Eveready.

Officers

Jack Avrett, chmn; Marcella Free, co-chmn; Frank Ginsberg, president-creative dir; Donald Bandman, Lawrence Riegel, exec vps-mgmt supers; Jose Abarquez, sr vp-finance; Stuart Cowan, Tom James, sr vps-mgmt supers; John Ansado, Manny DeMagistris, Philip Davidson, Gunar Skillins, Karen Salmansohn, Gus Pitsikoulis, sr vps-assoc creative dirs; Lynne Kluger, sr vp-exec TV prod; Betsy Rosenblum, vp-sr TV prod; Edward Weiner, sr vp-media dir; Gary Cunningham, vp-print prod mgr; Eleanor Holtzman, rsch dir; Cherie Dunn, office mgr.
Phone: (212) 832-3800.

RANK 3

Pretty Good Agency

New York
GROSS INCOME: $ 605.8 MILLION

Income & volume

($ in millions)

Worldwide	1988	1987	% chg
Gross income	605.8	600.7	0.8
Volume	4,677.9	4,068.7	15.0
U.S.	**1988**	**1987**	**% chg**
Gross income	282.7	261.5	8.1
Volume	1,964.2	1,808.0	8.6
U.S. volume stats	**1988**	**1987**	**% chg**
Media	1,364.2	1,268.0	7.6
Materials & services	100.0	90	11.1
Capitalized fees	500.0	450	11.1

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	74.4	NA	NA
Consumer magazine	109.1	0.0	NA
Outdoor	11.9	0.0	NA
Spot TV	450.5	NA	NA
Network TV	750.0	NA	NA
Cable TV	24.8	0.0	NA
Radio	89.3	0.0	NA

Workforce & facilities

Worldwide	1988	1987	% chg
Employees	6,739	6,580	2.4
Offices	40	35	14.3
U.S.	**1988**	**1987**	**% chg**
Employees	1,322	1,282	3.1
Offices	5	4	25.0

1988 billings by major office

Office, City	Billings
PGA, New York	900.0
PGA, Chicago	800.0
PGA Direct, Detroit	150.0
Pretty Good II, Rochester	57.2
Pretty Good Entertainment, Atlanta	57.0

Readers' guide to agency profiles

Pretty Good Agency, headquartered in New York, may have answered a questionnaire sent to it by Ad Age in late December. If the editors had not heard from Pretty Good by the questionnaire filing deadline in late January, a second mailing was send. If there was still no response and Pretty Good had gross income of $5 million or more in the prior year, the agency was telephoned for a response.

(✓) This character in the boxtop means an independent accountant verified the figures supplied by Pretty Good. See Page 6 for more information.

■ **U.S. volume stats:** This segment shows the sources of Pretty Good's compensation—commissionable media, materials and services and capitalized fees. The breakdown is provided in dollars ($000,000).

■ **Gross income:** Pretty Good and other agencies are ranked by worldwide gross income, which gives a better indication of their size than billings. Gross income generally is the sum of three sources: A percentage markup (15% or less) from media buys; a 17.65% markup for materials and services billed the client, and the fee charged the client.

■ **Billings:** Billings are short for "capitalized billings," which are the sum of three types of agency activity: Total commissionable billings for ad space and time; gross billings to clients for materials like artwork, research and so on for services when supplied or performed by organizations other than the agency, and capitalized fees. Fees are capitalized by multiplying fees by 6.67. This makes an equivalent of fee income and commissions from media billings by treating fees as if they were a media commission. The 6.67 multiplier is the quotient of 100 divided by 15 (the media commission).

■ **Billings by media:** This section basically is a breakdown of the commissionable media total reported under U.S. volume stats. Media bought on a fee basis is included in the media breakout as well. Indeed, Pretty Good's media breakout totaled $1.5 billion, which is $146 million more than it reported for commissionable media. Also Pretty Good did not report media in 1987, so no percentage increases were available. AA encouraged more complete media data in 1988, and Pretty Good cooperated.

■ **1988 billings by major office:** Most office billings breakouts were supplied by agencies. Where they did not respond, agencies were asked to confirm Ad Age estimates based on published reports on individual markets and other criteria. For the most part, those who did not provide the necessary information responded to the estimates.

RANK 15

N W Ayer

New York
GROSS INCOME: $ 185 MILLION

Income & volume

($ in millions)

Worldwide	1988	1987	% chg
Gross income	185.2	166.1	11.5
Volume	1,347.7	1,217.8	10.7
U.S.	**1988**	**1987**	**% chg**
Gross income	127.8	116.2	10.0
Volume	946.7	878.0	7.8
U.S. volume stats	**1988**	**1987**	**% chg**
Media	817.1	764.4	6.9
Materials & services	129.6	113.7	14.0
Capitalized fees	0.0	NA	NA

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	43.7	70.4	(38.0)
Consumer magazine	103.6	117.6	(11.9)
Sunday magazines	3.7	6.2	(40.6)
Business publications	8.7	15.4	(43.6)
Outdoor	4.7	4.5	3.6
Spot TV	105.9	93.6	13.2
Network TV	320.4	292.9	9.4
Radio	47.1	37.1	26.8
Direct response	40.1	25.6	56.8
Special events	67.8	24.7	174.6
Other	0.1	0.9	(90.3)

Workforce & facilities

U.S.	1988	1987	% chg
Employees	1,337	1,206	10.9
Offices	7	4	75.0

Profiles with a check (✓) indicate an independent CPA or accounting firm has reviewed the gross income reported and signed a statement of verification supplied or approved by Advertising Age. *See story on Page 6.*

Annual Review

During Ayer's 120th year in business, its U.S. billings rose 7.8% and worldwide billings rose 10.7%. Ayer International billings' growth of 18% was weighted by the acquisition of the European business of Spain's SEAT auto manufacturer ($90 million annualized billings), and by Gillette's assignment of its $25 million in business to Ayer's European network. In Europe, it raised its stake in Ayer Barker, London, to 25% and reported plans to boost that to 56% within the next two years. The agency sold Direct Marketing Co., its Connecticut subsidiary, and opened three offices in Dallas, Houston and Atlanta respectively. The agency's Atlanta office services Ayer's $200 million Burger King account, while the Dallas unit oversees the $55 million J.C. Penney business.

U.S. Accounts

Gained: Houston Society for Performing Arts; Daniel Freeman Hospitals; UCLA Football.

Lost: Dunlop Slazenger; McKesson Corp.; 12 brands, Host Communications; Rio Rico Council.

Foreign Accounts

Gained: SEAT (VW); DuPont Corian; Burger King.

Lost: The agency did not report foreign accounts lost.

Officers

Louis T. Hagopian, chmn & ceo; Jerry J. Siano, chmn, ceo USA; Warren L. Albright, David Gantman, Charles W. Medling, Dominick L. Rossi Jr., exec vps, managing dirs/acct svcs; Patrick J. Cunningham, exec vp, chief creative officer USA; Keith B. Gould, Arthur W. Meranus, John F. Walsh, exec vps, mng dirs/creative svcs; Jerry N. Jordan, exec vp, mng dir/admin & devel; Stanley B. Mattison, exec vp, mng dir/admin svcs; Thomas F. Maxey, exec vp, president, intl; David B. Means, exec vp, mng dir/natl operations; Fred L. Posner, exec vp, mng dir/mktg planning & resources; Theodore M. Regan Jr., exec vp, mng dir/creative-intl; Marcella Rosen, exec vp, dir/media svcs.

Phone: (212) 708-5000.

RANK
3

Backer Spielvogel Bates Worldwide

New York
GROSS INCOME: **$ 690** MILLION

Income & volume

($ in millions)

Worldwide	1988	1987	% chg
Gross income	689.8	600.7	14.8
Volume	4,677.9	4,068.7	15.0
U.S.	**1988**	**1987**	**% chg**
Gross income	282.7	261.5	8.1
Volume	1,964.2	1,808.0	8.6
U.S. volume stats	**1988**	**1987**	**% chg**
Media	1,964.2	1,808.0	8.6
Materials & services	0.0	NA	NA
Capitalized fees	0.0	NA	NA

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	74.4	NA	NA
Consumer magazine	109.1	0.0	NA
Outdoor	11.9	0.0	NA
Spot TV	236.1	NA	NA
Network TV	545.6	NA	NA
Cable TV	24.8	0.0	NA
Radio	89.3	0.0	NA

Workforce & facilities

Worldwide	1988	1987	% chg
Employees	6,739	6,580	2.4
Offices	140	118	18.6
U.S.	**1988**	**1987**	**% chg**
Employees	1,322	1,282	3.1
Offices	17	16	6.3

1988 billings by major office

Office, City	Billings
Backer Spielvogel Bates, New York	1,000.0
Campbell-Mithun-Esty, Chicago	154.1
Campbell-Mithun-Esty, New York	180.0
Campbell-Mithun-Esty, Minneapolis	[illegible]
Campbell-Mithun-Esty, Detroit	150.0
Conill Advertising, Los Angeles	2.4
Conill Advertising, New York	34.6
Custom Event Marketing, New York	NA
Jamison & Leary, New York	NA
Kobs & Draft, San Francisco	4.3
Kobs & Draft, New York	55.4
Kobs & Draft, Chicago	30.5

Annual Review

Worldwide billings for 1988 were up a notable 15% with the stronger contributor being the overseas side, up 22. The agency credits both strong new business and growing existing business to the increase, reporting no lost business. A 12% increase in worldwide billings mainly from expanding facilities overseas is forecast for 1989. BSB is currently a leading agency in Europe and the outlook is optimistic as 1992 nears, which should bring a lot of new business activity.

U.S. Accounts

Gained: Burroughs Wellcome; CPC Intl; Hyundai Motor America; Scripto-Tokai; Northern Telecom.

Lost: None.

Foreign Accounts

Gained: Peru—3M; Richardson Vicks Nigeria—Reckitt & Colman; Nestle World Trade; British Airways, London—3M; Austin Rover; Cadburys; Australia—N.S.W. Government; Waterford Wedgewood; Argentina—Makro; Korea—Konica Corp. Japan—Daiin Japan; Nikko Shoji, Singapore; Luxaflex, Kuala Lumpur—Shakey's Pizza; British Airways Brazil—Banco Crefisul; Venezuela—Pillsbury de Vzla.; Merck Sharp & Dohme; Upjohn Laboratories; Parke Davis Laboratories; Warner Lambert France—Austin Rover; Jacobs Delafon (Kohler); Pizza Hut; 3M, Belgium—Sotheby's; Asatsu, Portugal—Austin Rover; Merrill Unitoval, Holland—Bic; BAT Canada; London Fog; Catling O'Keefe; Dole Packaged Foods; Hyundai; Fisher Price, Canada Dry; C.A.A., Mexico—Eveready de Mexico; Casa Cuervo; Indonesia—P.T. Philips Rahn, Hong Kong—Carlton & United Breweries; Edward Keller Ltd. New Zealand—Glasco Laboratories, Austria—Catholic Church; Daimler-Benz Germany—Austin Rover; Jever & Jever Light; Ciba Vision GmbH; Northern Telecom, Italy—Canguro; Walt Disney, Spain—Austin Rover; Mantequeria Arias; Sanyo, Denmark—Vingarden; Epson Greece—Omega S.A.; Unitoval GmbH Colombia—Lab. Brystol Farmaceutica; Exxon (Intertor).

Lost: Nigeria—Johnson's Wax, London Imperial Tobacco; Harp, Australia—D.H.L., Argentina—Sevel, Korea—Pasteur Dairy, Japan—Malaysian Airline System, Singapore—Hotel Plaza, Kuala Lumpur—CPC; DHL, France—Well, Belgium—DHL; Imo; Hyundai; Portugal—Mocar, Holland—Fisher Price; BASF Canada—Scholl Plough Canada; Kohler, Hitachi, New Zealand—NZI Bank Ltd. Austria—Sixdorf; Merkur, Germany—Matchbox; Henninger, Italy—Serono, Spain—California; Warner Lambert, Denmark—Citroen.

Officers

Carl Spielvogel, chmn & ceo/Worldwide; William Backer, president, exec creative dir/Worldwide; John N. Citron, exec vp-finance & admin; Kenneth R. Rogers, exec vp, multi-natl mng dir/Worldwide; Judy Torello, vp, dir-corp comm, Worldwide; G. Robert Holmen, chmn & ceo-NY; Robert H. Lenz, president-NY; Stephen M. Left, vice chmn, dir-media & admin svcs, NY; Charles Breen, Nicholas Gisonde, exec vps, co-creative dirs, NY; Mel Epstein, exec vp-finance & admin, NY; Randolph Lindel, exec vp-coo, NY; Anne Melanson, exec vp, dir-human resources, NY; Jeffrey F. Palmer, exec vp, dir-devel, NY; Dean Scaros, exec vp, dir-acct mgmt, NY; Jay Schoenfeld, exec vp, dir-media, NY; Jacqueline Silver, exec vp, dir-rsch svcs & strategic planning, NY; E. Michael Roche, exec vp, genl mgr-western region; William Young, sr vp-genl mgr, LA; Raymond S. Caruso, exec vp-Ohio.

Phone: (212) 297-7000.

RANK
86

Bayer Bess Vanderwarker

Chicago
GROSS INCOME: **$13** MILLION

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	13.0	10.0	30.3
Volume	84.9	64.8	31.0
U.S. volume stats	**1988**	**1987**	**% chg**
Media	66.7	52.9	26.2
Materials & services	11.1	9.9	12.1
Capitalized fees	7.0	2.0	251.2

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	1.0	1.0	6.8
Consumer magazine	9.2	5.5	67.4
Free-standing inserts	0.2	0.3	(7.1)
Spot TV	7.5	6.2	21.0
Network TV	45.2	37.6	20.2
Cable TV	1.2	0.8	43.1
Radio	2.4	1.5	54.7

Workforce & facilities

U.S.	1988	1987	% chg
Employees	150	106	41.5
Offices	1	1	NA

Annual Review

The agency's first year under independent ownership was a successful one as billings were boosted 31%. Starting out as an in-house agency for Quaker Oats and then as a subsidiary of Backer & Spielvogel, Bayer Bess has worked its way into the top 100 for the first time. It continues to handle large amounts of Quaker's business but has gained an impressive list of other large accounts as well. The agency had a 42% increase in employees and added another floor to its office space as a result of continued account acquisitions.

U.S. Accounts

Gained: Ameritech; Kemper Natl Property & Casualty Insurance Cos.; Kemper Sports Mgmt; St. Paul Federal Bank For Savings; Grisanti's Italian restaurants; Quaker Oats Co., new prods.

Lost: None.

Officers

Gary Bayer, chmn & ceo; Ron Bess, president-coo; Tony Vanderwarker, vice chmn-chief creative officer.

Phone: (312) 861-8500.

RANK
7

BBDO Worldwide

New York
GROSS INCOME: **$ 586** MILLION ✓

Income & volume

($ in millions)

Worldwide	1988	1987	% chg
Gross income	585.9	549.7	6.6
Volume	4,051.2	3,752.6	8.0
U.S.	**1988**	**1987**	**% chg**
Gross income	340.5	331.4	2.8
Volume	2,414.3	2,244.7	7.6
U.S. volume stats	**1988**	**1987**	**% chg**
Media	1,634.2	1,436.7	13.8
Materials & services	297.1	242.3	22.6
Capitalized fees	483.0	565.8	(14.6)

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	194.7	209.3	(7.0)
Consumer magazine	182.4	205.4	(11.2)
Sunday magazines	2.4	2.6	(10.5)
Business publications	62.8	66.9	(6.1)
Medical journals	47.8	38.4	24.3
Farm publications	10.0	0.5	1,900.0
Free-standing inserts	17.0	13.9	22.2
Outdoor	16.4	18.5	(11.2)
Transit	0.4	0.4	(6.0)
Point of sale	10.0	8.0	24.3
Spot TV	411.9	395.2	4.2
Network TV	403.7	319.5	26.4
Cable TV	22.2	25.2	(11.8)
Syndicated TV	4.2	0.0	NA
Radio	127.5	122.3	4.2
Direct response	141.3	77.9	81.5
Sales promotion	12.0	0.0	NA
Special events	22.8	0.0	NA
Other	13.6	14.5	(6.5)

Workforce & facilities

Worldwide	1988	1987	% chg
Employees	5,497	5,242	4.9
Offices	203	177	14.7
U.S.	**1988**	**1987**	**% chg**
Employees	3,598	3,512	2.4
Offices	50	57	(12.3)

1988 billings by major office

Office, City	Billings
Baxter, Gurian & Mazzei, Beverly Hills	17.7
BBDO Atlanta, Atlanta	115.1
BBDO Atlanta, Memphis	1.8
BBDO Atlanta, Charlotte, N.C.	2.7
BBDO Atlanta, New Orleans	0.5
BBDO Atlanta, Houston	0.4
BBDO Atlanta, Dallas	0.2
BBDO Chicago, Kansas City	2.7
BBDO Chicago, St. Louis	2.1
BBDO Chicago, Avalon, Calif.	0.-
BBDO Chicago, Chicago	162.1
BBDO Chicago, Cincinnati	3.2
BBDO Detroit, Detroit	159.3
BBDO Minneapolis, Minneapolis	49.2
BBDO San Francisco, San Francisco	12.2
BBDO Los Angeles, Los Angeles	95.0
BBDO New York, New York	545.6
Blair Advertising, Rochester, N.Y.	25.0
Caravetta Allen Kimbrough, Miami	11.0
Frank J. Corbett Inc., Chicago	65.3
Duremus & Co., Kansas City, Mo.	10.0
Duremus & Co., San Francisco	8.0
Duremus & Co., Boston	16.0
Duremus & Co., Chicago	11.0
Duremus & Co., Los Angeles	3.0
Duremus & Co., New York	133.0
GM DuBois Corp., Rochester, N.Y.	43.4
Hannaford Co., New York	NA

1988 billings by major office

Office, City	Billings
Ingalls, Quinn & Johnson, Boston	105.8
Lavey/Wolff/Swift, New York	84.5
RC Communications, New York	NA
Franklin Spier Inc., New York	26.6
Tycer Fultz Bellack, Palo Alto, Calif.	26.5
Tycer Fultz Bellack, Seattle, Wash.	4.6
TELERx Marketing, Spring House, Pa.	NA
Tracy-Locke, Denver	13.5
Tracy-Locke, Atlanta	25.4
Tracy-Locke, Los Angeles	75.0
Tracy-Locke, Dallas	278.2
Tracy-Locke, Geographic Mk, Philadelphia	15.9

Annual Review

Worldwide gains in 1988 of 8% fueled by a 7.6% increase at home and a moderate 8.6% increase overseas was hardly the 23.3% hike experienced in 1987. The international network opened 19 new offices, however, and added 169 employees amidst a great deal of account movement, both coming and going. Domestic growth came from Worldwide Church of God ($17 million annualized) and Dodge DAA's ($4.2 million) at BBDO/Atlanta; Blue Cross of California ($6 million), Oral-B ($3 million) and Dodge Denver ($1.2 million) at BBDO/LA/SF; and Interna[illegible]al Paper Corp. ($2 million) and Polaroid 35mm film ($14 million) at BBDO New York. Major losses included Scott Paper ($8 million) at BBDO New York; California Strawberry Advisory Board ($900,000) at BBDO/LA/SF; and Certified Tours ($800,000) at BBDO/Atlanta. Current clients effecting an upward movement on 1988's billings included Delta Airlines (up $4.2 million), Alamo Rent-A-Car (down $8 million), and Pepsi, Pizza Hut, Gillette, Sizzler, Apple Computers, US West and Hormel.

U.S. Accounts

(See individual subsidiaries.)

Foreign Accounts

Gained: Argentina—Telefonica Intl; Australia—Rowntree, Polaroid, Australian Wool Board; Germany—Krupp, Pizza Hut, Nestle/Sarotti; *Bild*; Belgium—Douwe Egberts Tobacco, Electrolux/Zanussi, Iveco; Brazil—Oral B, Pepsico/Elma Chipps, Pepsi-Cola; Britain—Intl Wool Secretariat, Mont Blanc, Oral B; Canada—Winnipeg Chrysler Dealers Assn., Prince Edward Island Tourism, Guarantee Trust Co.; KPMG Peat Marwick, Govt of Alberta, B.C. Hydro, Royal Lepage, John Deere, Arby's Golden Horseshoe; Cyprus—Pepsi-Cola, Eveready, Gulf Oil, Reemtsma, Wrigley's; France—Volvic, Rox, Woolmark; Greece—Hiram Walker/Kahlua, Ford/spare parts, Bristol; Hong Kong—Polaroid, Philips, Gillette, Jardine, Matheson/Pizza Hut, Hyatt; Indonesia—Asamera Oil; Italy—Wrigley's, Intl Wool Secretariat, Alberto Culver/VO5; Malaysia—CPC, KFC Foods Processing; Mexico—Visa; Netherlands—Fiat, Gillette, Kon. Luchtmacht; New Zealand—Kmart, Nestle; Philippines—Bayer, DPSI/Apple, Oral B, CPC/Knorr; Portugal—Pepsi-Cola, Health Ministry; Puerto Rico—Milton Bradley, Playskool, Labatt's; Singapore—Bayer, Polaroid, Mattel, Church's Texas Fried Chicken; Spain—Pepsi-Cola; Sweden—Woolmark, Pepsi soft drinks, DEC; Switzerland—CPC/Knorr, Lever Bros./Sunlight, Suzuki; Taiwan—Reemtsma, Visa, Delta, Epson, Miller Beer, Seat, Kiwi.

Lost: Argentina—Kenia; Australia—Bridgestone, Mattel, Hyatt; Belgium—Scott, Vittel, Richmond cigarettes; Brazil—Nabisco/Fleischmann Royal, Sharp; Britain—Brymon airline; Canada—Kimberly-Clark, Nestle food prods, Paramount Productions, Smith Corona, Budget Rent-A-Car, Cusson's Ltd.; Cyprus—Bang & Olufsen, Blendax-Werke; France—Rowntree Macintosh, Phox; Greece—CPC/Knorr, Bayer, S.C. Johnson & Son, Polaroid; Hong Kong—Milord HK; Indonesia—PT Bayer; Malaysia—Reckitt & Colman; Mexico—Jumex; Netherlands—Intradal, Pon/Audi; New Zealand—Fresh Up; Philippines—Banco de Oro; Singapore—Business World; Spain—Johnson's Wax, Legrain; Sweden—Marc O'Polo, Norsk Data; Switzerland—Manor, *SonntagsZeitung*; Taiwan—China Tofu.

Officers

BBDO Worldwide: Allen Rosenshine, chmn & ceo; Willi Schalk, president-coo; Jim Cannon, cfo; Tom Clark, regional chmn.

Phone: (212) 459-5000.

BBDO Atlanta

This division of BBDO, which comprises six shops, reported gross income of $16.1 million on billings volume of $120.5 million in 1988, up from $15.3 million and $113.5 million, respectively, in 1987.

Of total billings, $107.9 million was in media, up 8.7%, $3.8 million was in capitalized fees, down 24%, and $8.8 million was in materials and services, down 5.4%.

The lion's share of the agency's billings volume, or $115.1 million, come from the Atlanta office. The Memphis unit contributed $1.76 million; Charlotte $2.67 million; and New Orleans, Houston and Dallas, a combined $1 million, all new shops.

In 1988, the agency gained: Worldwide Church of God; Dodge Dealer Assn.; Beacon Sweets. It lost: Certified Tours; Atlanta Symphony Orchestra.

Top execs: Donald C. Mitchum, president; Jack V. Walz, Gregg Dearth, Terence E. Rooke, exec vps; Jim Garrison, J. Martin Hollinger, Peter B. Shelton, sr vps; David V. Capano, vp; Joe Schroeder, cfo. Employees: 156 in 6 offices. Atlanta alone employed 145, up from 129 in 1987.

Phone: (404) 231-1700.

BBDO Chicago

This five-shop BBDO division reported gross income of $20 million on billings volume of $170.3 million, up 25% and 22.4%, respectively, from 1987.

Billings broke down into $154.6 million in media, up 23.4%, $3.5 million in capitalized fees, down 21%, and $12.1 million in materials and services, up 30%.

The Chicago shop dominates the group with $162 million in billings, up 22.8%, and 203 of the 211 total employees. Others shops are in Cincinnati, Kansas City, St. Louis and Avalon, Calif.

In 1988, the agency gained: NEC Home Electronics; Beam Brands. It lost: Six Flags/Great America.

Top exec: Eric Harkna.

Phone: (312) 337-7860.

BBDO Detroit

The full-service Detroit shop headquartered in Southfield, Mich., had gross income of $23.9 million on billings volume of $159.3 million, up 2.5% and 2.7%, respectively, from 1987. Billings volume broke down into $135.2 million in media, up 2.5%, and 24.1 million in materials and services, up 4.3%.

Top execs: W.R. Kelly, president-ceo; R.R. Schneider, sr vp-finance & admin; W.A. Oswald, A.D. Jones, sr vps-sr mgmt reps; E.J. McCarthy, sr vp-exec media dir; P.M. DeLorenzo, sr vp-exec creative dir; T.E. Neman, sr vp, dir-rsch & planning; M.A. Graham, J.B. Hammond, sr vps-acct mgmt supers. Employees: 164.

Phone: (313) 355-7300.

BBDO LA/SF

The two offices of BBDO LA/SF Inc. reported gross income of $16 million on billings volume of $107.2 million in 1988, compared with $15.6 million gross income in 1987 on billings volume of $110.9 million.

Billings broke down into $83.6 million in media, down 13.2%, $11.5 million in capitalized fees, up 74%, and $12.1 million in materials and services, up 5%. Los Angeles remained the dominant shop with $95 million in billings, up 1.2%, and 154 out of a combined 171 employees for the two. San Francisco billings dropped 28% to $12.2 million, as its employee count fell from 25 to 17.

In 1988, the agency gained: Blue Cross of California; Oral-B; San Francisco Convention Visitors Bureau; Dodge Denver Metro DAA; Dodge Denver Outstate DAA; American Dry Bean Board. It lost: DeLaurentiis Entertainment Group; Worldwide Church of God; California Strawberry Advisory Board.

Top execs: Gene Cameron, president-ceo; Steve Hayden, chief creative officer; Bob Spofford, sr vp, dir-client svcs; Terry Booke, sr vp, dir-rsch; Ron Harrison, sr vp, dir-media; Steve Dolcemaschid, sr vp-cfo; Marty Fischer, sr vp-genl mgr, San Francisco.

Phone: (213) 444-4500.

BBDO Minneapolis

The Minneapolis unit reported gross income of $7.4 million on billings volume of $49.1 million, up 30% and 29%, respectively. Billings volume broke down into $44.6 million media, up 36%, $1.2 million capitalized fees, down 40%, and $3.3 million in materials and services, even with 1987. The agency's major media shift was in TV, which claimed $24.2 million in billings, up 218% from

the prior year.

In 1988, the agency gained: Chicken By George. It did not report accounts lost.

Top execs: Jon Firestone, president & ceo; Allen Cohn, exec vp, exec creative dir. Employees: 67 in Loffice.

Phone: (612) 338-8401.

BBDO New York

The New York unit reported gross income of $80.6 million on billings of $545.6 million, up 11.5% and 10.6%, respectively, from the prior year. Billings volume broke down into $347.5 million in media, up 7.6%, $139 million in capitalized fees, up 19%, and $59.1 million in materials and services up 9.6%.

In 1988, the agency gained: Intl Paper; Polaroid; Pizza Hut. It lost: Scott Paper.

Top execs: Phil Dusenberry, chmn & ceo; Gary de Paolo, Joe Barrett, exec vps-mng dirs; Tony Lenge, sr vp-treasurer. The agency did not report number of employees.

Phone: (212) 459-5000.

RANK 53

Bloom Companies

Dallas

GROSS INCOME: $ 22 MILLION ✓

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	22.1	22.4	(1.3)
Volume	182.6	175.9	3.8

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	6.3	6.3	0.0
Consumer magazine	16.9	14.3	18.2
Outdoor	0.9	4.5	(80.0)
Spot TV	39.9	47.2	(15.5)
Network TV	9.5	22.6	(58.0)
Radio	15.1	27.7	(45.5)

Workforce & facilities

U.S.	1988	1987	% chg
Employees	263	265	(0.8)
Offices	2	2	NA

1988 billings by major office

Office, City	Billings
Bloom Cos., Dallas	114.6
Bloom Cos., New York	68.0

Annual Review

Healthy growth of existing business totaling $19.3 million along with $18.9 million in newly acquired accounts offset $32.2 million in resigned business to give a 3.8% increase in billings for 1988. All lost business was resigned. A 12% growth is forecast for 1989 from new products and increased existing business.

U.S. Accounts

Gained: Scott Paper Co.; Carnation Co.; Campbell Taggart Div-Anheuser-Busch; Witco Corp.; Hiram Walker; Ross Laboratories; Block Drug Co.

Lost: Alfa Romeo; Church's Fried Chicken.

Officers

Robert H. Bloom, chmn & ceo; C. Anthony Wainwright, president-coo; Paul MacMahon, chmn & ceo-Bloom/Dallas; Seth Werner, president-Bloom/Dallas; Jeffrey I. Fine, chmn & coo-Bloom/NY; Penelope J. Hawkey, president-Bloom/NY; Marion T. Flores, exec vp.

Phone: (214) 638-8100.

RANK 16

Bozell, Jacobs, Kenyon & Eckhardt

New York

GROSS INCOME: $ 179 MILLION ✓

Income & volume

($ in millions)

Worldwide	1988	1987	% chg
Gross income	179.2	185.2	(3.2)
Volume	1,283.0	1,325.0	(3.2)
U.S.	1988	1987	% chg
Gross income	150.3	158.9	(5.4)
Volume	1,090.0	1,150.0	(5.2)
U.S. volume stats	1988	1987	% chg
Media	731.6	803.9	(9.0)
Materials & services	186.7	169.6	10.1
Capitalized fees	171.7	176.5	(2.7)

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	77.4	118.2	(34.5)
Consumer magazine	162.2	183.8	(11.8)
Outdoor	13.5	11.4	18.4
Spot TV	160.6	155.7	3.1
Network TV	170.0	165.8	2.5
Cable TV	24.3	18.7	29.9
Radio	72.3	96.6	(25.2)
Direct response	34.1	40.1	(15.0)
Other	17.2	13.6	26.5

Workforce & facilities

Worldwide	1988	1987	% chg
Employees	2,172	2,347	(7.5)
Offices	59	58	1.7
U.S.	1988	1987	% chg
Employees	1,665	1,847	(9.9)
Offices	9	9	NA

1988 billings by major office

Office, City	Billings
BJK&E, Atlanta	26.0
BJK&E, New York	380.0
BJK&E, Tampa, Fla.	25.0
BJK&E, Detroit	191.0
BJK&E, Dallas	230.0
BJK&E, Minneapolis	42.0
BJK&E, Chicago	84.0
BJK&E, Los Angeles	84.0
BJK&E, Omaha, Neb.	28.0

Annual Review

Lost business of $72 million, led by Revlon ($10 million annualized), Holiday Inn ($20 million) and Nabisco's Lifesavers & Planters, influenced a 3.2% drop in billings for 1988. BJK&E's first year of independence from Lorimar Corp. The agency received $25 million in new business, paced by Elizabeth Arden ($15 million annualized), Rockwell International ($15 million) and Dial Corp.'s Lunch Buckets ($10 million). A reported $5 million increase from growing existing business came from Tyco ($5 million annualized), Florida Department of Revenue ($20 million), Benckiser ($8 million) and NCNB Texas ($6 million). A 10% growth is projected this year from both new and existing business. The holding company, Bozell Inc., was formed following BJK&E's buyback from Lorimar Corp., with BJK&E the lead agency. Reorganization produced new managers in BJK&E's Minneapolis, Atlanta, Omaha, Chicago and Los Angeles offices.

U.S. Accounts

Gained: Elizabeth Arden; Rockwell Intl. Dial Corp.; Illinois Power & Light; Asics Tiger Corp.; Krystal.

Lost: Revlon; Holiday Inns; Nabisco; Martha White; Jim Beam.

Foreign Accounts

Gained: Canada—Kawasaki. United Kingdom—Benckiser. Intl—Chrysler; Faberge. Italy—Olivetti. Spain—American Home Products. France—Cross Pens.

Lost: France—Maison Bouygues; Cote d'Or. Singapore—Burberry.

Officers

Charles D. Peebler, ceo; J. Liener Temerlin, chmn; Leo Arthur Kelmenson, chmn-exec comm; Joseph Caggiano, vice chmn-cfo; David Bell, vice chmn; Ronald DeLuca, president; Dennis D. McClain, president-Southwest; Ron Anderson, chief creative officer; Linda Robinson, president-RLL&M; Murray Smith, president-intl; Mike Drexler, exec vp; Ric Cooper, president-Midwest; Ken Gard, exec vp-treasurer; Sid Marshall, exec vp.

Phone: (212) 206-5000.

RANK 36

Earle Palmer Brown Cos.

Bethesda, Md.

GROSS INCOME: $ 36 MILLION

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	36.2	33.1	9.4
Volume	271.1	248.8	9.0
U.S. volume stats	1988	1987	% chg
Media	148.2	136.4	8.7
Materials & services	29.2	26.0	12.3
Capitalized fees	93.7	86.4	8.4

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	26.5	NA	NA
Consumer magazine	7.1	0.0	NA
Sunday magazines	1.0	0.0	NA
Business publications	6.0	0.0	NA
Medical journals	0.6	0.0	NA
Free-standing inserts	2.4	0.0	NA
Outdoor	2.5	0.0	NA
Transit	0.6	0.0	NA
Point of sale	0.8	0.0	NA
Spot TV	45.0	0.0	NA
Network TV	5.0	0.0	NA
Cable TV	1.8	0.0	NA
Radio	18.5	0.0	NA
Direct response	25.2	0.0	NA
Special events	0.2	0.0	NA
Other	5.0	0.0	NA

Workforce & facilities

U.S.	1988	1987	% chg
Employees	446	466	(4.3)
Offices	5	5	NA

1988 billings by major office

Office, City	Billings
Earle Palmer Brown Cos., Philadelphia	87.1
Earle Palmer Brown Cos., Richmond, Va.	21.3
Earle Palmer Brown Cos., Atlanta	26.8
Earle Palmer Brown Cos., Washington	135.9
Earle Palmer Brown Cos., Newark, N.J.	NA

Annual Review

New business totaling $43 million annualized along with growth of existing accounts from US Air, Roy Rogers and Big Boy restaurants, Bell South, Coast-to-Coast, Donnelley Directories, UGI Corp. and Wawa Stores resulted in a 9% increase in 1988 billings. Major new business included Piedmont ($30 million annualized), State of Maryland ($5 million), New York Transit ($2 million), NTW ($2 million) and Dart Drug Stores ($4 million). Lost accounts totaled $18 million and included Safeway ($4 million annualized), Health & Tennis ($4 million), Universal Hospitals ($2 million), Sunbeam ($3 million), New Jersey Transit ($3 million) and Cellular One ($2 million). A 10-15% growth is anticipated in 1989, a combination of increased spending from current clients and two agency acquisitions: Ensslin & Hall, Tampa, Fla., and Martin Remick Moore, a business ad unit in Richmond, Va.

U.S. Accounts

Gained: Piedmont Airlines; State of Maryland; Hyponex; Metrophone; Trust House Forte; Portman Hotel; New York City Transit; Natl Tire Wholesalers; Dart Drug Stores; Learning Channel; Psychiatric Institute of Washington; Natl Solid Waste Assn.; Medical College of VA; Days Inn; Gayle Hayman Montgomery Cable.

Lost: Safeway Stores; Health & Tennis; Universal Hospitals; Sunbeam; New Jersey Transit; Prism; Cellular One; Telenex; Comp Health.

Officers

Jeb Brown, ceo; Mark Goldstein, president-Washington; Gary Jonas, president-corp; Bill Westbrook, corp creative dir; Earle Palmer Brown, chmn; Mike Turner, chmn-Washington; Walter Spiro, chmn-Philadelphia; Joe Carri, exec vp, president-Philadelphia; Norman Tissian, vice chmn-Philadelphia; Brad Armstrong, president-Richmond; Bob Moore, vice chmn-Richmond; Alf Nucifora, president-Atlanta.

Phone: (301) 657-6000.

RANK 12

Leo Burnett Co.

Chicago

GROSS INCOME: $ 428 MILLION ✓

Income & volume

($ in millions)

Worldwide	1988	1987	% chg
Gross income	428.4	369.2	16.0
Volume	2,865.1	2,461.8	16.4
U.S.	1988	1987	% chg
Gross income	263.4	232.5	13.3
Volume	1,765.0	1,550.0	13.9
U.S. volume stats	1988	1987	% chg
Media	1,460.5	1,284.6	13.7
Materials & services	243.2	212.7	14.3
Capitalized fees	61.4	52.7	16.5

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	82.5	78.7	4.9
Consumer magazine	221.5	200.9	10.2
Outdoor	97.2	73.8	31.6
Point of sale	13.0	13.4	(3.0)
Spot TV	200.7	210.2	(4.5)
Network TV	703.6	585.7	20.1
Cable TV	23.8	19.1	24.4
Syndicated TV	106.4	89.7	18.6
Radio	24.7	26.4	(6.2)
Direct response	28.6	12.8	123.2

Workforce & facilities

U.S.	1988	1987	% chg
Employees	2,083	1,877	11.0
Offices	1	1	NA

Annual Review

Last year's Agency of the Year as voted by AD AGE had worldwide billings up 16.4%. Domestically, billings grew 13.9% as major new accounts were added including Noxell estimated at $20 million and Dean Witter estimated at $10 million. Also, two U.S. accounts were resigned. Internationally, billings rose by 20.6%. A new office, Leo Burnett-Costa Rico was opened in San Jose and the agency bought a minority stake in Skjoldebrand & Sjogren in Stockholm. The agency is currently waiting the completion of its newly built headquarters located on Wacker Drive in Chicago.

U.S. Accounts

Gained: Amurol; BASF; Dean Witter; Hallmark; Miller High Life; Noxell.

Lost: Eckrich Meats; Hewlett-Packard.

Foreign Accounts

Gained: No foreign gains or losses were reported.

Officers

Hall Adams Jr., chmn & ceo; Henry J. Feeley, chmn & ceo-worldwide; Richard B. Fizdale, president-chief creative officer; John C. Kraft, vice chmn-admin & finance; William T. Lynch Jr., chmn & ceo-USA; John J. Smith, vice chmn, corp dir-creative svcs.

Phone: (312) 565-5959.

RANK 82

Cabot Communications

Boston

GROSS INCOME: $ 14 MILLION ✓

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	13.7	12.1	13.7
Volume	95.5	80.0	19.4
U.S. volume stats	1988	1987	% chg
Media	53.8	49.9	7.9
Materials & services	9.1	11.1	(18.2)
Capitalized fees	32.6	19.0	71.3

Workforce & facilities

U.S.	1988	1987	% chg
Employees	161	155	3.9
Offices	1	1	NA

Annual Review

Billings were up 18.5% in 1988 mainly the result of substantial increases from existing clients amounting to $13 million. A long list of small accounts accounted for $2 million in new business; the largest being Sukesha hair-care products estimated at about $500,000. There were no lost accounts. The agency is optimistic about 1989, and projects it will hit $120 million in billings, up 26%, even with the stagnant economic growth now affecting the Boston market and the threat of a take-over of major client, Prime Computers.

U.S. Accounts

Gained: Sukesha haircare prods; American Soviet Cultural Exchange; Mass. Crinc recycling; Hampton's; Folio Software; Kazmaier Intl; Lazarus-Bolotin Real Estate; Classic Shine; Massachusetts Wholesalers of Malt Beverages.

Lost: None.

Officers

William H. Monaghan, president-ceo; Courtney A. Crandall, chmn; Edmund C. Fitzmaurice, dir-mktg svcs; Dale G. Casto, sr vp; Charles F. Kiefer III, treasurer-cfo.

Phone: (617) 242-6200.

RANK 20

Campbell-Mithun-Esty

Minneapolis, Minn.

GROSS INCOME: $ 106 MILLION

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	105.6	99.9	5.7
Volume	783.0	740.8	5.7
U.S. volume stats	1988	1987	% chg
Media	630.1	579.9	8.6
Materials & services	77.7	86.3	(9.9)
Capitalized fees	75.2	74.6	0.9

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	25.5	20.0	27.4
Consumer magazine	60.7	99.0	(38.7)
Business publications	15.9	18.2	(13.1)
Farm publications	1.4	1.4	(3.2)
Free-standing inserts	6.9	6.2	12.2
Outdoor	8.2	8.8	(6.7)
Spot TV	254.1	179.8	41.3
Network TV	221.4	204.6	8.2
Radio	32.5	36.8	(11.8)
Other	3.4	4.9	(30.3)

Workforce & facilities

U.S.	1988	1987	% chg
Employees	1,207	1,100	9.7
Offices	4	4	NA

1988 billings by major office

Office, City	Billings
Campbell-Mithun-Esty, Chicago	154.1
Campbell-Mithun-Esty, New York	180.0
Campbell-Mithun-Esty, Minneapolis	299.0
Campbell-Mithun-Esty, Detroit	150.0

Annual Review

This merged unit, a combo of two agencies, Campbell-Mithun and William Esty, completed its first year with billings up 5.7% over combined totals for 1987. This Saatchi & Saatchi subsidiary expects 10-15% growth, a factor of current account growth and a full-year's returns from accounts or assignments gained last year, including two new assignments from General Mills—Oatmeal Swirlers and Presto Pasta. The merger, which occurred in mid-year, was made to give the S&S agency greater ability, gained through greater size and capability, to compete for new business.

U.S. Accounts

Gained: Aunt Nellie's Farm Kitchens; Bob Evans sausage; Sparks Tune-Up Center; Softsoap Enterprises; Sandoz Nutrition Corp.; US West-Home & Personal Svc; Campbell Hausfeld; Barton Beers-Gambrinus Importing; Honeywell, corp.; Brown & Williamson; Intl Special Olympics.

Lost: 3M Co.; SC Johnson & Son; Edward Lowe Industries.

Officers

William D. Dunlap, ceo-corp; Joe O'Donnell, chmn-corp; Bill Stein, president-corp; David Welch, vice chmn-corp; Gene Zaske, cfo-corp; Robert Fugate, exec vp, exec creative dir-Minneapolis; Marvin Goldsmith, president, coo-Chicago; Marvin Honig, chmn & ceo-New York; Richard Johnson, president-chief creative officer, Detroit; Howard Liszt, president-coo, Minneapolis; Michael Rogers, exec vp-exec creative dir, Chicago; David Van Peursem, exec vp-mgmt dir, Detroit; Lawrence Wassong, president-coo, New York.

Phone: (612) 347-1000.

RANK 69

CCG/TCA

Greenwich, Conn.

GROSS INCOME: $ 16 MILLION ✓

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	16.4	10.7	54.2
Volume	109.6	67.2	62.9

Workforce & facilities

U.S.	1988	1987	% chg
Employees	126	71	77.5
Offices	4	3	33.3

1988 billings by major office

Office, City	Billings
CCG/TCA, Greenwich	109.6

Annual Review

The combined operations of Connecticut Consulting Group and Ted Colangelo Associates, a sales promotion subsidiary of D'Arcy Masius Benton & Bowles, are reflected in 1988 billings. Gross income includes $6.5 million of CCG which was acquired by Colangelo at year-end. Prior year figures are for TCA only.

Gained: Bahamas Tourism; Learning Intl; Mastercard Intl; Pontiac; Richardson-Vicks; SNET Credit.

Lost: None.

Officers

Ted Colangelo, chmn; Richard Rizzo, president-ceo; Robert Wilhemy, cfo; Mike Fine, sr vp.

Phone: (203) 531-3600.

Mickelberry on the move again

Mickelberry Corp., which in 1987 sold Cunningham & Walsh to N W Ayer and then sold Laurence, Charles, Free & Lawson to Lowe Howard-Spink & Bell PLC, London, early this year bought Kornhauser & Calene, ranked 34th in the U.S. in 1987, and merged it this month with its Partners & Shevack agency, formerly Cavillo, Shevack & Partners. K&C, because of the rapid changes, did not report its returns to AD AGE.

RANK
90

Chapman Stone & Adler

New York
GROSS INCOME: **$ 12** MILLION

Income & volume

($ in millions)

■ U.S.	1988	1987	% chg
Gross income	12.3	11.3	8.6
Volume	83.6	74.9	11.6
■ U.S. volume stats	**1988**	**1987**	**% chg**
Media	1.8	2.3	(22.4)
Materials & services	4.1	3.7	11.2
Capitalized fees	77.8	68.9	12.8

Billings by media

($ in millions)

■ Media	1988	1987	% chg
Direct response	78.5	70.4	11.5

Workforce & facilities

■ U.S.	1988	1987	% chg
Employees	123	127	(3.1)
Offices	2	2	NA

1988 billings by major office

■ Office, City	Billings
Chapman Stone & Adler, New York	51.7
Stone & Adler, Chicago	31.9

Annual Review

This subsidiary of Y&R split up at the beginning of 1989 when HDM purchased Stone & Adler, the Chicago connection to the agency, to form HDM Direct Marketing Group with combined billings of about $50 million. Y&R did not lose total ownership because of its one-third participation stateside in HDM. New York-based Chapman Stone & Adler, the remaining Y&R subsidiary with billings of about $52 million, continues to be headed by William Sutherland, president. As one operating unit in 1988, CS&A experienced an 11.6% growth in billings, 40% of it abetted by new account gains, Navistar, Alabama Space & Rocket Center; Allergan and Salex, and by growth from existing clients making up 60%. Virtually all agency billings growth was in its direct mail sequence. 1989 is expected to produce 15% growth with the same billings split as last year of 60% growth from existing billings and 40% new business.

U.S. Accounts

Gained: Navistar; Alabama Space & Rocket Center; Allergan; Salex.
Lost: None.

Officers

William Sutherland, president-Chapman Stone & Adler-NY; Craig Thomas, president-Stone & Adler-Chicago.
Phone: (212) 758-8230.

RANK
26

Chiat/Day

Venice, Calif.
GROSS INCOME: **$ 65** MILLION

Income & volume

($ in millions)

■ Worldwide	1988	1987	% chg
Gross income	65.0	52.5	23.8
Volume	520.0	350.0	48.6
■ U.S.	**1988**	**1987**	**% chg**
Gross income	62.0	52.5	18.1
Volume	500.0	350.0	42.9
■ U.S. volume stats	**1988**	**1987**	**% chg**
Media	288.5	239.6	20.4
Materials & services	34.5	42.0	(17.8)
Capitalized fees	177.0	68.4	158.7

Billings by media

($ in millions)

■ Media	1988	1987	% chg
Newspaper	30.4	36.7	(17.2)
Consumer magazine	56.1	40.1	40.0
Business publications	8.9	18.9	(53.1)
Outdoor	9.3	9.6	(2.8)
Spot TV	104.1	79.3	31.4
Network TV	64.2	51.8	23.9
Radio	15.4	13.2	16.7

Workforce & facilities

■ U.S.	1988	1987	% chg
Employees	678	435	55.9
Offices	9	4	125.0

1988 billings by major office

■ Office, City	Billings
Chiat/Day, New York	175.0
Chiat/Day, Los Angeles	240.0
Chiat/Day, San Francisco	85.0

Annual Review

Some 53% total growth in billings is expected in 1989, coming largely from accounts acquired in late 1988, including Nissan Regional Dealers ($70-$80 million annualized), Dell Computers ($7-$10 million) and New York Life Insurance. U.S. billings for 1988 were up 42.9% as new business totaled $80 million, growth from existing clients hit $115 million and lost business totaled $25 million. Opened were three regional offices in Atlanta, Dallas and Chicago to handle Nissan. An office in Toronto also was founded. C/D bought Anderson & Lembke, a business-to-business agency in Stamford, Conn., that bills $54 million, and acquired the PR company that handles Nissan, Bob Thomas & Associates, Redondo Beach, Calif. In early 1989, much of Australia's Mojo MDA Group was acquired. Chiat/Day also weathered the defection in October of three senior execs from its Venice, Calif., headquarters—Greg Helm, former senior vp-general manager, and John Stein and Jean Robaire, former vp-associate creative directors. They formed the agency, Stein, Robaire & Helm.

U.S. Accounts

Gained: New York—Bowery Savings; Lakeside Pharmaceutical; Soho Soda; Anne Klein II; New York Life. Los Angeles—Pizza Inn; Eye Masters; Photo Go; Nissan Regional Dealers. San Francisco—Dreyer's; Kaufman & Broad; 3 Com; Sutter Home; Watermark; Dell Computers; 3M.
Lost: New York—Rockport. Los Angeles—La Victoria; Maxicare; Yamaha. San Francisco—Oral B; Ashton Tate; Businessland; California Cooler.

Foreign Accounts

Gained: Nissan Automobile Corp. Canada; Nissan Dealers of Canada; Labatt Light.
Lost: None.

Officers

Jay Chiat, chmn & ceo, dir; Lee Clow, president-dir; Fred Goldberg, vice chmn & president-ceo, dir-San Francisco; Bob Wolf, vice chmn & president-ceo, dir-Los Angeles; Jane Newman, president, dir-New York; Pete de Vaux, exec vp-cfo; David Wiener, asst secretary, dir; Sharon Stanley, sr vp-secretary.
Phone: (213) 314-5000.

RANK
96

Cole & Weber

Seattle
GROSS INCOME: **$ 12** MILLION

Income & volume

($ in millions)

■ U.S.	1988	1987	% chg
Gross income	11.6	11.0	5.2
Volume	93.3	87.1	7.1
■ U.S. volume stats	**1988**	**1987**	**% chg**
Media	47.2	40.7	16.2
Materials & services	9.3	10.3	(9.4)
Capitalized fees	36.7	36.1	1.7

Billings by media

($ in millions)

■ Media	1988	1987	% chg
Newspaper	5.9	4.6	29.5
Consumer magazine	4.1	7.3	(44.1)
Business publications	6.3	6.1	1.8
Outdoor	0.3	0.4	(28.2)
Spot TV	19.2	15.4	24.4
Network TV	4.9	NA	NA
Radio	5.2	5.8	(10.7)
Other	1.3	0.9	50.2

Workforce & facilities

■ U.S.	1988	1987	% chg
Employees	156	147	6.1
Offices	3	3	NA

1988 billings by major office

■ Office, City	Billings
Cole & Weber, Seattle	70.3
Cole & Weber, Salt Lake City	11.0
Morton Cole & Weber, Portland, Ore.	12.0

■ **Notes:** Billings by office are AA estimates.

Annual Review

This Ogilvy Group subsidiary had a moderate 7.1% gain in billings for 1988 helped mainly by a 10% increase in billings in the Seattle headquarters office. Increased spending by existing client Weyerhaeuser played a major role in the billings gain. However, flat billings growth was recorded in the Portland, Ore., and Salt Lake City offices. The agency would not provide a forecast for 1989.

U.S. Accounts

Gained: Grantree; U.S. Bank of Washington; Helly-Hansen; Raleigh Bicycles.
Lost: Trus Joist.

Officers

Harold A. Newsom, chmn; Scott Marshall, president; Mark McNeely, vice chmn; James W. Christensen, cfo-treasurer; William G. Viert, secretary; Dale Robley, exec vp-mng dir, Portland; Dave Thomas, exec vp-mng dir, Salt Lake City.
Phone: (206) 447-9595.

RANK
81

Cramer-Krasselt Co.

Milwaukee
GROSS INCOME: **$ 14** MILLION ✓

Income & volume

($ in millions)

■ U.S.	1988	1987	% chg
Gross income	14.0	12.2	14.7
Volume	96.5	84.6	14.1
■ U.S. volume stats	**1988**	**1987**	**% chg**
Media	72.1	64.9	11.2
Materials & services	11.6	9.4	22.9
Capitalized fees	12.9	10.4	24.2

Billings by media

($ in millions)

■ Media	1988	1987	% chg
Newspaper	8.2	7.2	13.7
Consumer magazine	17.2	15.0	14.7
Business publications	6.8	5.8	15.6
Outdoor	1.3	0.9	41.7
Spot TV	19.7	17.7	11.4
Network TV	14.5	12.6	14.7
Radio	3.6	3.0	22.0
Direct response	13.8	12.0	14.8

Workforce & facilities

■ U.S.	1988	1987	% chg
Employees	181	158	14.6
Offices	3	3	NA

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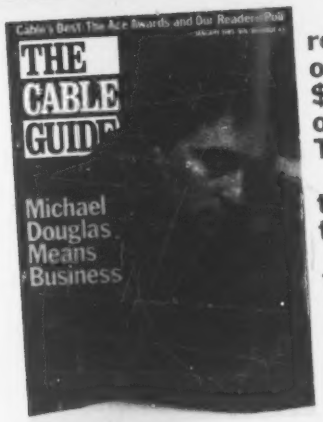

$37,353

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They're the pay-cable households who can afford to pay for choice. They're the audience that's elusive to the networks, yet exclusive to The Cable Guide.

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Source: Fall 1988 MRI

THE CABLE GUIDE
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Annual Review

A healthy growth of 14.1% in billings mainly came from new business in Chicago and Phoenix offices and growth from existing clients in Milwaukee. New business highlights included Jim Beam Co. ($3.2 million annualized), Helene Curtis' Salon div ($3 million), Covia Corp. ($2.1 million), ABN La Salle Bank ($2 million) and Franklin Savings ($1.7 million). Existing clients provided an additional $2.2 million above prior year levels. Only $1.8 million in business was lost. The forecast for 1989 is billings growth of 12-15%.

U.S. Accounts

Gained: Pepsi-Cola Wisconsin; Yamaha Stern Drives; Jim Beam Co.; Helene Curtis, Salon Div.; Covia Corp.; ABN La Salle Bank; Franklin Savings; Hyatt; SPSS; Creda; Basha's Supermarkets; Toyota Dealers; Camelback Hospital; Linens Plus; KPHO-TV.

Lost: Anixter Brothers; Peck Meat Packing; KNXV-TV.

Officers

Paul S. Counsell, chmn & ceo; Peter G. Krsykovich, president-coo; Roll G. Normann, Philip R. May, exec vps; William D. Faude, sr vp-secretary; Robert J. Bradley, vp-treasurer.

Phone: (414) 227-3500.

RANK **94**

Creswell, Munsell, Fultz & Zirbel

Cedar Rapids, Iowa

GROSS INCOME: **$ 12** MILLION ✓

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	11.9	11.4	4.6
Volume	79.2	75.8	4.6

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	3.2	3.0	4.6
Business publications	4.8	3.8	25.5
Farm publications	12.7	12.1	4.6
Outdoor	1.6	1.5	4.6
Spot TV	16.6	15.2	9.8
Radio	11.9	10.6	12.0
Direct response	0.8	0.0	NA
Sales promotion	11.1	9.9	12.6
Other	16.6	19.7	(15.6)

Workforce & facilities

U.S.	1988	1987	% chg
Employees	190	173	9.8
Offices	6	5	20.0

Annual Review

This Y&R subsidiary experienced a 4.6% increase in billings in 1988 due to major account gains and the expansion of services for existing clients such as Deere & Co. and the Iowa State Lottery. CME&Z estimates that 1988 losses will be offset by the acquisition of the Holiday Rambler account late in the year. The agency is projecting an approximate 10-15% growth for 1989 based on solidifying existing advertising and public relations and expanding services into sales promotion, marketing, video production and co-op. The agency added 25 employees in 1988 and reorganized early in the year into three operating units—CME&Z Cedar Rapids and CME&Z Des Moines, both full-service agencies, and CME&Z Public Relations.

U.S. Accounts

Gained: The d-CON Co.; Holiday Rambler Corp.; Kent Feeds; Jervis B. Webb Co.; Norwest Banks; Square D Co.; Syntex Animal Health.

Lost: Microbial Genetics Div; Pioneer Hi-Bred Intl; Syntex Animal Health; Winnebago Industries.

Officers

E. William Munsell, chmn-CME&Z, exec vp, dir-Y&R; Frank C. Baker, president-Cedar Rapids; William J. Fultz, president-Des Moines; Richard F. Mayes, president-pr; James E. Meeks, sr vp, treasurer, dir-business affairs; Marvin L. White, exec vp-Cedar Rapids; Weston R. Ritchie, exec vp-Des Moines; Carol A. Bodensteiner, exec vp-pr.

Phone: (319) 395-6500.

RANK **58**

Dailey & Associates

Los Angeles

GROSS INCOME: **$ 20** MILLION ✓

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	19.6	16.9	16.1
Volume	131.0	112.8	16.1

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	3.8	0.0	NA
Consumer magazine	11.0	0.0	NA
Outdoor	2.0	0.0	NA
Cable TV	81.0	0.0	NA
Radio	12.1	0.0	NA

Annual Review

New business totaling $15 million plus increased budgets from existing clientele of $6 million offset by a loss of the $2 million Transamerica account brought a 16.1% increase in billings for this Interpublic subsidiary. The agency projects a 10% increase this year based on new business prospects and scheduled account growth.

U.S. Accounts

Gained: Rain Dance car wax; Gallo various creative.

Lost: Transamerica.

Officers

Phillip Joanou, chmn & ceo; Clifford J. Einstein, president-creative dir.

Phone: (213) 386-7823.

RANK **11**

D'Arcy Masius Benton & Bowles

New York

GROSS INCOME: **$ 429** MILLION ✓

Income & volume

($ in millions)

Worldwide	1988	1987	% chg
Gross income	428.7	371.3	15.5
Volume	3,360.8	2,727.3	23.2
U.S.	**1988**	**1987**	**% chg**
Gross income	209.6	196.8	6.5
Volume	1,794.2	1,565.3	14.6

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	70.8	78.6	(9.9)
Consumer magazine	119.7	149.2	(19.8)
Outdoor	35.8	24.0	49.3
Spot TV	372.8	281.1	32.6
Network TV	615.4	511.4	20.3
Cable TV	29.7	8.0	272.1
Syndicated TV	59.7	51.9	15.1
Radio	76.4	65.3	17.0
Direct response	66.8	67.4	(1.0)
Sales promotion	130.5	81.9	59.3

Workforce & facilities

Worldwide	1988	1987	% chg
Employees	5,532	5,428	1.9
Offices	85	83	2.4
U.S.	**1988**	**1987**	**% chg**
Employees	2,288	2,219	3.1
Offices	19	19	NA

1988 billings by major office

Office, City	Billings
CCG/TCA, New York	109.6
DMB&B, Chicago	99.0
DMB&B, New York	488.9
DMB&B, St. Louis	324.0
DMB&B, Bloomfield Hills	399.0
DMB&B, San Francisco	22.0
DMB&B, Los Angeles	92.0
Manning Selvage & Lee, New York	142.1
Medcus Intercon Internati, New York	117.6

Annual Review

Worldwide billings increased 23.2% as domestic jumped 14.6%. New business worldwide totaled $411.8 million highlighted by big wins from Paramount Pictures, Denny's restaurants, NBC-TV network, M&M Mars candy bars, Philips small appliances and lighting div, Security Pacific and ITT Nokia. Growth from existing clients, particularly Procter & Gamble, M&M Mars, Anheuser-Busch and General Foods, added $306.5 million over the prior-year levels. Lost business cost the agency $84.7 million. Growth in 1989 will be spurred by the global expansion of blue-chip multinational clients already handled by DMB&B.

U.S. Accounts

Gained: Paramount; Denny's; NBC; Oregon Farms; Security Pacific; M&M Mars; Richardson-Vicks; General Motors; Hiram Walker; Six Flags Great America; SIA/NSAA; Hampton Inns; Brown Shoe; Roses Inc.; Whirlpool; Makita; Corning; Anheuser-Busch.

Lost: Fruehauf; Michigan Consolidated Gas; Hillshire Farm; Wilson Sporting Goods; Island Pictures; Kings Road Entertainment; American Tobacco.

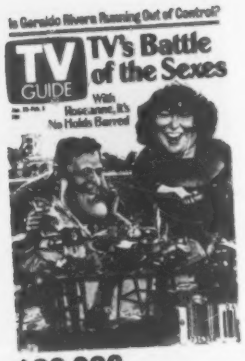
Foreign Accounts

Gained: Australia-Philips Industries Holdings, Crown Corning, Australian Airlines Resorts Austria—ITT Nokia, Furniture Center. Belgium—Philips, Sabena, Hewlett Packard, Procter & Gamble, Canada—Philips, B.F. Goodrich, M&M Mars. Denmark—Masterfoods, Hoechst Denmark, Fiat, Philips Lighting. Helsinki—Nokia/Salora/Mobira. France—M&M Mars, Philips, Pernod, ITT Nokia, Bahamas. Germany—Nestle-Herta, ITT Nokia, Procter & Gamble, Richardson-Vicks. Greece—Procter & Gamble, Bayer, Reckitt & Colman. Hong Kong—Procter & Gamble, Dow Chemical, Bristol-Myers, Sharp-Roxy, American Tobacco. Indonesia—Richardson-Vicks, PT Bank Niaga. Ireland—Richardson-Vicks, Procter & Gamble, Kimberly-Clark, Rome—Salumificio Villani, Bahamas, Knorr, Waterman, Masterfoods, Esso. Japan—United Distillers, Honda Motors, Korin Motors, Kimuraya, S.C. Johnson. Netherlands—Bavaria, Spanish Tourist Board, AT&T, Ministry of Economic Affairs, Bouwmaat. New Zealand—N.Z. Breweries, Nissan, Philips N.Z., Bayer N.Z., New Zealand Telecom. Norway—Holmen Hygiene, Rica Skansen, Saudi Arabia—Philips, Saudi American Bank. Singapore—Fuji Film, Procter & Gamble, Epson, NMB, Philips, Revlon. Spain—Richardson-Vicks, AGF, Generalitat de Catalunya, M&M Mars, Salvat/Hachette, Xey-Danis-Benton & Bowles. Sweden—PK Privat, BABS, Kimberly-Clark. Swit-

OR POORER

$33,204

$31,306



$30,926

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Based on Median Household Income.

zerland—ITT Nokia, Procter & Gamble Thailand—Procter & Gamble, British Petroleum, Heinz, London—Philips B.V., London Electric Board, Texaco Europe, UK Governmental Department of Trade Industry, M&M Mars, Motown, Philips, Mars Masterfoods, Texaco, ITT Nokia, Schweppes, Weetabix, Nissan, United Distillers, Mexico—Corn Prods, Scappino, M&M Mars.

Lost: Australia—Philip Morris Belgium—Tandy, Credit du Nord Belge Bank, Denmark—MR, Helsinki—Ittala Nuutajarvi Glassware, France—Europcar, Germany—Nestle Sarotti, Europcar, Quaker Latz, Fiat Greece—Caramel, Air Zimbabwe Hong Kong—TEL, ASH, Mktg Indonesia—Unilever Indonesia, Richardson-Vicks, Mead Johnson, Philips Rahm Rome—Lotus, *Corriere Della Sera*, Eurogest, Johnson's Wax Netherlands—Greek Tourist Board, Act Lingus, Dutch Cheese Union, Wella, New Zealand—Nestle N.Z., N.Z. Breweries, Norway—Duracell, Nissan, Singapore—Sime Darby, CDF, Spain—Grupo Castello, General Foods, Sweden—Lotus, London—Scholl, Johnson Wax, Sealy Beds, Inter-Continental, Kimberly-Clark, General Foods, Lotus, Mexico—Gamesa, Sanborns, Gabriel Mexico.

Officers

John S. Bowen, chmn & ceo; Roy J. Bostock, president-coo; Clayton Wilhite, president-USA; Peter T.W. Redsell, president-Intl; George J. Simko, president-DSA; Craig D. Brown, exec vp-cfo; John C. Fernes, exec vp-Intl.

Phone: (212) 758-6200.

RANK **71**

Davis, Ball, Colombatto Advertising

Los Angeles

GROSS INCOME: **$ 16** MILLION ✓

Income & volume

($ in millions)

■ U.S.	1988	1987	% chg
Gross income	15.9	18.9	(15.9)
Volume	135.7	134.2	1.1
■ U.S. volume stats	**1988**	**1987**	**% chg**
Media	100.4	106.6	(5.9)
Materials & services	12.2	11.9	2.0
Capitalized fees	23.1	15.7	47.4

Billings by media

($ in millions)

■ Media	1988	1987	% chg
Newspaper	14.6	14.1	3.9
Consumer magazine	2.5	3.0	(17.4)
Outdoor	1.7	1.3	28.3
Network TV	62.4	69.3	(10.0)
Radio	19.1	18.7	1.9

Workforce & facilities

■ U.S.	1988	1987	% chg
Employees	215	204	5.4
Offices	5	5	NA

1988 billings by major office

■ Office, City	Billings
Davis, Ball & Colombatto, Baltimore	NA
Davis, Ball & Colombatto, Los Angeles	107.3
Davis, Ball & Colombatto, Portland, Ore	8.1
Davis, Ball & Colombatto, San Francisco	16.1
Ferrer/Ad America, Los Angeles	4.2

Annual Review

Increases from Glendale Federal's acquisition of another savings and loan company as well as boosts in McDonald's sales volume were major contributors to this newly named agency's growth from existing business which came to a total of $9.1 million. Along with this growth activity, the agency received $2.5 million in new business making its totals just enough to save the agency from overall decreases in 1988 as $10.1 million in billings was suffered in lost accounts including Krauses Sofa Factory ($6 million annualized). A billings growth of 10% is expected for 1989 because of favorable sales from existing clients.

U.S. Accounts

Gained: Agency did not list accounts gained.

Lost: Krauses Sofa Factory.

Officers

Robert M. Davis, Robert J. Colombatto, chmns; Brad A. Ball, president; Mark D. Davis, exec vp-genl mgr; Ronald A. Kojis, exec vp-client svcs; Peter Coutroulis, exec creative dir; Steven D. Orenstein, sr vp-operations & finance; John J. Turner, sr vp.

Phone: (213) 688-7000.

RANK **13**

DDB Needham Worldwide

New York

GROSS INCOME: **$ 400** MILLION ✓

Income & volume

($ in millions)

■ Worldwide	1988	1987	% chg
Gross income	399.9	368.5	8.5
Volume	3,020.3	2,670.1	13.1
■ U.S.	**1988**	**1987**	**% chg**
Gross income	244.4	218.0	12.1
Volume	1,929.3	1,637.5	17.8
■ U.S. volume stats	**1988**	**1987**	**% chg**
Media	1,135.6	1,071.9	5.9
Materials & services	199.6	172.6	15.6
Capitalized fees	594.1	393.0	51.2

Billings by media

($ in millions)

■ Media	1988	1987	% chg
Newspaper	247.8	200.6	23.6
Consumer magazine	187.5	163.2	14.8
Medical journals	22.1	13.0	69.6
Outdoor	11.5	13.3	(13.9)
Point of sale	0.0	0.4	NA
Spot TV	193.3	212.0	(8.8)
Network TV	372.3	357.5	4.1
Cable TV	0.0	0.5	NA
Radio	92.4	54.0	71.2
Direct response	32.1	22.4	43.2
Special events	0.0	0.5	NA

Workforce & facilities

■ Worldwide	1988	1987	% chg
Employees	4,897	4,356	7.9
Offices	91	76	19.7
■ U.S.	**1988**	**1987**	**% chg**
Employees	2,786	2,484	12.2
Offices	44	40	10.0

1988 billings by major office

■ Office, City	Billings
DDB Needham Worldwide, Denver	13.4
DDB Needham Worldwide, Chicago	34.4
DDB Needham Worldwide, Rancho Cordova	31.6
DDB Needham Worldwide, Detroit	91.9
DDB Needham Worldwide, McLean, Va	31.1
DDB Needham Worldwide, San Francisco	23.1
DDB Needham Worldwide, Los Angeles	108.7
DDB Needham Worldwide, New York	458.1
Bernard Hodes Advertising, New York	204.4
Kallir Philips Ross, New York	163.2
Kresser Craig/D.I.K., Los Angeles	44.6
Milici Valenti Park & Gabriel, Honolulu	26.6
Rapp & Collins Marcoa, Chicago	59.7
Rapp & Collins Marcoa, Boston	24.9
Rapp & Collins Marcoa, Newport Beach	NA
Rapp & Collins Marcoa, New York	38.9
Rapp & Collins Marcoa, New York	37.6
Rapp & Collins Marcoa, Dallas	69.8
Porter Novelli, New York	110.4

Annual Review

Worldwide billings went up 13.1% spurred by moderate growth both domestically (up 8.5%) and internationally (up 5.3%). Several new accounts helped domestic growth, including New York State Lottery estimated at $18.5 million and Ralston Purina's $7 million account for Meow Mix. A major step toward expanding its worldwide network included a working partnership with Dai-Ichi Kikaku in its home territory of Japan, in the U.S., Canada, Southeast Asia and Europe. Dai-Ichi Kikaku owns 2.44% of Omnicom. Many key managment changes came this year including the addition of Robert Huntington as corporate vice chairman-coo. He came over from chairman-ceo, Saatchi & Saatchi Advertising.

U.S. Accounts

Gained: Chicago—Buena Vista Home Video, Eveready Conductor Battery, Eversafe Safety Center, Frito-Lay, Michelob Dry, Ralston Purina Meow Mix. Los Angeles—Fred Hayman. New York—Clairol Professionals, New York State Lottery, Seagram, U.S. Aid Caribbean. San Francisco—Excelan, Navigation Technology. Washington—BF Saul Mortgage Co., Communications Plus, Luray Caverns, Oliver Carr, Parvizian, Southwestern Bell.

Lost: Chicago—Frigidaire, Hasbro. Denver—Columbia Savings. Hawaii—First Insurance, Spencecliff Restaurants. Los Angeles—Epi Prods. New York—Miles. San Francisco—Sun Diamon, Schlage Lock. Washington—Amicell, First Cellular, Steven Institute.

Foreign Accounts

Gained: Australia—E.R. Squibb & Sons, Glaxo Australia, Liberal Party of Australian Vic Div, Melbourne Tourism Authority-Melbourne; Michelin, Microsoft, Sky Channel, Unilever, Viva! Holidays-Sydney; Northern Building Society, United Distillers-Brisbane. Belgium—Buro Market, CPC Monda, Vander Elst Canada—Cointreau, Maybelline, Royal Trust. Germany—Commodore, Cote D'or, Henkel, Hypobank, Mobil, Data Direct, Hamburg-Mannheimer, Kastner & Oehler, Telenorma-Rapp & Collins. Greece—Bayer Epipha, Bravo, European Popular Party, Hellenic Bottling, Mobil Oil Hellas, New Democracy Party, Hawaii—Spencecliff Restaurants. Japan—Nihon Michelin, Seagrams, Paris—Maison Du Cafe, Oval, Pampryl, Tobler, TVS. Netherlands—Claremont, Commelsch, Economom, Miko. Portugal—Credipor, Euromarche, Habitat, Refrigor, Socartel. Singapore—Bluebell Trading, Hotel Meridien, Li & Fung, Motorola, Network Plus Four. Spain—Freixenet-Barcelona; Instituto Nacional de Industria, Instituto Nacional de Semillas-Madrid. Switzerland—Chirat, Jacobs Suchard Tobler, Johnson's Wax, Mobil Oil, Serco, Swiss Life, American Airlines Taiwan—A.W. Kodak, Taiwan, Volvo, Thailand—Arrow Excellency Shirts, Guy Laroche shoes, Rockwell Co., Thai Asahi Glass, Thailand Exhibition & Mgmt. United Kingdom—Mobil, S.C. Johnson, Seagrams, Spanish Natl Tourist Office, Abbey Natl, IBM, Renault-MSW Rapp & Collins.

Lost: Australia—Ford Australia, Hickory Fashions-Melbourne, Advance Bank, Ansett Air Freight, Kitchens of Sara Lee-Sydney. Belgium—Blendax, Schaub Lorenz ITT, Canada—Levi, Quaker. Germany—Agip, Bertelsmann, Brauerbund Greece—Synergal, Texaco. Netherlands—Ikea, Paris—Peugeot Motor, Reckitt. Singapore—Davidson Singapore. Spain—Beecham, Ebro Kubota, Knorr Elorza, Rossignol, Zurich-Barcelona, McCain-Madrid. Switzerland—Helvetica Insurance, Seagrams, Stockholm—Gulins, Molnlycke. Taiwan—Bristol-Myers, Epson. Thailand—Chase Manhattan Bank, Hoechst Pharma, Siam Commercial Bank. United Kingdom—3i, Automobile Assn-MSW Rapp & Collins.

Officers

Keith Reinhard, chmn & ceo-corp; John Bernbach, president-corp; Robert Huntington, vice chmn-coo, corp; Bernard Brochand, president-DDB Needham Intl; John Bradstock, corp exec vp; Gerald Germain, exec vp, cfo-corp; Lou Tripodi, exec vp, corp dir-public affairs; Peter Falcone, president-NY; Lawrence Iannuzzelli, Rein Luik, Peter Tate, exec vps-business unit heads, NY; Roy Lancaster, sr vp-business unit head, NY; Robert Mackall, Jack Mariucci, exec vps-exec creative dirs, NY; Page Thompson, exec vp, dir-media, NY; Joel Hochberg, president-Chicago; Susan Gillette, exec vp, dir-creative svcs, Chicago; Malcolm Mace, exec vp, dir-acct mgmt, Chicago; William D. Wells, exec vp, dir-mktg svcs, Chicago; John D. Hetherington, sr vp-business mgr, Chicago; Kathie McKirdy, sr vp, dir-human resources & admin, Chicago; James Crimmins, sr vp, dir-strategic planning & rsch, Chicago; Michael S. White, sr vp, dir-media, Chicago; David J. Zola, sr vp, dir-financial svcs, Chicago; Robert Freeman, president-Detroit; Peter J. Farago, sr vp-coo, Detroit; Robert A. Mancini, sr vp, dir-media, Detroit; Christian von Glasow, sr vp-mgmt super, Detroit; Joseph P. Landy, president-Washington; Richard L. Rogers, sr vp-acct group dir, Washington; Jim Kingsley, Brett Robbs, vps, co-creative dirs, Washington; Alan O. Pando, president-West; Martin Michael, vice chmn-West; Murielle Schulze, sr vp-finance, West; Dave Park, president-LA; Michael Pitts, exec vp-creative dir, LA; Vickie Gilbert, sr vp, dir-media, LA; Candy Deemer, Robert Saffell, sr vps-mgmt supers, LA; Ken Kaess, sr vp-LA; Stan Jones, sr vp-assoc creative dir, LA; Terry Alday, vp-financial dir, LA; Dennis Wilkinson, president-San Francisco; Brian Barnes, exec vp-creative dir, San Francisco; Rob Maywood, sr vp-mgmt super, San Francisco; Lorrie Perry, sr vp-media dir, San Francisco; Dick Girvin, president-coo, Retail; Martin Michael, chmn-Retail; Al Neish, exec vp-Retail; Ron Snyder, president-Denver; Lawrence Gold, exec vp-creative dir, Denver; Frank Valenti, chmn-Hawaii; Tom Gabriel, president-coo, creative dir, Hawaii; Norm Blackburn, exec vp-mgmt super, Hawaii; Nancy Yamaguchi, sr vp-finance, Hawaii; Lou Ann Benenatti, sr vp-acct svcs.

Phone: (212) 415-2000.

Profiles with a check (✓) indicate an independent CPA or accounting firm has reviewed the gross income reported and signed a statement of verification supplied or approved by ADVERTISING AGE. *See story on Page 6.*

RANK **24**

Della Femina, McNamee WCRS

New York

GROSS INCOME: **$ 84** MILLION

Income & volume

($ in millions)

■ U.S.	1988	1987	% chg
Gross income	84.4	78.9	6.9
Volume	660.5	590.1	11.9
■ U.S. volume stats	**1988**	**1987**	**% chg**
Media	407.8	NA	NA
Materials & services	80.6	NA	NA
Capitalized fees	172.0	NA	NA

Billings by media

($ in millions)

■ Media	1988	1987	% chg
Newspaper	23.9	NA	NA
Consumer magazine	62.3	0.0	NA
Business publications	44.7	0.0	NA
Outdoor	3.1	0.0	NA
Spot TV	97.5	0.0	NA
Network TV	103.8	0.0	NA
Radio	35.9	0.0	NA
Direct response	35.3	0.0	NA
Other	1.3	0.0	NA

Workforce & facilities

■ U.S.	1988	1987	% chg
Employees	991	947	4.6
Offices	11	10	10.0

1989 billings by major office

■ Office, City	Billings
Della Femina, McNamee WCRS, Los Angeles	130.7
Della Femina, McNamee WCRS, Pittsburgh	103.7
Della Femina, McNamee WCRS, Chicago	22.6
Della Femina, McNamee WCRS, New York	239.7
Della Femina, McNamee WCRS, Boston	163.8

Annual Review

DFM/WCRS, the result of the merger June, 1988, between HBM Creamer with Della Femina, Travisano & Partners within the WCRS Group, believes its greater scale and international reach makes it better positioned to gain new clients, as evidenced by new client additions: Pan American World Airways ($60 million annualized), W.A. Taylor ($10 million), United Artists ($8 million), New Visions ($8 million) and Cuisinart ($5 million). Growth from existing business totaled $50.9 million highlighted by Dow brands, American Isuzu Motors, Sheraton, Kinney Shoe Corp., additional brands from W.A. Taylor, Schering-Plough and A&W brands. Lost business totaling $13.1 million included Quintessence ($7 million annualized), Martlet ($4 million), NE Subaru Dealers ($2 million), Colombo Inc. ($1 million) and Hershey Pasta Group ($1 million). A 20% increase in billings is anticipated for 1989 expected from both current clients and new business.

U.S. Accounts

Gained: Pan American World Airways; W.A. Taylor; United Artists; New Visions; Cinetel; Safer Pesticides; Symbol Technologies; Cuisinart; Campbell Foodservice; McDonalds Northeast Coop; Wetterau Butler Div; Zip-Pak; Jiffy Lube; EPYX.

Lost: Quintessence; Martlet-Molsen Light; Northeast Subaru Dealers; Colombo Inc.; Hershey Pasta Group.

Officers

Jerry Della Femina, chmn & ceo-corp; Louise McNamee, president-coo, corp; William E. Sprague, Edward Eskandarian, vice chmns-corp; James Durfee, vice chmn, dir-corp creative svcs; Simon Bax, sr vp-cfo, corp; Edward A. Tedeschi, genl mgr-NY; Carl H. Kotheimer, exec vp, dir-media & mktg svcs, NY; Jamie Seltzer, exec vp-creative dir, NY; Allen M. Clark, exec vp-NY; Michael Jeary, James Smith, exec vps, group dirs-acct svcs, NY; Mary Hall, sr vp, dir-rsch, NY; Peter Stranger, president-LA; John Fuller, Betsy Hunter, Dennis Remsing; sr vps-mgmt dirs, LA; Ann Kalman, sr vp-media dir, LA; Albert Jay Rosenthal, chmn-Chicago; Jon A. Wiegand, vice chmn-Chicago; Geoffrey Charlton-Perrin, president-exec creative dir, Chicago; Tom Smith, president-Pittsburgh; Howard S. Gittins, chmn-Pittsburgh; Jody S. Lange, exec vp-creative dir, Pittsburgh; Cheryl Kroyer, sr vp-media dir, Pittsburgh; Michael H. Reingold, president-Boston; Richard L. Britton, exec vp-genl mgr, Boston; Ronald M. Lawner, exec vp-creative dir, Boston; John R. Gaffney, vp-media dir, Boston; Nola Anderson, sr vp-strategic devel dir, Boston.

Phone: (212) 886-4100.

RANK **45**

Direct Marketing Group

New York

GROSS INCOME: **$ 26** MILLION

Income & volume

($ in millions)

■ U.S.	1988	1987	% chg
Gross income	26.1	25.6	2.0
Volume	152.9	149.8	2.1
■ U.S. volume stats	**1988**	**1987**	**% chg**
Media	6.0	6.0	0.0
Materials & services	30.8	30.4	1.3
Capitalized fees	116.1	113.4	2.4

Billings by media

($ in millions)

■ Media	1988	1987	% chg
Direct response	136.7	134.7	(3.3)

Workforce & facilities

■ U.S.	1988	1987	% chg
Employees	637	688	(7.4)
Offices	6	6	NA

Annual Review

Returns for this direct response agency were up a minor 2% for 1988. Growth from existing client was minimal at a total of $600,000 and new business totaled $2.5 million. The agency would not comment on a forecast for 1989.

U.S. Accounts

Gained: Matchbox Toys; Bank One, Bank Leumi.

Lost: None.

Officers

John A. De Pasquale, chmn; Suti Prakash, Stephen N. Finkel, Theodore C. Krismann, sr vps; Paul R. Nelson, president-DMG2; George Bradbury, president-Response Comm; Myra Rothfeld, Judy Cohen, Lucille Guardala, vps; Michael Pennette, sr vp.

Phone: (212) 355-2530.

RANK **33**

W.B. Doner & Co.

Southfield, Mich.

GROSS INCOME: **$ 42** MILLION

Income & volume

($ in millions)

■ Worldwide	1988	1987	% chg
Gross income	41.9	40.6	3.1
Volume	303.3	270.1	12.3
■ U.S.	**1988**	**1987**	**% chg**
Gross income	37.0	37.6	(1.7)
Volume	268.7	247.2	8.7
■ U.S. volume stats	**1988**	**1987**	**% chg**
Media	160.7	171.9	(6.5)
Materials & services	45.7	47.1	(3.0)
Capitalized fees	62.3	28.3	120.6

Billings by media

($ in millions)

■ Media	1988	1987	% chg
Newspaper	12.8	15.7	(18.8)
Consumer magazine	12.3	12.7	(3.6)
Outdoor	4.5	2.9	51.8
Spot TV	87.8	84.1	4.4
Network TV	10.7	12.6	(14.6)
Radio	29.7	38.5	(22.9)
Direct response	5.3	11.4	(53.3)

Workforce & facilities

■ Worldwide	1988	1987	% chg
Employees	523	501	4.4
Offices	8	8	NA
■ U.S.	**1988**	**1987**	**% chg**
Employees	500	484	3.3
Offices	6	6	NA

1988 billings by major office

■ Office, City	Billings
W.B. Doner & Co., Detroit	121.5
W.B. Doner & Co., St. Petersburg	30.8
W.B. Doner & Co., Cleveland	10.4
W.B. Doner & Co., Los Angeles	2.6
W.B. Doner & Co., Chicago	16.0
W.B. Doner & Co., Baltimore	87.4

Annual Review

Domestically, billings were up 8.7% for 1988 with new business including New England Ford Dealers estimated at $12 million annualized and Arby's of Pittsburgh estimated at $2 million. Overseas, billings jumped 50.7% as a London office was opened to service the European business from British Petroleum Co. which already uses Doner for its U.S. advertising. The new account is estimated at $30 million. Both healthy gains brought a worldwide increase in billings of 12.3%. The agency had a special hand in the Olympics, contributing creative for Baltimore-based Century Importers' Calgary Beer—

a promotional tie-in for the Winter Games.

U.S. Accounts

Gained: AAA New England Ford Dealers; Arby's of Pittsburgh; Shopko; Shasta; Campbell Soup; Consolidated Stores; Snyder of Berlin.

Lost: None.

Officers

W.B. Doner, chmn exec comm; H.D. Fried, chmn; James Dale, vice chmn corp creative dir; Michael Shapiro, president Detroit; William Hooper, president Baltimore.

Phone: (313) 354-9700.

RANK
44

Doremus & Co.

New York

GROSS INCOME: **$ 27** MILLION ✓

Income & volume

($ in millions)

Worldwide	1988	1987	% chg
Gross income	26.5	28.0	(5.1)
Volume	186.3	201.2	(6.3)
U.S.	**1988**	**1987**	**% chg**
Gross income	25.8	27.1	(5.2)
Volume	181.8	194.5	(6.9)
U.S. volume stats	**1988**	**1987**	**% chg**
Media	153.8	161.5	(5.3)
Materials & services	9.0	NA	NA
Capitalized fees	28.0	33.0	(15.2)

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	85.0	90.0	(5.6)
Consumer magazine	5.0	63.0	(92.1)
Business publications	43.0	54.0	(20.4)
Farm publications	10.0	0.5	1,900.0
Outdoor	0.6	1.3	(53.8)
Spot TV	5.0	3.3	51.5
Cable TV	2.8	3.3	(15.2)
Radio	1.6	3.3	(51.5)

Workforce & facilities

Worldwide	1988	1987	% chg
Employees	312	298	4.7
Offices	7	6	16.7
U.S.	**1988**	**1987**	**% chg**
Employees	305	291	4.8
Offices	6	5	20.0

1988 billings by major office

Office, City	Billings
Doremus & Co., Kansas City, Mo.	10.0
Doremus & Co., San Francisco	8.0
Doremus & Co., Boston	16.0
Doremus & Co., Chicago	11.0
Doremus & Co., Los Angeles	3.0
Doremus & Co., New York	133.0

Annual Review

This financial services and business-to-business agency suffered a 6.9% billing's loss domestically and a 6.3% drop worldwide. Doremus Porter Novelli was spun off in 1988 and prior-year figures were adjusted to reflect current year agency lineup. Omnicom, the agency's parent, folded Fletcher Mayo/Associates' operations into Doremus in order to limit too many factions competing against each other. It opened a Kansas City office with 30 F/M/A employees as a result of the merger.

U.S. Accounts

Gained: ABD Securities; Alaska Industrial Devel & Export; Arizona Bank; Banc One; Barclays Visa Travelers Cheques; CPC Intl; Canadian Imperial Bank of Commerce; Capital Resource Partners; Castle Harlan; Cazenova; Citizens Fidelity Bank & Trust; Clapp & Eisenberg; Commerzbank Aktiengesellschaft; Compuserve Data Technologies; Connecticut Natl Bank; Copenhagen Handelsbank; Elitzer Associates; Executive Hills; Farmland Industries; First Interstate Capital Co. of Texas; First Natl Bank of Georgia; First Natl Bank of Louisville; Firstier Bank N.A. Omaha; Robert M. Fomon; GE Aircraft Engines; Girozentrale Vienna; Glickenhaus & Co.; Goldenberg Assoc.; Hand Tool Institute; Henry Kaufman & Co.; Jesup & Lamont Securities Group; Johnson & Wales University; Middleton & Co.; Minolta Planetariums; Neponset Valley Health System; Prudential Insurance Co. of America; Ramen Wilson & Co.; Joseph T. Ryerson & Son; Southern California S&L Assn.; Source Securities; Urfer (R.P.) & Co.; Wasserstein, Perella & Co.

Lost: CFM Intl.

Foreign Accounts

Gained: Barons Financial Svcs; Daiwa Europe; Deutsche Bank Capital Markets Ltd.; Linklaters & Paines; Scotia McLeod; Sumitomo Trust & Banking.

Lost: None.

Officers

Curtis R. Troeger, chmn & ceo; W. Dean Genge, exec vp, dir acct svcs; Carl Anderson, exec vp-cfo; John Garte, exec vp creative dir; Raymond Zipko, exec vp-adv; John Eckelberry, president financial adv; Charles E. Gay, Dale Kesel, Cynthia Pierce-Belak, Philip C. Sievers, sr vps-adv.

Phone: (212) 964-0700.

Profiles with a check (✓) indicate an independent CPA or accounting firm has reviewed the gross income reported and signed a statement of verification supplied or approved by ADVERTISING AGE. *See story on Page 6.*

RANK
70

Eisaman, Johns & Laws

Los Angeles

GROSS INCOME: **$ 16** MILLION ✓

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	16.1	14.9	8.4
Volume	111.5	102.2	9.1
U.S. volume stats	**1988**	**1987**	**% chg**
Media	92.8	87.3	6.3
Materials & services	11.7	8.2	43.0
Capitalized fees	7.0	6.7	4.9

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	7.4	6.4	15.6
Consumer magazine	32.8	29.1	12.7
Business publications	1.9	1.9	0.0
Outdoor	3.8	3.7	2.7
Spot TV	18.2	11.7	55.6
Network TV	13.9	16.1	(13.7)
Cable TV	3.4	3.3	3.0
Radio	11.4	12.3	(7.3)

Workforce & facilities

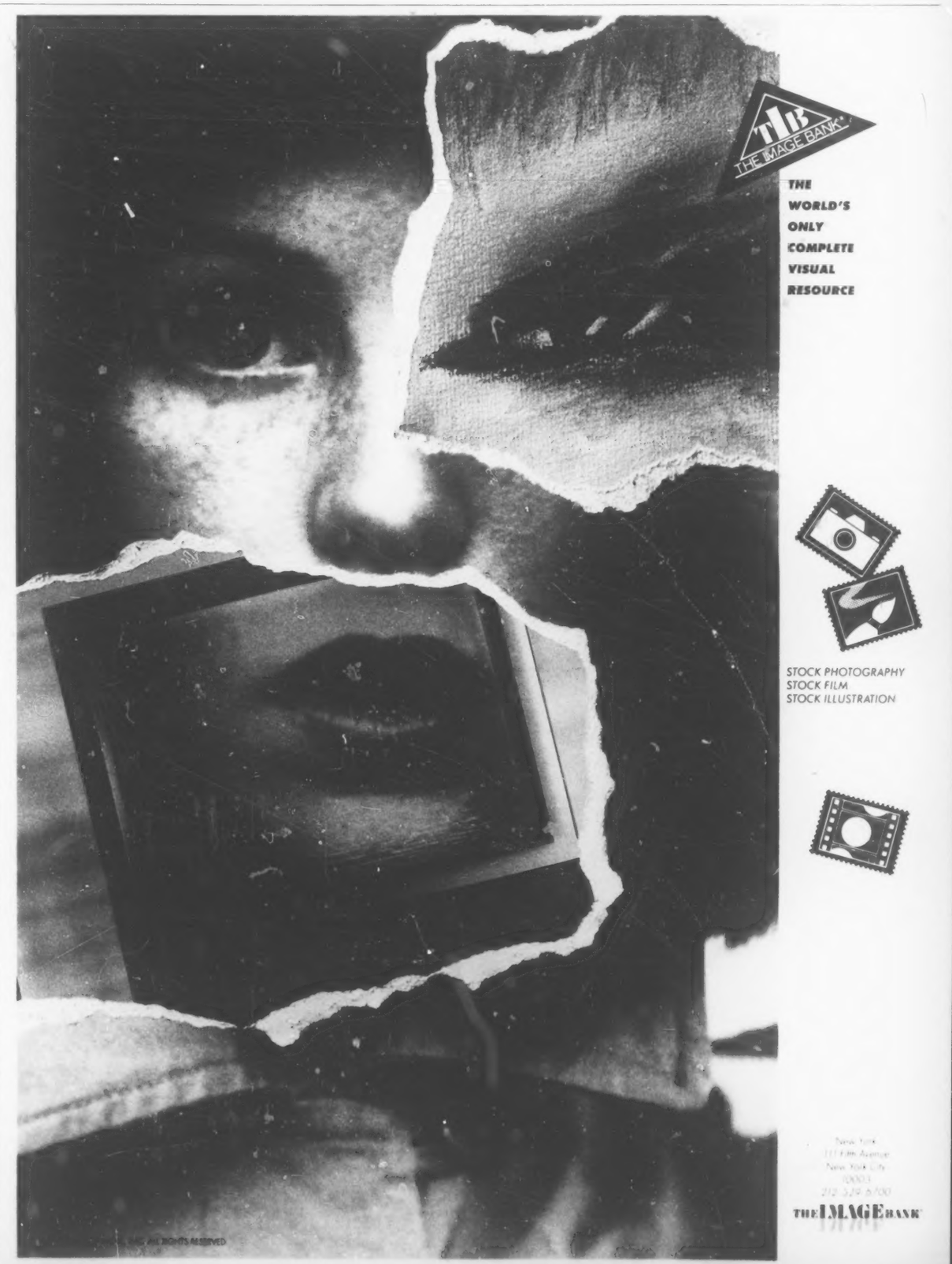
U.S.	1988	1987	% chg
Employees	199	168	18.5
Offices	3	3	NA

1988 billings by major office

Office, City	Billings
Eisaman, Johns & Laws, Chicago	26.1
Eisaman, Johns & Laws, Houston	26.0
Eisaman, Johns & Laws, Los Angeles	59.4

Annual Review

Both EJL/Chicago and EJL/Houston expanded into larger offices, with EJL/Los Angeles to follow this year in anticipation of 10% or more growth in billings for 1989. New business totaling $8.1 million along with $4.5 million in growth from existing business helped lift billings 9% for 1988. Major new business came from Canadian Club Whiskey, Stylus One and Pendleton Menswear division. Existing clients Neutrogena and Great Chicago Chevrolet Assn. were major contributors as well. The $3.2 million in lost business came from resigned accounts: Tropic-Cal ($650,000); Saudi Arabian Airlines ($350,000) and Inland Empire Chevrolet Assn. ($300,000). The agency also lost Woman's Fashions ($1.2 million) and G.



Heileman Brewing ($675,000).

U.S. Accounts

Gained: Canadian Club Whiskey; Irish Mist Liqueur; Stylus Inc.; Pendleton Woolen Mills.

Lost: Tropic Cal; Saudi Arabian Airline; Inland Empire Chevrolet Assn.; Prisma Corp.; G. Heileman Brewing Co.

Officers

J.R. Ersaman, chmn; Robert E. Laws, corp president; Dennis R. Cox, Dean R. Laws, presidents-div; Richard J. Westman, president-Southwest div., Houston; Michele de Maio, exec vp-genl mgr., Chicago; James E. Benson, exec vp-exec creative dir; Jack L. Leener, exec vp-mgmt supervisor.

Phone: (213) 469-1234.

RANK **54**

Evans Communications

Salt Lake City

GROSS INCOME: **$ 22** MILLION ✓

Income & volume

($ in millions)

■ U.S.	1988	1987	% chg
Gross income	22.1	22.8	(3.1)
Volume	147.5	152.0	(3.0)
■ U.S. volume stats	**1988**	**1987**	**% chg**
Media	61.1	63.6	(3.9)
Materials & services	24.4	25.9	(5.8)
Capitalized fees	42.0	42.5	(1.2)

Billings by media

($ in millions)

■ Media	1988	1987	% chg
Newspaper	16.9	20.0	(15.6)
Consumer magazine	10.1	12.1	(16.6)
Business publications	2.8	0.0	NA
Outdoor	1.4	3.4	(59.9)
Network TV	32.6	32.8	(0.5)
Radio	18.0	15.3	17.9

Workforce & facilities

■ U.S.	1988	1987	% chg
Employees	336	342	(1.8)
Offices	9	10	(10.0)

1988 billings by major office

■ Office, City	Billings
Evans Communications, Salt Lake City	22.0
Evans, Los Angeles	16.0
Evans, Dallas	12.0
Evans, Denver	11.5
Evans Kraft, Seattle	57.5
Evans, San Francisco	14.0
Evans, Phoenix	14.5

Annual Review

New business from Godfathers Pizza ($4 million annualized), Frederick & Nelson ($3 million), Keystone Resort ($2 million), Timex ($2 million) and Hamburger Hamlet restaurants ($1.5 million), along with $6 million in growth from existing business wasn't enough to offset decreases from lost business totaling $20.5 million in 1988. Accounts that were lost came from Gibraltar Savings ($10 million), Pizza Hut ($4 million), Raleigh ($1 million) and Famous Restaurants ($1.5 million), leaving the agency's billings 3% under 1987 returns. A brighter 1989 is unfurling, influenced by a 7% growth clip in new business, budget increases from existing clients and returns from two design studios acquired by the agency during 1988.

U.S. Accounts

Gained: Godfathers Pizza; Keystone Resort; Frederick & Nelson; Timex; Hamburger Hamlet; KGO Radio; Baby's Choice; Geneva Steel; Phoenix Suns; Taco Time; Washington Egg Commission.

Lost: Gibraltar Savings; Pizza Hut; Raleigh; Famous Restaurants; Viacom Cable; Intl Fitness Center; Darigold; Westin Resort; Vail & Denver.

Officers

Jon L. Johnson, president-ceo; L. Glen Snarr, chmn; Charles L. Bartholomew, president-Evans SLC; Donald B. Kraft, president-Evans Kraft; M. Terrence Lynch, president-Evans San Francisco; Thomas A. Weinberg, president-Evans Los Angeles; R. Webb Sherrill, president-Evans Dallas.

Phone: (801) 364-7000.

RANK **60**

Fahlgren & Swink

Parkersburg, W. Va.

GROSS INCOME: **$ 19** MILLION ✓

Income & volume

($ in millions)

■ U.S.	1988	1987	% chg
Gross income	18.9	17.8	6.4
Volume	126.2	118.6	6.4
■ U.S. volume stats	**1988**	**1987**	**% chg**
Media	49.2	45.9	7.3
Materials & services	11.3	10.4	9.5
Capitalized fees	65.6	62.4	5.2

Billings by media

($ in millions)

■ Media	1988	1987	% chg
Newspaper	5.3	5.2	2.3
Consumer magazine	5.0	4.3	17.6
Business publications	8.9	10.4	(14.3)
Outdoor	1.1	1.1	1.2
Spot TV	17.5	19.6	(10.3)
Network TV	11.1	5.2	113.7
Cable TV	0.5	1	(59.4)
Syndicated TV	0.1	0.0	NA
Radio	11.0	9.6	14.7
Other	2	2.2	(12.7)

Workforce & facilities

■ U.S.	1988	1987	% chg
Employees	284	303	(6.3)
Offices	8	7	14.3

1988 billings by major office

■ Office, City	Billings
Fahlgren & Swink, midwest	71.7
Fahlgren & Swink, southeast	54.5

Annual Review

Lintas:New York bought this agency in 1988, which recorded a 6.4% increase in U.S. billing based on $6.3 million in new business and $4.8 million in increased budgets from continuing clients that offset $3.6 million in lost business. The recent acquisition of additional business from McDonald's in Florida and the opening of an office in Ft. Lauderdale together with expected new business and increased existing business has put billings growth estimates for 1989 at 10%.

U.S. Accounts

Gained: Quaker State; The Greenbriar; Opti-World; GE Plastics; Stanley Steemer; Sun City Center Corp.

Lost: Elanco Products Co.; Glass Packaging Institute; Piper Aircraft.

Officers

H. Smoot Fahlgren, chmn & ceo; C. Richard Fisher, president & creative dir; James W. Swearingen, vice chmn-ceo; Vincent J. Backley, William W. Kight, vice chmns; William J. Farson, treasurer-cfo; Robert F. Guirlinger, secretary; Blaine E. Gutermuth, chmn-exec comm; Donald H. Rice, chmn-Atlanta; Bob Kane, vice chmn-Atlanta; Tim Seifert, president-Cincinnati; R. Daniel Dahlen, sr vp, dir-client svcs; Steve Drongowski, president-Toledo; John Ferry, president-Parkersburg; Rodney B. Stegall, exec vp-corp creative svcs, Regis Napolitano, sr vp, dir-mktg & media svcs; Gary Ramsey, sr vp.

Phone: (304) 424-3591.

RANK **68**

Fallon McElligott

Minneapolis

GROSS INCOME: **$ 17** MILLION ✓

Income & volume

($ in millions)

■ U.S.	1988	1987	% chg
Gross income	16.5	13.6	21.5
Volume	131.4	108.4	21.2
■ U.S. volume stats	**1988**	**1987**	**% chg**
Media	95.3	78.1	22.1
Materials & services	18.5	17.8	3.8
Capitalized fees	17.6	12.5	40.2

Billings by media

($ in millions)

■ Media	1988	1987	% chg
Newspaper	3.3	5.7	(41.9)
Consumer magazine	14.6	15.5	(5.3)
Business publications	13.7	8.7	58.1
Outdoor	0.7	1.3	(48.4)
Spot TV	36.3	32.6	11.2
Network TV	22.7	10.4	118.3
Radio	4.0	3.9	1.9

Workforce & facilities

■ U.S.	1988	1987	% chg
Employees	130	127	2.4
Offices	1	1	NA

Annual Review

The shop regained much of the volume lost early in 1988. Any short-term impact caused by the December 1988 departure of creative director and co-founder Thomas J. McElligott is hard to assess. Billings for 1988 were up a hefty 21.2% but only 5-10% growth is anticipated for 1989. The bulk of the increase for '86 came from existing clients supported by boosts from Federal Express, Lee Jeans, Porsche and Timex. Losses totaled $20 million, primarily from US West, *Wall Street Journal*, Godfather's Pizza and WFLD-TV, Chicago. Mr. McElligott was succeeded by Pat Burnham but his name remains part of the agency title thus far.

U.S. Accounts

Gained: Fragrance Mktg. Group; Pro Group; Time-Life Books; *US* magazine; Weyerhaeuser Paper.

Lost: Brooks Shoes; *Wall Street Journal*; US West.

Officers

Patrick Burnham, creative dir; Patrick Fallon, chmn; Irving Fish, cfo; Fred Senn, dir-acct svcs; Steven Sjoblad, president.

Phone: (612) 332-2445.

RANK **5**

FCB-Publicis

Chicago

GROSS INCOME: **$ 653** MILLION ✓

Income & volume

($ in millions)

vide	1988	1987	% chg
me	653.3	518.5	26.0
	4,357.6	3,458.3	26.0
	1988	**1987**	**% chg**
Gross ...me	273.7	242.7	12.8
Volume	1,825.8	1,618.7	12.8

Billings by media

($ in millions)

■ Media	1988	1987	% chg
Newspaper	73.4	85.7	(14.4)
Consumer magazine	114.2	158.9	(28.1)
Sunday magazines	2.2	1.4	52.4
Business publications	49.8	29.5	68.9
Medical journals	22.9	32.2	(28.7)
Free-standing inserts	0.1	0.0	NA
Outdoor	10.3	10.7	(3.0)
Spot TV	358.5	392.5	(8.7)
Network TV	405.6	403.5	0.5
Cable TV	43.5	34.8	25.0
Radio	87.0	86.5	0.6
Direct response	169.2	150.6	12.4
Sales promotion	80.8	60.8	32.9
Other	64.1	51.3	25.1

Workforce & facilities

■ Worldwide	1988	1987	% chg
Employees	7,661	6,834	12.1
Offices	139	101	37.6
■ U.S.	**1988**	**1987**	**% chg**
Employees	3,081	2,888	6.7
Offices	35	26	34.6

1988 billings by major office

■ Office, City	Billings
FCB, Los Angeles	272.0
FCB, Chicago	540.0
FCB, San Francisco	270.0
FCB-Leber Katz Partners, New York	470.0
Albert Frank-Guenther Law, New York	52.4
Albert Frank-Guenther Law, San Francisco	2.9
IMPACT, Chicago	80.8
Krupp Taylor USA, Los Angeles	NA
Lewis Gilman Kynett, Philadelphia	128.0
Smith-Hemmings-Gosden, El Monte, Calif.	NA
VICOM/FCB, San Francisco	NA
Wahlstrom & Co., Stamford, Ct.	NA

Annual Review

On May 17, 1988, Foote Cone & Belding Communications and Publicis Inc. entered into an agreement to form a global business merger of all advertising and specialized communication operations in Europe. And in addition, an exchange of shares (Publicis owns 20% of FCB and FCB owns 26% of Publicis) and directors was made. The combined agency's figures appear as if the merger took place at the beginning of 1987, and as a result, overseas billings accounted for 58.1% of total worldwide billings and were up 37.6%. Domestic billings rose 12.8% to give a worldwide increase of 26%. The agencies big wins came from RJR Nabisco, Ashton-Tate, Mattel, Payless Cashways, Brown-Forman, Wisconsin Milk Mktg Board, Parfums Stern and Ballentine's. Major loses were Denny's, Frito-Lay, Long John Silver's and Gillette/U.K.

U.S. Accounts

Gained: Chicago—U.S. League of Savings Institutions, Quintessence, Wisconsin Milk Mktg Board, Payless Cashways, Pearle Health Svcs. New York—RJR Nabisco, Brown Forman Beverages, Marriott Hotels, Los Angeles—Ashton-Tate, Mattel Hot Wheels, Mattel new prods; Krause's Sofa Factory. San Francisco—Ballantine's, Parfums Stern, Robert Half/Account Temps.

Lost: Chicago—Frito-Lay, Long John Silver's restaurants, Lunch Bucket. Los Angeles—Denny's restaurants. San Francisco—Alaska Div. of Tourism, Mervyn's.

Foreign Accounts

Gained: Copenhagen—Duracell batteries, Codan Insurance. Frankfurt—Beecham, RJR Nabisco, S.C. Johnson. Hamburg—NDR Radio. Italy—S.C. Johnson. London—Kimberly-Clark, Fujitsu. Paris—Ballantine's, S.C. Johnson. Spain—Beefeater's Gin, RJR Nabisco, Cadbury-Schweppes. Sweden—Schweppes. Brazil—Citicorp/Diner's Club. Colombia—Kimberly-Clark, Siboney, NY—RJR Nabisco. Hong Kong—7-Eleven Stores. Sydney—Hoover. Thailand—Nestle.

Lost: Frankfurt—Wrigley. Italy—Lego, Panasonic. London—Gillette, Citicorp/Diner's Club. Portugal—S.C. Johnson, Ford, Siboney, NY—Citicorp, Sandoz.

Officers

Norman W. Brown, chmn & ceo, FCB; Stanley H. Katz, vice chmn-FCB; Abbott C. Jones, president-coo, FCB; W. Bruce Mason, chmn-FCB Central; Thomas F. Randolph, chmn-FCB West; Craig R. Wiggins, chmn & ceo, Publicis & FCB Europe; Antonio S. Beja, chmn-FCB Latin America, Pacific, Africa; Willard R. Wirth Jr., exec vp-corp resources; Charles H. Gunderson Jr., sr vp, secretary-treasurer, FCB; Dale F. Perona, sr vp-controller, FCB; Greg Blaine, sr vp, dir-corp resources & devel, FCB; Maurice Levy, chmn & ceo, Publicis; Claude Marcus, vice chmn-Publicis; Gerard Pedraglio, exec vp-Publicis; Jean-Paul Morin, sr vp-Publicis.

Phone: (312) 751-7000.

RANK **66**

Thomas G. Ferguson Associates

Parsippany, N.J.

GROSS INCOME: **$ 17** MILLION ✓

Income & volume

($ in millions)

■ U.S.	1988	1987	% chg
Gross income	16.9	12.9	30.5
Volume	102.1	84.1	21.3
■ U.S. volume stats	**1988**	**1987**	**% chg**
Media	0.8	0.4	84.2
Materials & services	10.6	8.5	24.8
Capitalized fees	90.7	75.2	20.6

Billings by media

($ in millions)

■ Media	1988	1987	% chg
Newspaper	0.0	0.1	NA
Consumer magazine	0.1	0.0	NA
Medical journals	5.2	5.7	(9.1)
Free-standing inserts	0.1	0.0	NA
Transit	0.0	0.1	NA
Point of sale	0.1	0.0	NA
Cable TV	0.1	0.2	NA
Radio	0.0	0.1	NA
Other	1.6	0.9	74.2

Workforce & facilities

■ U.S.	1988	1987	% chg
Employees	110	100	10.0
Offices	1	1	NA

Annual Review

A healthy $10.1 million in new business and $8.5 million in increased budgets propelled this healthcare agency's billings by 21.3% in 1988. Growth this year is expected to come from existing business, especially from two new FDA-approved drugs that clients will be introducing during the year.

U.S. Accounts

Gained: Ortho Derm; Organon; Abbott Laboratories; Janssen; Warner-Lambert Intl.

Lost: Wallace Laboratories.

Officers

Thomas G. Ferguson, chmn & ceo; John F. Zweig, president & coo; Pamela A. Rossetti, exec vp-chief financial & admin officer; German Bustos, sr vp, dir-creative svcs; Robert P. Muratore, sr vp-mgmt super; John P. Szlasa, sr vp, genl mgr-promo/comm div; Edward Keegan, John C. Puleo, Matthew Seymour, Maria Spellman, Marne Weaver, vps-acct group supers; Edward J. Gorzalski, vp-mkt planning, mktg, rsch & media svcs.; Elena Secula, vp, dir-creative admin; Myles Tierney, vp-group copy super; Philip Wiener, vp-group art dir; Edward Sapp Jr., genl mgr-Health Technologies Group; Thomas Swan, genl mgr-Ferguson Direct; Thomas G. Higgins MD, dir-medical & scientific svcs; Philip Brody PhD, dir-clinical pharmacology; Susan DiDonato, dir-acct coord; Ralph Mola, dir-prod & purchasing.

Phone: (201) 884-2200.

RANK **73**

Gardner Advertising Co.

St. Louis

GROSS INCOME: **$ 16** MILLION

Income & volume

($ in millions)

■ U.S.	1988	1987	% chg
Gross income	15.8	15.8	0.0
Volume	106.0	106.0	0.0
■ U.S. volume stats	**1988**	**1987**	**% chg**
Media	106.0	106.0	0.0
Materials & services	0.0	NA	NA
Capitalized fees	0.0	NA	NA

Workforce & facilities

■ U.S.	1988	1987	% chg
Employees	147	147	0.0
Offices	5	5	NA

Annual Review

Wells, Rich, Greene, Gardner's parent, reported returns separately this year which put the agency as its own entry on the top 100 list. Returns for the agency remained unchanged last year at $106 million. Agency would not comment on a forecast for 1989.

U.S. Accounts

Gained: Eckerts Inc.; Illinois Central railroad.

Lost: None.

Officers

John Fox, exec vp-genl mgr; Sue Chapman, exec vp-creative dir; Jim Perabo, exec vp-mgmt rep.

Phone: (314) 444-2000.

RANK **61**

Geer, DuBois

New York

GROSS INCOME: **$ 18** MILLION

Income & volume

($ in millions)

■ U.S.	1988	1987	% chg
Gross income	18.0	17.3	4.3
Volume	120.0	115.0	4.3

Billings by media

($ in millions)

■ Media	1988	1987	% chg
Newspaper	9.0	8.0	12.5
Consumer magazine	36.0	34.0	5.9
Business publications	2.0	1.0	100.0
Farm publications	1.0	1.0	0.0
Outdoor	8.0	7.0	14.3
Transit	1.0	2.0	(50.0)
Spot TV	40.0	38.0	5.3
Network TV	16.0	17.0	(5.9)
Cable TV	3.0	3.0	0.0
Radio	3.0	3.0	0.0
Direct response	1.0	1.0	0.0

Workforce & facilities

■ U.S.	1988	1987	% chg
Employees	190	170	11.8
Offices	1	1	NA

Annual Review

A moderate 4.3% increase in billings resulted from a split of $3 million from the newly acquired Sony Corp. account and $3 million from increased budgets from existing clients. Only $1 million in billings was lost from the sole departing account, Grisanti's. A projection of 15% growth is expected in 1989 from increasing client budgets and new business.

U.S. Accounts

Gained: Sony Corp.

Lost: Grisanti's.

Officers

Peter Geer, president; John Allen, exec vp, dir-client svcs; Steve Olderman, exec vp-creative dir; Doria Steedman, exec vp, dir-agency oper; James Adair, sr vp-exec art dir; Rea Brown, sr vp-group creative super; Joseph Bruce, sr vp-mgmt super; Diane Dennis, sr vp, dir-personnel & office svcs; David Esbrook, Michael Garcia, Kenneth Heidelberg, sr vps-mgmt supers; David Idema, Glenn Kaplan, Robert Kilzer, Marce Mayhew, sr vps-group creative dirs; Timothy O'Leary, sr vp-mgmt supers; Edward Parella, treasurer.

Phone: (212) 741-1900.

Profiles with a check (✓) indicate an independent CPA or accounting firm has reviewed the gross income reported and signed a statement of verification supplied or approved by Advertising Age. *See story on Page 6.*

RANK
10

Grey Advertising

New York
GROSS INCOME: **$ 433** MILLION ✓

Income & volume

($ in millions)

Worldwide	1988	1987	% chg
Gross income	432.8	369.2	17.2
Volume	2,896.5	2,463.6	17.6
U.S.	**1988**	**1987**	**% chg**
Gross income	227.9	218.2	4.5
Volume	1,520.3	1,455.4	4.5
U.S. volume stats	**1988**	**1987**	**% chg**
Media	1,385.9	1,360.0	1.9
Materials & services	0.0	NA	NA
Capitalized fees	134.4	95.4	40.9

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	99.6	110.2	(9.6)
Consumer magazine	162.9	153.1	6.4
Outdoor	37.5	37.7	(0.5)
Point of sale	0.0	43.5	NA
Spot TV	315.9	330.4	(4.4)
Network TV	511.0	507.7	0.7
Cable TV	47.2	40.8	15.6
Radio	61.3	62.6	(2.1)
Direct response	106.0	92.5	16.8
Sales promotion	49.0	0.0	NA

Workforce & facilities

Worldwide	1988	1987	% chg
Employees	5,690	4,460	27.6
Offices	165	155	6.5
U.S.	**1988**	**1987**	**% chg**
Employees	2,015	2,165	(6.9)
Offices	3	4	(25.0)

1988 billings by major office

Office, City	Billings
Grey Advertising, New York	1,396.5
Grey Advertising, Chicago	NA
Grey Advertising, Los Angeles	145.2
Grey Advertising, San Francisco	58.3

Annual Review

Europe represents a major opportunity for Grey. In 1988 the agency claims to have been the fastest growing agency group in that arena, itself the fastest growing advertising market in the world. Grey is now among the top 10 agency networks in Europe and is its leading global independent. In addition to new business totaling $158.7 million in 1988, other growth of $292.6 million came from existing accounts including Block Drug's 2000 Flushes, Corning's Revere Ware, General Food's Post Crooncby Oats, Lucky Store's Advantage Stores and Mitsubishi's Eclipse Auto. Only $61 million was subtracted because of lost business.

U.S. Accounts

Gained: New York—Dove Intl, Olympic Coins, Pan Am Shuttle. Western div—Mag Instruments, Transamerica Life Cos.

Lost: New York—Borden household prods, Procter & Gamble. Western div—Kroy Inc., Westin-San Francisco Airport Hotel.

Foreign Accounts

Gained: Argentina—Cadesa, Seguros de Retiro. Australia—Faber-Castell, Remington, Shop-Rite. Austria—Blendax, Danube Cruises America, Made in Austria, Vienna Tourist Board. Belgium—Blendax, Bongrain, Euro Shoe Canada—Wyse Technology, Block Drug, Canon, Columbia Pictures of Canada, Distillers Company, Henkel, Hotpoint, Kohler, Playtex, Southex/Tracon Exhibitions. Chile—Squibb, Sunoco, Van Heusen, Vina Cousino Macul. Denmark—Hertz. Finland—Helsingin Sanomat. France—Bayer, Brown & Williamson, Corning, General Foods, Honda, Revillon, Wyse Technology. Germany—BASF, Beiersdorf, Blendax, Corning, Jotun, Pay TV, Wyse Technology. Hong Kong—Beecham, Nike, Wyse Technology. Italy—Amplifon, Banco Ambrosiano, Corning, Regina, Snappy. Japan—Ajinomoto, Armor-All, Kohler, Mitsubisa, Remington. Malaysia—APCOT, Armitage Shanks. Mexico—BankAmerica, Bristol Myers. Netherlands—Bayer, Hoechst Holland, Hooge-Hays, Rhone-Poulenc. New Zealand—Lederle Laboratories, NEC, Reckitt & Colman. Norway—3M, Dept of Consumic Affairs, Fred Olsen Lines, Unisys, Yves Saint Laurent. Peru—Custer Sportswear, Electrolux, Philippines—A&W Restaurants, STP, Warner Bros. Puerto Rico—Block Drug, WKAQ-TV. Singapore—Philips, Timezone. Spain—Bodegas Riojanas, Corning. South Africa—Gypsum Industries, Hidroelectrical, SER. Sweden—Corning, Hansa. Switzerland—Geberit, Pioneer, Unident. Thailand—Bangkok Bank, Regent Group. Taiwan—1989 Taipei International Marathon, Armor All, Chicco U.K.—3M, Bacardi, Corning, Rothmans, Wyse Technology. Uruguay—Arnaldo C. Castro. Venezuela—Digital, Quaker Oats, Swissair, Warner Bros.

Lost: Argentina—Hyspamerican Ediciones Argentinas, Massalin Particulares. Australia—Edgell Birds Eye. Austria—Heublein Ltd, Kaindl, Mobil, Novotel, Pioneer. Belgium—Bancontact, Banque Bruxelles Lambert, Cinzano, Inter-Continental. Canada—Barbardos Board of Tourism, Canada Packers Ltd, Hoechst Canada Inc., Hotpoint. Chile—Calaf S.A., Radio Mineria, Sudamericana de Vapores, Telex Chile. Denmark—Bodum Design, NCR Danmark, Sterling Airways. France—Coudray, Groupe Pasquier, Le Clip, Soupledur Curver. Germany—Deutsche Bank, Eduscho, Northwest Airlines, Pfanni-Werke, Schulte & Dieckhoff Gmbh. Hong Kong—Government of India Tourist Office, Honeywell, Irish Dairy Board, Konica Hong Kong, Wrangler. Italy—Busnelli. Japan—Hallmark, Smile 40 Ex Quicks, Malaysia—Dumex, Dunkin' Donuts, Yves Saint Laurent Mexico—Carter Wallace. Netherlands—Bongrain, Dutch Tourist Office, Lindt & Sprungli. New Zealand—Fram (NZ) Ltd, Morrow Taylor Group, Upjohn. Norway—Agfa Gevaert, Lion Tours, Progas. Peru—Peruinvest. Philippines—Electrolux, J&P Coats. Puerto Rico—Malrite Communications Group. Singapore—Les Must de Cartier, Shiuro. South Africa—Calvin Klein, Cock-A-Doodle Stores, Fotocity. Spain—Clarks, Le Clip. Sweden—Alberto Culver, Molnycke Konsumer. Switzerland—Le Clip. Taiwan—Arby's, Christian Dior, Dunkin' Donuts. Thailand—Air Lanka Co., The Mall. U.K.—AES Data, A.H. Robins, Max Factor, Mennen, Saudi Arabian Airlines, Sun Life, Woolfrest. New Zealand. Uruguay—Bank of London, Boehringer Ingelheim.

Officers

Edward H. Meyer, chmn & president; Robert L. Berenson, exec vp-admin; Alan B. Fendrick, exec vp, treasurer, secretary; Barbara S. Feigin, exec vp, dir-strategic svcs; Richard M. Karp, exec vp, dir-creative svcs; Alec Gerster, exec vp, dir-media & programming; Stephen A. Novick, exec vp, dir-broadcast prod.

Phone: (212) 546-2000

RANK
57

Griffin Bacal

New York
GROSS INCOME: **$ 20** MILLION

Income & volume

($ in millions)

Worldwide	1988	1987	% chg
Gross income	23.0	21.2	(5.7)
Volume	155.8	165.7	(6.0)
U.S.	**1988**	**1987**	**% chg**
Gross income	18.4	20.5	(10.2)
Volume	143.5	160.4	(10.3)
U.S. volume stats	**1988**	**1987**	**% chg**
Media	116.7	134.2	(13.0)
Materials & services	27.2	26.2	3.8
Capitalized fees	0.0	NA	NA

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	1.1	0.8	40.6
Consumer magazine	5.7	12.1	(52.6)
Business publications	0.6	0.0	NA
Spot TV	79.0	92.3	(14.4)
Network TV	27.0	27.0	(0.2)
Cable TV	3.3	2.0	65.6

Workforce & facilities

Worldwide	1988	1987	% chg
Employees	187	211	(11.4)
Offices	2	2	0.0
U.S.	**1988**	**1987**	**% chg**
Employees	176	200	(12.0)
Offices	1	1	NA

Annual Review

Billings in 1988 were down $9.9 million because of lower spending from clients Hasbro Inc. and Commodore Business Machines, as well as the loss of Stride Rite Footwear business worth $1.7 million. The agency expects overall 1989 growth of at least 6% over 1988 based on account gains, including Sharp Electronics ($15 million in annualized billings started in February 1989), Gillette Oral-B ($1 million) and Milton Bradley in the U.K.

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Source: BPA December '88.

AGENCY OF THE YEAR: RUNNER-UP

BBDO's creative stays hot; star-studded lineup grows

Past success, awards keep pressure on new work for such major spenders as Pepsi, Dodge and Apple

Steady creative craftsmanship won runner-up honors for New York-based BBDO. The agency continued to wow consumers (and ad award judges) with its work for Pepsi-Cola Co. In last year's cola war celebrity battle, BBDO and Pepsi continued to make use of Michael Jackson and Michael J. Fox, and added more personalities, including actress Teri Garr, America's Cup winner Dennis Conner and—briefly—boxer Mike Tyson.

In another case of tough-act-to-follow, BBDO brought out its "wedding" commercial for Du Pont as successor to the acclaimed Bill Denby spot featuring a Vietnam vet playing basketball on artificial legs. The wedding spot—also a heart-tugger—features a bride who earlier was in an auto accident but was saved from facial scars because of Du Pont's part in a windshield that shatters outward.

The agency also met the challenge of keeping up the quality of its Macintosh spots for Apple Computer, drawing applause for several of the low-key but effective commercials.

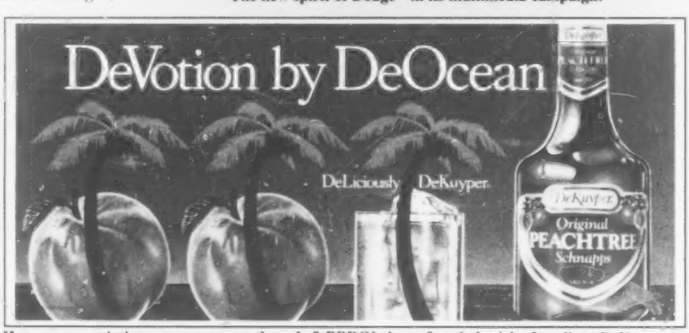
BBDO's 1987 work led the Clios with six awards, and also scored big in the International Film & TV Festival.

This year BBDO added part of a celebrity for Campbell Soup Co.'s Home Cookin' soups: the voice of actor James Stewart. He's not identified, but BBDO says research shows he's recognized.

Among the other creative work that won praise from AD AGE editors: Gillette Co.'s Atra shaving system ("The best a man can get"), Oppenheimer Fund's spot featuring New York Giant Jim Burt trying his hand at ballet, some of its spirited "New spirit of Dodge" work and DeKuyper's lively print campaign.

Recently, Allen Rosenshine returned to BBDO as chairman-ceo. He had been chairman of parent Omnicom. Bruce Crawford returned as president-ceo of Omnicom after a stint as general manager of New York's Metropolitan Opera. □

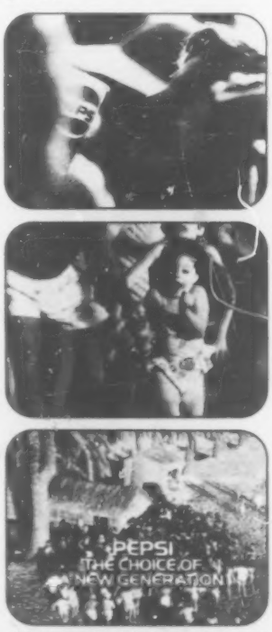
For longtime client Dodge, BBDO talks about "total performance" and "The new spirit of Dodge" in its multimedia campaign.



How many variations on a pun can there be? BBDO's bag of verbal tricks for client DeKuyper's seems to be far from empty.

OH, THESE SPOTS! THEY'RE DRIVING BUD AWAY!
MY ONLY HOPE IS NEW LIQUID SUNLIGHT!
NOW SUNLIGHT FOR DISHWASHERS COMES IN A LIQUID.
SUN LIGHT

These print and TV ads for Lever Bros.' Sunlight detergent are credited with starting a mini-boom in parody ads.



Beachgoers in this Pepsi-Cola spot "ouch" their way across hot sand to get to the Pepsi booth.

U.S. Accounts

Gained: Miles Inc.; Gillette Co.; Montgomery Sugar; Sharp Electronics Corp.
Lost: Stride Rite Footwear.

Foreign Accounts

Gained: Milton Bradley.
Lost: None.

Officers

Thomas L. Griffin, president; Joe Bacal, exec. vp, dir-creative svcs; Paul Kurnit, exec. vp-ceo; Arthur Heller, exec. vp, dir-media; Lenny Leokum, exec. vp-creative dir; Christopher Mill, exec. vp, dir-new business; Marsha Badanes, Arnie Berger, Norman Hajar, Robert Horne, sr. vps-group dirs; William J. Beihl, sr. vp-cfo; David Biebelberg, Janice Figueroa, Paul Jacobson, Carl Teitelman, vps-mgmt supers; Alysia Dworin, Steve Margaritov, vps-assoc. media dirs; Robert Fudge, Maurice Mahler, Lois Sandberg, Ed Torton, vps-assoc. creative dirs; Heidi Kahme, vp, dir-media buying.
Phone: (212) 337-6400.

RANK **99**

Gross Townsend Frank Hoffman

New York
GROSS INCOME: **$ 11** MILLION

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	11.3	8.1	38.4
Volume	75.2	54.3	38.4

Billings by media

($ in millions)

Media	1988	1987	% chg
Consumer magazine	0.0	0.5	(92.0)
Medical journals	10.5	14.0	(25.0)
Point of sale	0.5	0.5	0.0
Cable TV	1.1	0.5	114.8
Radio	0.1	1.0	(87.5)
Direct response	10.0	10.0	0.0

Workforce & facilities

U.S.	1988	1987	% chg
Employees	109	90	21.1
Offices	1	1	NA

Annual Review

In a joint venture with Grey Advertising, its parent, GTFH created a Consumer division to establish programs aimed at health conscious consumers, which helped to push billings up 38.4% and give this healthcare concern a spot among the top 100 in 1988. Growth was strong from new business and from current clients as well including Merck Sharp & Dohme, Bristol-Myers, Johnson & Johnson, Procter & Gamble, Sandoz and Squibb.

U.S. Accounts

Gained: Whatman; JRAP; GynoPharma Inc.; Mentor Corp.; Boehringer Ingelheim.
Lost: Purdue Frederick; VCI Corp.; Tap Pharmaceutical; Lakeside Pharmaceuticals.

Officers

Alan Gross, president; Jane Townsend, exec. vp; David Frank, Ronnie Hoffman, exec. vps-creative dirs; Risa Janoff, sr. vp, dir-acct. svcs; Ilyssa Levins, sr. vp, dir-pr; Orin Kimball, sr. vp-creative dir; Lynn O'Connor Vos, sr. vp, president-Phase Five; Clare Macken, sr. vp, dir-production.
Phone: (212) 886-3000.

RANK **75**

GSDM

Austin, Texas
GROSS INCOME: **$ 15** MILLION

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	15.3	13.5	13.3
Volume	124.1	103.0	20.5
U.S. volume stats	**1988**	**1987**	**% chg**
Media	78.2	NA	NA
Materials & services	21.9	NA	NA
Capitalized fees	24.0	NA	NA

Workforce & facilities

U.S.	1988	1987	% chg
Employees	171	135	26.7
Offices	2	4	NA

Annual Review

Figures reported for 1988 represent only the Austin shop, where operations were consolidated in 1988 following the closure of full-service units in Dallas and Houston, which remain service shops. The reining in of its business, is the still relatively depressed Texas economy, produced a direct loss of $20 million in billings. The agency expects billings to grow 20% in 1989, a spurt connected to business gained in 1988 including two accounts previously lost—Chili's Restaurants ($10 million annualized) and Sea World of Texas ($5 million). Growth from existing clients, Adolph Coors Co., Southwest Airlines and Wal-Mart apparel, also will fuel billings. For 1988, new business totaled $41.5 million. Existing accounts added another $8.7 million while the agency did not lose any accounts.

U.S. Accounts

Gained: Chili's Restaurants; Texas Dept. of Commerce Tourism Div.; *The Wall Street Journal*.
Lost: None.

Officers

Stephen W. Gurasich, ceo; Roy M. Spence, president; Thomas M. McClure, exec. vp-exec. creative dir; Judith L. Trabulsi, exec. vp-media dir; Gary L. Brahl, sr. vp-sr. creative dir; Charles E. Grady, Stephen A. Wille, Stephen Dalbey, Steven Braasch, sr. vps-acct. dirs; Robert E. Mazerov, vp-rsch. dir; Raoul Rodriguez, sr. vp, dir-hispanic svcs.
Phone: (512) 327-8810.

RANK **14**

HDM

New York
GROSS INCOME: **$ 279** MILLION ✓

Income & volume

($ in millions)

Worldwide	1988	1987	% chg
Gross income	279.0	204.0	36.8
Volume	1,937.7	1,383.6	40.0
U.S.	**1988**	**1987**	**% chg**
Gross income	28.6	27.4	4.2
Volume	228.9	206.0	11.1
U.S. volume stats	**1988**	**1987**	**% chg**
Media	136.1	122.3	11.3
Materials & services	23.3	28.1	(17.0)
Capitalized fees	69.4	55.6	24.9

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	14.6	12.2	19.7
Consumer magazine	35.0	28.5	22.8
Business publications	16.1	16.4	(1.8)
Outdoor	5.4	3.2	68.2
Spot TV	31.6	30.3	4.4
Network TV	22.6	17.2	31.6
Cable TV	0.6	0.8	(23.8)
Radio	10.2	13.6	(25.4)

Workforce & facilities

Worldwide	1988	1987	% chg
Employees	2,528	2,270	11.4
Offices	62	58	6.9
U.S.	**1988**	**1987**	**% chg**
Employees	277	371	(25.3)
Offices	3	4	(25.0)

1988 billings by major office

Office, City	Billings
HDM USA, Los Angeles	13.1
HDM USA, Los Angeles	80.8
HDM USA, New York	89.0
HDM USA, Chicago	45.8

Annual Review

HDM had a worldwide billings increase of 40% in 1988, broken down into 11.1% growth stateside and 45% abroad. The agency's power base remains outside the U.S.—88.2% of total billings in 1988 were in non-U.S. markets. HDM closed its Chicago office but bought Chicago's Stone & Adler as part of its plan to develop an independent direct marketing network. Growth for 1989 will come from new business and existing accounts, particularly 3M, Henkel, Peugeot, Damart, Philips, BSN, Colgate, Kentucky Fried Chicken, DuPont, S.C. Johnson and Jacobs Suchard. HDM is an amalgam of Eurocom's, the French agency group, Japan's Dentsu and Marsteller, a subsidiary of Young & Rubicam at the time of the merger.

U.S. Accounts

Gained: New York—Bell Boeing, Brother Intl, BSN/Lea & Perrins, Colgate-Palmolive, Crown, Dow Corning, Hertz Corp., Hitachi, Izod Lacoste. Los Angeles—Arthritis Foundation, Avenue Pictures, Goodyear Tire & Rubber Co., Hewlett-Packard Intl, Westin Hotels. Worldwide Direct—Kraft/All American Gourmet Frozen Foods, Los Angeles Music Centers, Nintendo, Pacific Bell Di-

rectory, Quantum
Lost: Los Angeles—Mitsubishi Diamond Vision

Foreign Accounts

Gained: China—Kentucky Fried Chicken, S.C. Johnson, Smith Kline & French, Gillette. Hong Kong—AT&T, Canon, Casio, China Merchants, Citibank, Club de Remy, Jacobs Suchard chocolates, JAL regional, Neil Pryde regional acct., U.S. Meat Board, Regent Arcade shopping center, S.C. Johnson. HDM Wunderman Hong Kong—AIG insurance, American Express, Roger Craig personal care. Japan—Asahi, Bausch & Lomb, Fuji Oil, Jacobs Suchard, Konica, Saga Furs, Showa Marine Co., Singapore Economic Devel Board, Takaki Sangyo gas equipment & bathtubs, Tobu department stores, Toshiba. HDM/DSH Japan—ICI Pharma, Outsuka Seiyaku, Rorer Japan, Roussel Medica, Sandoz, Sankyo, Serono Japan, Smith Kline & French, Sumitomo Seiyaku, Taiho Yakuhin Kogyo, Taketa Yakuhin Kogyo, Tobishi Yakuhin, Tsuka Seiyaku. Malaysia—Cadbury, Coop Intl, Kentucky Fried Chicken, Riche Monde Johnny Walker scotch, Royal Canadian Mint, Sate Ria fast food. Philippines—Kelvinator, Kenwood. Singapore—Coop Intl, Singapore Economic Devel Board, Heineken, Kentucky Fried Chicken, Singapore Telecoms, Vitasoy soft drink. Taiwan—Flying Tigers air cargo, Mercedes Benz, Mid-America Agri-Trade Council, Unisys, U.S. Meat Export Federation. Thailand—AEG/Olympia, Avon, Bangkok Bank of Commerce, Baskin Robbins, Central Plaza Hotel, Dr Pepper, Golden Mountain, Kentucky Fried Chicken, Remy Martin, Saudi Arabian Airlines, Sai Choo vinegar, York air conditioning. France—NRJ radio, Esso petroleum prods., Philips CD Vision, l'Alsacienne cookies. Switzerland—Damart underwear, Helvita insurance, Bell butcher shops. England—Granada TV, Toshiba. Holland—Mita copiers, Center Park resorts. Germany—Stollwerk chocolates, BHW banks. Belgium—3M. Austria—Loewa supermarkets. Sweden—Jolis Ltd real estate. Italy—Marvis, Monini Oil.
Lost: Singapore—Esso, CAAS, Bayer. Japan—Citibank. France—Bisquit cognac. Germany—IWS.

Officers

Alain dePouzilhac, chmn-Paris; Tim Pollak, ceo-New York; Shinzo Ueno, sr exec vp, area dir-Tokyo; Jean de Yturbe, sr exec vp, area dir-Paris.
Phone: (212) 408-2100.

RANK **98**

Henderson Advertising

Greenville, S.C.
GROSS INCOME: **$ 11** MILLION

Income & volume
($ in millions)

U.S.	1988	1987	% chg
Gross income	11.3	10.6	6.5
Volume	75.1	70.6	6.5
U.S. volume stats	**1988**	**1987**	**% chg**
Media	39.3	43.5	(9.6)
Materials & services	6.8	8.8	(22.6)
Capitalized fees	29.0	18.3	58.3

Billings by media
($ in millions)

Media	1988	1987	% chg
Newspaper	3.5	2.9	19.9
Consumer magazine	6.2	7.4	(16.6)
Business publications	0.5	1.2	(62.4)
Free-standing inserts	0.4	0.0	NA
Outdoor	0.3	0.6	(53.5)
Transit	0.2	0.0	NA
Point of sale	0.6	1.1	(45.8)
Spot TV	5.2	7.3	(28.8)
Network TV	14.2	18.7	(24.2)
Cable TV	1.5	0.0	NA
Syndicated TV	1.3	0.0	NA
Radio	4.7	3.3	41.6
Direct response	0.9	1.0	(8.4)
Sales promotion	4.1	0.0	NA

Workforce & facilities

U.S.	1988	1987	% chg
Employees	104	101	3.0
Offices	1	1	NA

Annual Review

The agency attributes its billings increase of 6.5% to higher spending by existing clients of $1.6 million, and $3.8 million in new business that offset losses of $800,000, largely the amount cut from the Sylvania budget. A 10% growth in spending is forecast for 1989, paced by new assignment, Spiffitts, a Dow Brands homecare product on which spending is expected to exceed $10 million. Two newly acquired food accounts also will have an impact.

U.S. Accounts

Gained: Dow Brands, James River Corp., Orian Rugs, Renaissance Records.
Lost: Umbro Intl.

Officers

Ralph W. Callahan Jr., chmn, president & ceo; Robert Jones, vice chmn, exec creative dir; John J. Kennedy Jr., exec vp-cfo; Greg Rathjen, sr vp, dir-rsch & strategic planning; Mike Daly, Bruce Mitchell, sr vps-creative dirs; Beverly Grant, Gordon McDonald, Mike Wilson, Mike Zeller, sr vps-mgmt supers; Bill Reynolds, sr vp-media dir.
Phone: (803) 271-6000.

RANK **28**

Hill, Holliday, Connors, Cosmopulos

Boston
GROSS INCOME: **$ 50** MILLION ✓

Income & volume
($ in millions)

Worldwide	1988	1987	% chg
Gross income	50.2	43.4	15.6
Volume	335.0	289.6	15.6
U.S.	**1988**	**1987**	**% chg**
Gross income	43.1	36.7	17.3
Volume	287.4	245.0	17.3
U.S. volume stats	**1988**	**1987**	**% chg**
Media	49.8	38.5	29.1
Materials & services	6.8	4.7	43.6
Capitalized fees	230.9	201.8	14.4

Billings by media
($ in millions)

Media	1988	1987	% chg
Newspaper	19.7	25.6	(23.2)
Consumer magazine	23.3	22.4	4.1
Sunday magazines	0.3	0.3	16.4
Business publications	2.8	0.8	239.1
Outdoor	0.9	1.8	(49.4)
Spot TV	18.4	25.6	(28.0)
Network TV	8.5	7.9	7.6
Cable TV	4.7	1.1	335.7
Syndicated TV	0.6	0.2	273.6
Radio	14.2	8.6	64.0
Direct response	20.4	11.0	86.5

Workforce & facilities

Worldwide	1988	1987	% chg
Employees	530	512	3.5
Offices	5	4	25.0

U.S.	1988	1987	% chg
Employees	421	391	7.7
Offices	3	2	50.0

Annual Review

Growth from new accounts including Nissan Infiniti ($58 million annualized), Pitney Bowes ($10 million), Heinz Chicosan rice cakes and United Jersey Banks (both $5 million) and existing business more than offset the resignation of New England and New Jersey Ford Dealers account and the loss of Southland Corp. and WWOR-TV. New business brought in $44.9 million and increased budgets from the existing roster added $33.8 million to compensate for $33.4 million that left the agency. The mix produced a 15.6% growth in billings worldwide, 17.3% do-

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Burnett bumps Saatchi as top brand

How the top 50 U.S. agency brands line up

Brand name agency rank 1988	1987	Agency	Agency group	U.S. brand billings 1988	1987	% chg	Total billings 1988
1	3	**Leo Burnett Co.**, Chicago		1,765.0	1,550.0	13.9	1,765.0
2	1	**Saatchi & Saatchi Advertising**, New York	Saatchi & Saatchi Co. PLC	1,740.1	1,674.8	3.9	2,209.6
3	2	**J. Walter Thompson Co.**, New York	WPP Group	1,721.5	1,552.8	10.9	1,787.9
4	4	**FCB/Publicis**, Chicago/Paris		1,552.0	1,378.7	12.6	1,825.8
5	5	**Young & Rubicam**, New York		1,528.5	1,223.5	24.9	2,791.8
6	6	**DDB Needham Worldwide**, New York	Omnicom Group	1,292.3	1,195.2	8.1	1,929.3
7	10	**McCann-Erickson Worldwide**, New York	Interpublic Group of Cos.	1,268.0	1,023.4	23.9	1,314.0
8	7	**Ogilvy & Mather Worldwide**, New York	Ogilvy Group	1,258.4	1,154.8	9.0	1,874.9
9	11	**D'Arcy Masius Benton & Bowles**, New York		1,206.7	1,011.8	19.3	1,794.2
10	9	**BBDO Worldwide**, New York	Omnicom Group	1,152.2	1,050.0	9.7	2,414.3
11	8	**Grey Advertising**, New York		1,102.2	1,055.2	4.5	1,520.3
12	12	**Backer Spielvogel Bates Worldwide**, New York	Saatchi & Saatchi Co. PLC	1,000.0	983.7	1.7	1,964.2
13	14	**Lintas:Worldwide**, New York	Interpublic Group of Cos.	966.1	953.6	1.3	1,345.4
14	15	**N W Ayer**, New York		946.7	878.0	7.8	946.7
15	13	**Bozell, Jacobs, Kenyon & Eckhardt**, new York	Bozell Inc.	900.0	977.0	(7.9)	1,090.0
16	16	**Campbell-Mithun-Esty**, Minneapolis	Saatchi & Saatchi Co. PLC	748.4	708.3	5.7	783.0
17	17	**Wells Rich Greene**, New York		727.9	659.0	10.5	833.9
18	18	**Della Femina McNamee WCRS**, New York	WCRS Group PLC	660.5	590.1	11.9	660.5
19	21	**Chiat/Day**, Venice, Calif.		500.0	350.0	42.9	500.0
20	19	**Ketchum Communications**, Pittsburgh		453.0	384.4	17.8	726.0
21	25	**Tracy-Locke**, Dallas	Omnicom Group	380.7	298.0	27.8	408.0
22	20	**AC&R Advertising**, New York	Saatchi & Saatchi Co. PLC	355.6	366.1	(2.9)	355.6
23	28	**Ross Roy Inc.**, Bloomfield Hills, Mich.		335.0	260.4	28.6	568.1
24	26	**Scali, McCabe, Sloves**, New York	Ogilvy Group	315.3	295.6	6.7	559.7
25	23	**Lowe Marschalk**, New York	Interpublic Group of Cos.	304.2	304.2	0.0	304.2
26	24	**Laurence, Charles, Free & Lawson**, New York	Lowe Howard-Spink & Bell	302.0	302.0	0.0	302.0
27	22	**Ally & Gargano**, New York		295.2	316.7	(6.8)	295.2
28	31	**Hill, Holliday, Connors, Cosmopulos**, Boston		287.4	245.0	17.3	287.4
29	27	**Jordan, McGrath, Case & Taylor**, New York		284.6	264.6	7.6	300.0
30	33	**McCaffrey & McCall**, New York	Saatchi & Saatchi Co. PLC	269.4	236.0	14.2	286.4
31	30	**W.B. Doner & Co.**, Southfield, Mich.		268.7	247.2	8.7	268.7
32	29	**Wunderman Worldwide**, New York	Young & Rubicam	261.7	260.0	0.7	266.1
33	35	**Earle Palmer Brown Cos.**, Bethesda, Md.		243.8	221.3	10.2	271.1
34	37	**Rapp Collins Marcoa**, New York	Omnicom Group	236.3	218.6	8.1	236.3
35	34	**Ogilvy & Mather Direct Response**, New York	Ogilvy Group	226.0	222.0	1.8	272.0
36	38	**Admarketing**, Los Angeles		224.5	201.0	11.7	224.5
37	32	**Tathum-Laird & Kudner**, Chicago		217.0	241.8	(10.3)	217.0
38	42	**Levine, Huntley, Schmidt & Beaver**, New York		216.4	181.8	19.0	216.4
39	40	**HDM**, New York		215.7	199.4	8.2	228.9
40	45	**Ammirati & Puris**, New York		210.0	170.0	23.5	210.0
41	43	**Bernard Hodes**, New York	Omnicom	204.4	180.3	13.4	204.4
42	39	**Hal Riney & Partners**, San Francisco		200.0	200.0	0.0	200.0
43	49	**Telephone Marketing Programs**, New York		197.1	144.5	36.4	197.1
44	46	**Nationwide Advertising Service**, Cleveland		185.4	157.2	17.9	157.2
45	44	**Bloom Cos.**, Dallas		182.6	175.9	3.8	182.6
46	41	**Doremus & Co.**, New York	Omnicom Group	181.0	194.5	(6.9)	181.0
47	36	**LGFE**, New York	WPP Group	172.4	221.3	(22.1)	172.4
48	52	**Kallir Philips Ross**, New York	Omnicom Group	163.2	123.9	31.7	163.2
49	50	**Warwick Advertising**, New York		160.0	141.0	13.5	160.0
50	51	**TBWA**, New York		154.1	125.9	22.4	154.1

Notes: Dollars are in billions. Figures for 1987 are historical when agency existed by current name. See table below for composition of ranked agencies.

Agency	Included	Excluded
Backer Spielvogel Bates Worldwide	BSB named shops	Campbell-Mithun-Esty, Kobs & Draft, Conill Advertising, Jamison & Leary, Custom Event Marketing
BBDO Worldwide	BBDO named shops	Baxter, Gurian & Mazzei, Blair Advertising, Caravetta Allen Kimbrough, Frank J. Corbett Inc., Doremus & Co., GM DuBois Corp., Hannaford Co., Ingalls, Quinn & Johnson, Lavey/Wolff/Swift, RC Communications, Franklin Spiers Inc., Tycer Fultz Bellack, TELERx Marketing, Tracy-Locke
Bozell, Jacobs, Kenyon & Eckhardt	BJK&E named shops	Custom Production Services, Robinson, Lake, Lerer & Montgomery, BJK&E Yellow Pages, BJK&E Direct, BJK&E Public Relations
Earle Palmer Brown Cos.	EPB named shops	EPB Public Relations, MarketSearch
Campbell-Mithun-Esty	C-M-E named shops	Cash Plus, Promotion Works
D'Arcy Masius Benton & Bowles	DMB&B named shops	Medicus Consumer Communications, CCA/TCA, Manning Selvage & Lee, Medicus Intercon, Science & Medicine, Integroup Marketing & Promotions, DMB&B Direct
DDB Needham Worldwide	DDB Needham named shops	Bernard Hodes Advertising Group, Kallir Philips Ross, Kresser Craig/DIK, Milici Valenti Park & Gabriel, Rapp Collins Marcoa, Porter Novelli
FCB/Publicis	FCB named shops	Lewis, Gilman & Kynett, Albert Frank-Guenther Law, IMPACT, Krupp Taylor USA, Vicom/FCB, Wahlstrom & Co., Smith Hemmings-Gosden, FCB Telecom, Golin Harris Communications, Integrated Communications Group
Grey Advertising	Grey named shops	Beaumont-Bennett, GCI Group, Grey Direct, LBS Communications
HDM	HDM named shops	HDM Direct
Jordan, McGrath, Case & Taylor	JMC&T named shop	C. L. Stawasz
Ketchum Advertising	Ketchum named shop	Ketchum Direct, Ketchum Public Relations, Ketchum Yellow Pages
Lintas:Worldwide	Lintas named shops	Fahlgren & Swink, Muir Cornelius Moore, Lintas Direct, Lintas Promo
McCaffrey & McCall	M & M named shops	McCaffrey & McCall Direct Response
McCann-Erickson Worldwide	M-E named shops, M-E Healthcare	McCann Direct
Ogilvy & Mather Direct Response	O & M Direct Response, O & M Yellow Pages	A. Eicoff & Co., Targeted Communications Corp.
Ogilvy & Mather Worldwide	O & M named shops	O & M Direct Response, O & M Promotions, Graphic Services, Speech Dynamics, Rolf Werner Rosenthal, Adams & Rinehart, Sussman & Sugar
Ross Roy Group	Ross Roy named shops	Calet Hirsch & Spector, Diorio Wergeles, Gray & Kilgore, Griswold Inc., Ross Roy Direct Response, Ross Roy Sales Promotion
Saatchi & Saatchi Advertising	S&S named shops	S&S Direct, Hoffman, York Compton, McCaffrey & McCall, Klemtner, Rumrill-Hoyt
Scali, McCabe, Sloves	SMS named shops	Falkin McElligott Martin Agency
Tracy-Locke	T-L named shops	Tracy-Locke Direct, Geographic Marketing
J. Walter Thompson Co.	JWT named shops	Brouillard Communications
Wells Rich Greene	WRG named shops	Gardner Advertising
Wunderman Worldwide	WW named shops	Infobase
Young & Rubicam	Y&R named shops	Cato Johnson/Y&R, Stone & Adler, Chapman/Stone & Adler, Creswell, Munsell, Fultz & Zirbel, Hutchins/Y&R, Sive Associates, Sudler & Hennessey, Wunderman Worldwide, Rogers Merchandising, HDM USA, Burson-Marsteller Worldwide

Leo Burnett Co., its U.S. billings propelled by double-digit growth, unseated Saatchi & Saatchi Advertising Worldwide as the top agency "brand" in 1988.

Burnett, which until this year had held the No. 2 position for each of the three years the brand competition has been scored, recorded a 13.9% growth in billings to $1.77 billion compared to only 3.9% growth by Saatchi to squeeze by the British-owned brand by $25 million—an amount equal to 1.4% of Saatchi's U.S. brand total of $1.74 billion.

J. Walter Thompson Co. retained its No. 3 spot where it had fallen last year (in 1987 billings) after suffering management upheaval and major account losses related to its buyout by WPP Group, London. JWT, which had held the top position in both 1985 and 1986 U.S. billings, returned to the fast track in 1988, in notching a 10.9% growth in billings to $1.72 billion that left it only $19 million short of Saatchi.

The ADVERTISING AGE "brand" chart ranks agencies by pure advertising billings. As listed, these agencies are stripped of subsidiaries that have their own identity and/or deal in specialties such as PR, direct response, Yellow Pages, research or sales promotion. Under this criteria, the brand often is the reduction of the agency to a single name in multiple cities. This process allows subsidiaries to stand on their own.

The specialty units or subsidiaries were eliminated from the parent based on figures reported either by the subsidiary or parent for these operations. Where this information was not provided or incomplete, agencies were contacted for the information. When billings totals could not be obtained from the shops, they were estimated by AA editors and then presented to the parent for comment. Prior-year figures are constant, reflecting current year agency composition.

In this era of mega-mergers, reduction to brands provides advertisers with a better understanding of the agencies' family trees as they continue to branch out. The concept of a brand agency is controversial among the multi-layered agencies that are seeking to become "seamless," though they maintain separate identities in the case of some subsidiaries.

Y&R, which identifies itself as a seamless agency, ranked No. 1 on the basis of its consolidated U.S. billings, but came in at No. 5 among the brands. Minus subsidiaries, Y&R's total U.S. billings fell by 45.2%. The Y&R-named shops, however, registered a strong 24.9% gain in the comparable period—the best among the top 10 brands.

Also in top 10, McCann-Erickson, with brand billings up 23.9%, was second to Y&R in brand volume growth. It also improved its brand ranking from No. 10 to No. 7 in 1988. Grey Advertising, ranked 11th in overall U.S. billings—one notch ahead of Leo Burnett—also ranked No. 11 among agency "brands."

Among Omnicom Group's big agencies, DDB Needham Worldwide dropped slightly from an overall ranking of No. 5 in consolidated totals to a brand ranking of No. 6. BBDO Worldwide, reduced to its BBDO namesake, dropped from No. 2 in consolidated U.S. billings to No. 10 in the brand ranking.

The biggest year-to-year billings increase for a brand agency was recorded by AD AGE's Agency of the Year, Chiat/Day, at 42.9%. Conversely, the largest decline was 22.1% by LGFE, New York, the acronym of WPP's Lord Geller Federico & Einstein, which lost its biggest account in 1988, IBM.

Julie Doherty

mestically. Outlook for 1989 is 20% growth worldwide.

U.S. Accounts

Gained: Nissan; Heinz; Pitney Bowes; United Jersey Banks.

Lost: New England and New Jersey Ford Dealers; WWOR-TV; Southland Corp.

Foreign Accounts

Gained: Health Education Authority, British Engine; Link; Wimpey Homes; Bingo Assn.; Birmingham Midshires; Grants; Boston Consulting; GPT; Data Systems; Malaysia Airlines; Rvoden Intl; Fundasy; Natl. Tourism of Spain; Swank Shop; Tran Tech Group; Toppy; Zurich Watch Co; White Swan Hotel.

Lost: Ilford; Blue Cross; Jackel Porter.

Officers

George J. Hill III, chmn; John M. Connors Jr., president-ceo; Dick Pantano, exec chmn-creative dir; Jack Sansolo, president-USA; Joseph L. Norberg, cfo-treasurer; Jennifer Lang, group chmn, chief exec-London; Walter J. O'Brien, president-NY; Don Easdon, William Heater, exec vps, co-creative dirs; Mary Ellen Argentieri, exec vp, dir-creative svcs & broadcast; Carolyn Clark, exec vp, dir-mktg; John Ferrell, exec vp-chief creative officer, NY; Ann Finucane, exec vp-group acct dir; Felice Kincannon, exec vp, dir-media svcs; Chuck Kushell, exec vp-mng dir, LA; John Mills, exec vp-finance; Susan Smith, exec vp-corp devel; Robert Blinick, Dennis Farrington, Macy Jones, John Palmer, Tom Woodard, Jean Wolf, sr vps-mgmt supers; Terry Carleton, sr vp-asst to president; Pat Casale, Scott Cheyne, Justin Harrington, sr vps-group acct dirs; Herb Coughlan, sr vp, dir-human resources & admin; Arthur Eisenbach, sr vp, dir-mkt rsch; Lee Hathaway, sr vp-print support svcs; Mike Lescarbeau, Paul Regan, sr vps-group creative dirs; Jim McNulty, sr vp, dir-finance & admin, NY; Peter Nichols, sr vp-assoc creative dir; John Sasso, sr vp-public strategies.

Phone: (617) 437-1600.

RANK
39

Bernard Hodes Group

New York

GROSS INCOME: **$ 33** MILLION ✓

Income & volume

($ in millions)			
Worldwide	**1988**	**1987**	**% chg**
Gross income	32.8	28.1	16.8
Volume	218.6	187.2	16.8
U.S.	**1988**	**1987**	**% chg**
Gross income	30.7	27.0	13.4
Volume	204.4	180.3	13.4
U.S. volume stats	**1988**	**1987**	**% chg**
Media	196.1	173.8	12.8
Materials & services	8.3	6.4	29.8
Capitalized fees	0.0	0.0	NA

Billings by media

($ in millions)			
Media	**1988**	**1987**	**% chg**
Newspaper	176.5	156.4	12.8
Consumer magazine	19.6	17.4	12.7

Workforce & facilities

Worldwide	**1988**	**1987**	**% chg**
Employees	477	424	12.5
Offices	30	26	15.4
U.S.	**1988**	**1987**	**% chg**
Employees	419	401	4.5
Offices	24	23	4.3

Annual Review

The agency did better than expected in 1988 as billings increased by 16% worldwide when only a 3%-4% increase was projected. Domestically, billings were up a healthy 13%, while internationally, the billings increased 106% to $14.2 million. This recruitment and classified advertising agency using newspapers and consumer magazines, added four new offices, three of which were overseas. Figures for the Omnicom agency, which is part of Diversified Agency Services, were consolidated with those of DDB Needham.

U.S. Accounts

Agency did not report accounts gained or lost in either the U.S. or abroad.

Officers

Bernard Hodes, president-ceo; Alan Schwartz, exec vp-coo & cfo; Marion Starr, exec vp-regional branch mgr; Jo Bredwell, Steve Peterson, Bruce Skillings, sr vps-regional branch mgrs; Barry Siegel, sr vp-regional branch mgr, president-Recruitment Enhancement Svcs; Dave Dwyer, sr vp-branch mgr; Pat Howard, sr vp, dir-new business devel; Roger Verdum, sr vp, dir-systems & operations; Steve Wills, president-Canada; Laurie Duskwick, mng dir-London; Lee Mathews, president-Bernard Hodes Telephone Mktg Svcs; Barbara Preston, president-Worldwide Yellow Pages Svc Co.; Mike Dowling, president-Walking Fingers; Bud Freedman, exec vp-Recruitment Enhancement Svcs; John Overton, mng dir-Bernard Hodes Overton Ltd.

Phone: (212) 935-4000.

RANK
72

ingalls, Quinn & Johnson

Boston

GROSS INCOME: **$ 16** MILLION ✓

Income & volume

($ in millions)			
U.S.	**1988**	**1987**	**% chg**
Gross income	15.9	20.3	(21.7)
Volume	109.8	139.0	(21.7)
U.S. volume stats	**1988**	**1987**	**% chg**
Media	84.3	106.3	(20.7)
Materials & services	9.8	12.3	(19.9)
Capitalized fees	11.7	16.5	(29.2)

Billings by media

($ in millions)			
Media	**1988**	**1987**	**% chg**
Newspaper	15.5	20.7	(25.1)
Consumer magazine	19.1	28.7	(33.6)
Outdoor	1.1	0.1	1,049.9
Spot TV	26.0	25.0	4.0
Network TV	8.0	5.9	35.5
Cable TV	1.0	0.2	405.0
Radio	13.6	18.0	(24.7)

Workforce & facilities

U.S.	**1988**	**1987**	**% chg**
Employees	219	242	(9.5)
Offices	1	1	NA

Annual Review

Major losses including accounts from Friendly Restaurants ($10 million annualized) and Nissan ($500,000) helped push down billings 21% in 1988 as the agency prepares for a management leveraged buyout from its BBDO/Omnicom parent. The agency did receive some significant new business from Gillette ($2 million), Pizzeria Uno ($1.3 million) and pr for Braun ($800,400) among others. Higher spending was recorded by existing clients including Brooks Drug, Boston Edison, Converse, Honeywell-Bull, Ocean Spray, pr for BayBanks and direct response for First Mutual. Continued healthy growth from current business and full-calendar billings from new business acquired late in 1988 are the basis for IQ&J's 5%-7% increased billings estimate for 1989.

U.S. Accounts

Gained: Gillette; Ocean Spray; Lunt Silversmith; Pizzeria Uno; *Worcester Telegram & Gazette*.

Lost: Data Translation; Friendly Restaurants; Nissan New England; Nissan Upstate New York; Keycorp; Symbolics.

Officers

Bink Garrison, president & ceo; Bruce Kelley, exec vp, dir-acct svcs; Harvey Gabor, exec vp, creative dir; Ned Carboni, exec vp, genl mgr; John Reed, sr vp, media dir; Jay Terwilliger, sr vp-mktg svcs; Barbara Harkins, sr vp, controller; William Myers, sr vp, dir-direct response.

Phone: (617) 954-1000.

RANK
35

Jordan, McGrath, Case & Taylor

New York

GROSS INCOME: **$ 39** MILLION

Income & volume

($ in millions)			
U.S.	**1988**	**1987**	**% chg**
Gross income	38.5	38.4	0.4
Volume	300.0	280.0	7.1
U.S. volume stats	**1988**	**1987**	**% chg**
Media	224.5	215.1	4.4
Materials & services	24.8	20.2	22.8
Capitalized fees	50.7	44.7	13.4

Billings by media

($ in millions)			
Media	**1988**	**1987**	**% chg**
Newspaper	4.3	4.5	(4.9)
Consumer magazine	16.8	17.3	(2.8)
Business publications	2.0	2.2	(9.1)
Outdoor	1.8	3.7	(51.8)
Spot TV	37.9	41.2	(8.0)
Network TV	110.5	97.5	13.3
Cable TV	10.0	9.9	1.5
Syndicated TV	31.7	26.3	20.6

BUY QUALITY. BUY QUANTITY.

You want quality and quantity from your media buy. One Tampa Bay newspaper delivers — the St. Petersburg Times.

Advertisers in the Times reach an affluent audience. A single insertion nets more college educated adults, more chief wage earners and more high income households than the metro area's other newspapers. And the Times delivers more buying prospects in nearly every product category than any other Tampa Bay medium. Affluent readers turn to the Times, because it's the only Bay Area newspaper that speaks to them with Pulitzer Prize-winning authority.

It's a sizable audience, too. The Times is Tampa Bay's largest newspaper, delivering 44% of the nearly 1.6-million adults living in the four-county metro area and 49% of all adults on Sunday. That's an audience larger than Tampa Bay's other two dailies combined. And 95% of the Times circulation is concentrated within the metro area, so there's a minimum of waste distribution.

Discover the difference quality and quantity makes in your Tampa Bay media buy. Call the Times General Advertising Department at (813) 893-8249 or contact the CWO&O office nearest you.

Buy Tampa Bay. Buy the Times.

SATURDAY
St. Petersburg Times
George Bush sworn in: 'We have work to do'
Bundy talks to police

St. Petersburg Times
Tampa Bay's Largest Newspaper

Media	1988	1987	% chg
Radio	9.5	12.6	(24.6)

Workforce & facilities

U.S.	1988	1987	% chg
Employees	283	310	(8.7)
Offices	1	1	NA

Annual Review

Projections for 1989 call for a flat year, which would mimic results of 1988 when the agency produced a moderate 7.1% increase in billings. Existing client growth, particularly from Quaker Oats, was the sole reason for the growth, because new business canceled out lost business (mainly Aetna) as both recorded $20 million.

U.S. Accounts

Gained: Colombo yogurt; *Good Housekeeping*; SmithKline Ecotrin and Sinecoff.
Lost: Aetna commercial insurance & corporate realty; Miller new products.

Officers

James J. Jordan Jr., chmn; Patrick J. McGrath, president; John L. Taylor, exec vp; Malcolm MacDougall, vice chmn.
Phone: (212) 326-9100.

RANK **56**

Kallir, Philips, Ross

New York
GROSS INCOME: **$ 21.5** MILLION

Income & volume

($ in millions)

Worldwide	1988	1987	% chg
Gross income	21.5	15.8	35.8
Volume	188.6	137.0	37.6
U.S.	**1988**	**1987**	**% chg**
Gross income	17.7	13.9	27.6
Volume	163.2	123.9	31.7
U.S. volume stats	**1988**	**1987**	**% chg**
Media	22.1	16.8	31.0
Materials & services	23.2	14.7	57.5
Capitalized fees	117.9	92.3	27.7

Billings by media

($ in millions)

Media	1988	1987	% chg
Medical journals	22.1	16.8	31.0
Direct response	23.2	14.7	57.5

Workforce & facilities

U.S.	1988	1987	% chg
Employees	215	185	16.2
Offices	1	1	NA

Annual Review

Business is healthy at this healthcare advertising subsidiary of Omnicom and part of Diversified Agency Services, supported by strong domestic billings, up 31.7%, and by even stronger foreign billings, up 93.6%. Additional spending from current accounts was the bulk of the increase totaling $32.3 million. Only $1.5 million in new business was recorded, while no accounts were lost either at home or abroad. A 15% growth is expected for 1989, partly influenced by the acquisition of the Sandoz Pharmaceuticals account with annualized billings of $3 million.

U.S. Accounts

Gained: Sandoz Pharmaceuticals; Upjohn/Chugai Upjohn; Home Diagnostics; J&J Patient Care.
Lost: None.

Foreign Accounts

Gained: Beecham; St. Ivel; Nova; British Direct TV; British Post Grad MA; Eli Lilly; Centocor Europe; Alcon; VCB LDA; Mead Johnson.
Lost: None.

Officers

John Kallir, chmn & ceo; Warren Ross, vice chmn; Norman Cooper, president-coo; Richard Grossman, exec vp-copy; Leo Palmer, exec vp-client svcs & mktg; John Geryak, exec vp-art; John Racik, exec vp-consumer prods; Michael Boyer, exec vp.
Phone: (212) 878-3700.

RANK **55**

Keller-Crescent Co.

Evansville, Ind.
GROSS INCOME: **$ 22** MILLION

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	22.0	23.5	(6.2)
Volume	110.3	114.5	(3.7)
U.S. volume stats	**1988**	**1987**	**% chg**
Media	20.4	22.1	(7.8)
Materials & services	40.1	43.2	(7.3)
Capitalized fees	49.8	49.2	1.2

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	1.6	1.5	10.0
Consumer magazine	3.2	2.8	15.2
Business publications	3.3	3.3	0.5
Outdoor	0.2	0.1	73.3
Cable TV	10.4	11.9	(12.4)
Radio	0.8	1.6	(46.8)
Other	0.7	NA	NA

Workforce & facilities

U.S.	1988	1987	% chg
Employees	561	561	0.0
Offices	2	2	NA

1988 billings by major office

Office, City	Billings
Keller-Crescent, Evansville, Ind.	92.5
Keller-Crescent, Dallas	17.8

Annual Review

With only a minor gain in Evansville and a 21.6% drop in Dallas, K-C had a total billings drop of 3.7%. Lost business totaled $1.5 million in 1988 and the agency experienced an overall decrease in spending from current clients of $2.8 million.

U.S. Accounts

Gained: Domestic Corp; My Alarm; Seymour Mfg.
Lost: Executive Jet Air; Empire National Bank.

Officers

Thomas M. Smyton, president; Robert Hampel, vp-finance; F.A. Samuelson Jr., exec vp, dir-creative svcs; Fred Kitch, exec vp-mktg & sales; Jack Cohen, exec vp-client svcs; Del Graham, exec vp-prod & operations svcs; Miles Jackson, sr vp; Robert Ubelhor, vp-audio-visual; James Weitzel, vp-mktg svcs.
Phone: (812) 464-2461.

RANK **19**

Ketchum Communications

Pittsburgh
GROSS INCOME: **$ 106** MILLION ✓

Income & volume

($ in millions)

Worldwide	1988	1987	% chg
Gross income	105.9	88.1	20.3
Volume	776.0	660.0	17.6
U.S.	**1988**	**1987**	**% chg**
Gross income	102.1	85.1	20.0
Volume	726.0	610.0	19.0
U.S. volume stats	**1988**	**1987**	**% chg**
Media	472.6	393.5	20.1
Materials & services	56.6	56.7	(0.2)
Capitalized fees	196.7	159.8	23.1

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	30.4	29.9	1.8
Consumer magazine	55.3	68.9	(19.7)
Business publications	36.9	27.9	32.0
Outdoor	6.6	3.5	86.8
Spot TV	126.7	110.2	14.5
Network TV	105.9	63.0	68.2
Radio	41.1	30.3	35.7
Special events	1.9	1.6	20.1
Other	68.5	NA	NA

Workforce & facilities

Worldwide	1988	1987	% chg
Employees	1,410	1,207	16.8
Offices	19	17	11.8
U.S.	**1988**	**1987**	**% chg**
Employees	1,360	1,157	17.5
Offices	13	12	8.3

1988 billings by major office

Office, City	Billings
Ketchum Communications, Los Angeles	91.2
Ketchum Communications, San Francisco	181.7
Ketchum Communications, Atlanta	10.0
Ketchum Communications, Washington	37.1
Ketchum Communications, Chicago	60.5
Ketchum Communications, Louisville	10.3
Ketchum Communications, Pittsburgh	109.4
Ketchum Communications, Philadelphia	57.8
Ketchum Communications, New York	167.6

Annual Review

The agency's worldwide billings rose 17.6%, entirely the result of a 19% increase in domestic billings. However, overseas returns remained flat. Both domestic and overseas expansion are part of the agency's continuing strategy. Ketchum acquired Botto, Roessner, Horne & Messinger, a $22 million healthcare agency in New York in the fall of 1988, the latest of a half-dozen acquisitions with $222 million in aggregate billings since May 1987. In a deal it made with Brunning Group PLC, London, the two shops formed Ketchum Brunning International, and have targeted Canada, Italy, Spain, Switzerland and Taiwan as markets for expansion.

U.S. & Foreign Accounts

Gained: Shawmut Natl Bank; Schering-Oculeac; Ciba Geigy-Fiberall; Interstate Brands; Cullinet Software; Equitable Gas Co.; American Iron & Steel Institute; Harris Semiconductor; Beatrice Hunt-Wesson Minute Gourmet; Safeway Eastern div; DHL Direct; Kangaroos; Broderbund Software; Paragon Restaurant Group; Ski Ltd.; Security Pacific-Asian; Corning Glassware; Gandalf Technologies; Paterno Imports; Paty Co.; St. Francis Hospital.
Lost: Italian Trade Commission; Independent Insurance Agents of America; General Biscuit; Hamilton Beach; Chevron-Natl Geographic; Avia; Bloomfield Industries; Little Co. of Mary Hospital; Cuddy Farms; Bell Atlantic.

Officers

William H. Genge, chmn & ceo-KCI; Gerald J. Voros, president-coo, KCI; Edward L. Graf, vice chmn-cfo, KCI; Joseph M. Coogle, exec vp-Ketchum Specialized Svcs; John H. Mather, exec vp-info & rsch; Paul Alvarez, president-Ketchum Specialized Svcs; David Drobis, president-Ketchum pr; John Fitzgerald, chmn-Ketchum Advertising USA; Robert W. Kroyer, president-Ketchum Advertising USA; J. Craig Mathiesen, president-Ketchum Advertising LA; Thomas R. Miller, president-Ketchum Advertising NY; Irwin Simms, chmn-Ketchum/Mandabach & Simms/Chicago; Hank Seiden, ceo, Ketchum Advertising NY; Lee Lippman, president-Ketchum/Mandabach & Simms/Chicago; Ken Dudwick, chmn-Ketchum Advertising San Francisco; Sam Rand, exec vp-Ketchum Advertising Philadelphia; Dianne Snedaker, president-Ketchum Advertising San Francisco; Tom Rich, president-Ketchum Advertising Pittsburgh; James Larkin, exec vp-Ketchum Advertising USA.
Phone: (412) 456-3500.

RANK **91**

Klemtner Advertising

New York
GROSS INCOME: **$ 12** MILLION

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	12.0	9.5	26.3
Volume	90.2	70.0	28.9
U.S. volume stats	**1988**	**1987**	**% chg**
Media	12.0	9.2	30.4
Materials & services	6.8	6.1	11.5
Capitalized fees	71.4	54.7	30.5

Billings by media

($ in millions)

Media	1988	1987	% chg
Consumer magazine	2.2	1.7	29.4
Medical journals	46.8	33.4	40.1
Spot TV	11.0	0.0	NA
Network TV	9.5	7.5	26.7
Cable TV	1.6	1.2	33.3
Radio	0.5	0.0	NA
Direct response	7.9	7.0	12.9
Other	20.6	NA	NA

Workforce & facilities

U.S.	1988	1987	% chg
Employees	125	110	13.6
Offices	1	1	NA

Annual Review

New business and growth from existing clients in amounts of $10.1 million each boosted billings 28.9%. Searle ($7.5 million annualized), resigned late in the year, but it did not affect 1988 returns. Major contributors to the growth from existing clients were Berlex, McNeil, Upjohn, Winthrop Pharmaceuticals and Wyeth/Ayerst. New business on an annualized basis totaled $16.5 million. For 1989, the agency projects a 12-15% growth in billings mostly from full-year returns from Rogaine and new business.

U.S. Accounts

Gained: Roche, home healthcare; Schering, Uni-Dur; Squibb, Pravacol; Upjohn, Zefazone.
Lost: Searle, Calan.

Officers

Albert P. Molinaro Jr., chmn & ceo; Gavin A. Scotti, president.
Phone: (212) 463-3400.

RANK **47**

Kobs & Draft Advertising

Chicago
GROSS INCOME: **$ 25** MILLION

Income & volume

($ in millions)

Worldwide	1988	1987	% chg
Gross income	25.0	12.8	95.5
Volume	166.9	85.3	95.8
U.S.	**1988**	**1987**	**% chg**
Gross income	13.5	12.8	5.6
Volume	90.2	85.3	5.8
U.S. volume stats	**1988**	**1987**	**% chg**
Media	29.1	18.8	55.0
Materials & services	5.2	4.9	4.4
Capitalized fees	56.0	61.6	(9.1)

Billings by media

($ in millions)

Media	1988	1987	% chg
Direct response	29.1	18.8	55.0

Workforce & facilities

Worldwide	1988	1987	% chg
Employees	240	142	69.0
Offices	13	3	333.3
U.S.	**1988**	**1987**	**% chg**
Employees	136	142	(4.2)
Offices	3	3	NA

1988 billings by major office

Office, City	Billings
Kobs & Draft, San Francisco	4.3
Kobs & Draft, New York	55.4
Kobs & Draft, Chicago	30.5

Annual Review

Part of the growth objectives at this Backer Spielvogel Bates subsidiary, formerly known as Kobs & Brady, has been to expand international capabilities. Indeed, in 1988, worldwide billings almost doubled, increasing 95.8% with new overseas operations being the major contributor. Of this direct response agency's existing domestic business, Home Box Office increased spending while Fidelity Investments decreased. For 1989, it projects a 7.5% growth mostly from expanded client activity and new business helped by its entrance into the Canadian market with a new office opened in Toronto.

U.S. Accounts

Gained: US West; Prudential Bache; AT&T Info Systems; Electrolux Corp; Mystic Color Lab; Warner Cable Comm; Philip Morris U.S.A.
Lost: The Perrier Group; Life Fitness; Paramount Pictures Corp; U.S. Mint; DHL Corp.

Foreign Accounts

Gained: Austin Rover; Tupperware; *Familien* magazine; Philips; Mercedes Benz; Diner's Club; Meister Verlog mail order; Nordwest Lotterie.
Lost: None.

Officers

Howard Draft, president, chmn-corp; Richard Meyers, exec vp, dir-finance, corp; Tom Brady, exec vp-corp; Sid Liebenson,

Billion dollar agencies by billings growth

Rank	Agency	Worldwide billings 1988	% chg	Rank	U.S. billings 1988	% chg	Rank	Foreign billings 1988	% chg	Foreign as % of worldwide 1988	1987
1	HDM	$1.938	**40.0**	(7)	$0.229	11.1	(1)	$1.709	45.1	88.2	85.1
2	Lintas:Worldwide	$3.586	**28.6**	(2)	1.345	21.4	(5)	2.240	33.4	62.5	60.2
3	McCann-Erickson Worldwide	$4.381	**28.2**	(1)	1.314	21.9	(6)	3.067	31.0	70.0	68.5
4	FCB-Publicis	$4.358	**26.0**	(6)	1.826	12.8	(2)	2.532	37.6	58.1	53.2
5	D'Arcy Masius Benton & Bowles	$3.361	**23.2**	(4)	1.794	14.6	(4)	1.567	34.8	46.6	42.6
6	J. Walter Thompson Co	$3.858	**18.6**	(8)	1.788	10.4	(7)	2.070	26.8	53.7	50.2
7	Grey Advertising	$2.886	**17.2**	(14)	1.520	4.5	(3)	1.366	35.6	47.3	40.9
8	Leo Burnett Co.	$2.865	**16.4**	(5)	1.765	13.9	(8)	1.100	20.6	38.4	37.0
9	Backer Spielvogel Bates Worldwide	$4.678	**15.0**	(9)	1.964	8.6	(9)	2.714	20.0	58.0	55.6
10	DDB Needham Worldwide	$3.020	**13.1**	(3)	1.929	17.8	(16)	1.091	5.7	36.1	38.7
11	Ogilvy & Mather Worldwide	$4.110	**12.2**	(13)	1.875	7.4	(12)	2.235	16.5	54.4	52.4
12	Saatchi & Saatchi Advertising Worldwide	$5.054	**11.1**	(15)	2.210	3.9	(11)	2.844	17.4	56.3	53.3
13	NW Ayer	$1.348	**10.7**	(11)	0.947	7.8	(10)	0.401	18.0	29.8	27.9
14	Young & Rubicam	$5.390	**9.9**	(10)	2.792	8.5	(13)	2.598	11.4	48.2	47.6
15	BBDO Worldwide	$4.051	**8.0**	(12)	2.414	7.6	(15)	1.637	8.6	40.4	40.2
16	Bozell, Jacobs, Kenyon & Eckhardt	$1.283	**(3.2)**	(16)	1.090	(5.2)	(14)	0.193	10.3	15.0	13.2

Notes: Dollars are in billions. These rankings include U.S.-based agencies with worldwide billings of $1 billion or more and are based on % change from 1987 to 1988. Previous years' billings, not shown but used to compute percent change, are all historical. Billings given in this table include subsidiary billings listed on Page 2.

exec vp, dir-mktg, corp; Roy Weiss, sr vp-genl mgr, Chicago; Yvonne Furth, sr vp, dir-client svcs, Chicago; Sandy Moltz, sr vp-exec creative dir, Chicago; Sandy Toback, sr vp-media dir, Chicago; Lynn Fantom, exec vp-genl mgr, NY; Mary Pat Ryan, sr vp, dir-client svcs, NY; Amelia Caprirulo, sr vp-media dir, NY; Jeff Ostroth, sr vp-creative dir, NY; Dan Ginsburg, exec vp, dir-intl operations; David Florence, sr vp, dir-European operations; Ian Kennedy, dir-Pacific Region (intl).

Phone: (312) 944-3500

RANK **31**

Laurence, Charles, Free & Lawson

New York

GROSS INCOME: **$ 43** MILLION

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	43.3	43.2	0.2
Volume	302.0	302.0	0.0
U.S. volume stats	**1988**	**1987**	**% chg**
Media	269.0	269.5	(0.2)
Materials & services	17.0	16.8	1.2
Capitalized fees	16.0	16.0	0.0

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	24.2	24.3	(0.2)
Consumer magazine	53.8	53.9	(0.2)
Sunday magazines	5.4	5.4	(0.2)
Business publications	2.7	2.7	(0.2)
Free-standing inserts	2.1	2.7	(0.2)
Outdoor	18.8	18.9	(0.2)
Transit	2.7	2.7	(0.2)
Point of sale	0.0	0.0	NA
Spot TV	59.2	59.3	(0.2)
Network TV	69.9	72.8	(3.9)
Cable TV	5.4	5.4	(0.2)
Radio	18.8	18.9	(0.2)
Sales promotion	2.7	0.0	NA

Workforce & facilities

U.S.	1988	1987	% chg
Employees	334	322	3.7
Offices	4	1	75.0

Annual Review

With $13.5 million annualized in new business, including Heinrich Bauer's *First Magazine* ($12 million annualized) and McDonald's owner operations association accounts in Pennsylvania ($9 million) and Rockford, Ill./Green Bay, Wis. ($2.5 million), 1988 still was a flat year as new billings were offset by decreases in spending by existing clients. There were no account losses. The agency expects 5%-10% growth in 1989, as client spending picks up steam.

U.S. Accounts

Gained: Heinrich Bauer *First Magazine*; McDonald's Pennsylvania; McDonald's Rockford.

Lost: None.

Officers

Charles Goldschmidt, chmn-exec committee; Thomas E. Lawson, president-ceo; Laurence D. Dunst, chmn; F. William Free, Martin Smith, vice chmns; Alfred L. Evans Jr., Frank Macina, Alfred Magnane, exec vps-mgmt supers; Dan Franklin, Paul Hodges, exec vps-creative dirs; Todd Middleton, exec vp-business devel; Fred Turdick, exec vp, dir-operations; Janice Clements, exec vp-mktg svcs & media; Douglass Bomeisler, Robin Koval, Richard Goldschmidt, Jody Wiethoff, sr vps-mgmt supers; Robert Adler, sr vp-media dir; Ellen Goldschmidt, sr vp-broadcast prod; Jack Mitnick, sr vp-print prod; Louis F. Hernandez, David Mitchell, Robert Sauer, sr vps-assoc creative dirs; Bernard Kramberg, sr vp-tech dir; Noel Muniz, vp-treasurer; Jennifer Johnson, sr vp-mgmt super; John McLellan, sr vp-mgmt super, Bloomfield Hills; June G. Burkeen, vp-acct super, Bloomfield Hills; Craig Kapp, sr vp-genl mgr, Milwaukee; Katie Harding, vp, dir-pr, Milwaukee; James Pionkoski, vp-acct super, Milwaukee; John O'Neil, sr vp-genl mgr, Indianapolis; Richard Mendelson, vp-acct super, Indianapolis; Richard A. Delequardia, sr vp-genl mgr, Philadelphia; Judy Speight, vp-acct super, Philadelphia.

Phone: (212) 213-4646

Profiles with a check (✓) indicate an independent CPA or accounting firm has reviewed the gross income reported and signed a statement of verification supplied or approved by ADVERTISING AGE. *See story on Page 6.*

RANK **87**

Lavey/Wolff/Swift

New York

GROSS INCOME: **$ 13** MILLION ✓

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	12.7	10.8	17.1
Volume	84.5	72.2	17.1

Billings by media

($ in millions)

Media	1988	1987	% chg
Consumer magazine	5.4	3.0	80.0
Medical journals	42.0	36.0	16.7
Point of sale	3.6	3.1	22.9
Spot TV	3.1	2.0	51.0
Network TV	3.1	3.4	(10.0)
Special events	24.6	21.5	14.4

Workforce & facilities

U.S.	1988	1987	% chg
Employees	72	72	0.0
Offices	1	1	NA

Annual Review

This healthcare concern had a rise in billings of 17.1% mostly from increases in client budgets. New business accounted for 14% of the growth highlighted by the Burroughs-Wellcome account, while larger budgets from existing accounts were responsible for the remaining 86% of the increase. The agency lost no accounts. Lavey is hoping for a 15% increase in 1989 billings from a mixture of continued spending from existing clients and from new business, including the major account gain from Miles Labs it acquired this year.

U.S. Accounts

Gained: Burroughs-Wellcome; Maybelline Co.; Medic Alert; Toray Mktg Sales.

Lost: None.

Officers

John F. Swift, president-ceo; Kenneth H. Lavey, chmn, creative dir; Charles A. Rockefeller, exec vp; Ronald J. Furedi, Jeremy S. Lee, Robert P. Smith, sr vps-acct group supers; Michael Metelenis, Peter Zamusta, sr vps-assoc creative dirs.

Phone: (212) 593-3630.

RANK **95**

Al Paul Lefton

Philadelphia

GROSS INCOME: **$ 12** MILLION

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	11.7	12.2	(4.1)
Volume	68.0	70.8	(4.0)
U.S. volume stats	**1988**	**1987**	**% chg**
Media	54.1	56.2	(3.7)
Materials & services	4.6	4.9	(6.1)
Capitalized fees	9.3	9.7	(4.1)

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	7.9	7.8	1.3
Consumer magazine	6.6	7.1	(7.0)
Business publications	9.8	10.4	(5.8)
Farm publications	3.6	3.3	9.1
Outdoor	0.2	0.0	NA
Transit	0.5	0.0	NA
Spot TV	9.9	10.8	(8.3)
Network TV	1.9	3.9	(51.3)
Cable TV	2.4	1.7	41.2
Radio	6.8	6.7	1.5
Direct response	3.5	3.4	2.9
Other	1.0	NA	NA

Workforce & facilities

U.S.	1988	1987	% chg
Employees	149	180	(17.2)
Offices	2	2	NA

Annual Review

New business accounted for $2.3 million of the 1988 billings mix, but the departure of Kendall/Amalie Motor Oils and Wilson Jones represented a large part of $5.3 million in total losses. Growth from continuing business was minor at $800,000, giving the shop a narrow decline for the year. The shop expects 5.7% growth in 1989 based on existing accounts and new clients such as Restore Inc.

U.S. Accounts

Gained: The Travelers Mortgage Svcs; Laventhol & Horwath; GE Consumer Svcs.

Lost: Kendall/Amalie Motor Oils; Wilson Jones.

We're Bringing Back The Personal Touch To Direct Marketing.

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The Art and Science of Direct Marketing

Public relations' influence on top 10 agencies

Rank w out PR	Rank with PR	Agency	Worldwide gross income without PR	Agency PR company	PR co. fee	W'wide gross income
1	2	Saatchi & Saatchi Advertising Worldwide	$740.5			$740.5
2	3	Backer Spielvogel Bates Worldwide	689.8			689.8
3	4	McCann-Erickson Worldwide	656.8			656.8
4	1	Young & Rubicam	654.3	Burson-Marsteller[1]	$163.9	757.6
5	5	FCB-Publicis	633.8	Golin/Harris Communications[2]	19.5	653.3
6	6	Ogilvy & Mather Worldwide	587.6	Ogilvy Public Relations Group	47.6	635.2
7	7	BBDO Worldwide[3]	585.9			585.9
8	8	J. Walter Thompson Co.	559.3	Hill & Knowlton[4]	150.0	559.3
9	9	Lintas:Worldwide	537.6			537.6
10	10	Grey Advertising	415.5	GCI Group	17.3	432.8

Notes: Dollars are in millions. PR fee totals were either provided by agencies or reliable secondary sources. AA accepts PR as part of an advertising total if the unit is not considered an autonomous unit by the agency. [1] Total fees were $163.9 million at Burson-Marsteller, but only $103.3 million (media-related) fees were included in Y&R totals. [2] Golin/Harris Communications is being sold to Shandwick PLC, and FCB-Publicis is taking an equity position in Shandwick as part of the transition. [3] Porter Novelli is now part of DDB Needham Worldwide. [4] H&K is now an autonomous unit of WPP Group.

Officers

Al Paul Lefton Jr., president; James W. North, exec vp; Norman Lewis, cfo.
Phone: (212) 867-5100.

RANK **40**

Levine, Huntley, Schmidt & Beaver

New York
GROSS INCOME: **$ 32** MILLION

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	32.1	26.9	19.0
Volume	216.4	181.8	19.0
U.S. volume stats	**1988**	**1987**	**% chg**
Media	143.3	138.7	3.3
Materials & services	14.7	15.2	(3.3)
Capitalized fees	58.4	28.0	108.8

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	10.3	7.5	38.7
Consumer magazine	23.3	17.6	32.3
Business publications	58.3	2.2	2,514.8
Free-standing inserts	0.0	0.2	NA
Outdoor	1.5	0.8	149.4
Spot TV	64.3	54.9	17.1
Network TV	83.1	60.8	36.6
Cable TV	5.8	4.2	38.9
Radio	6.0	12.3	(51.0)

Workforce & facilities

U.S.	1988	1987	% chg
Employees	250	225	11.1
Offices	6	6	NA

Annual Review

Jim Brandhorst, former president of Henderson Advertising, joined Levine late in 1988 as senior vp-group director handling the agency's new $80 million account from Gallo. The agency also gained Eveready's new Lithium-plus AA-sized battery with an account estimated at $15 million in billings. At yearend, billings for this Grey subsidiary were up 19%. New business accounted for $37.5 million in billings, and budget increases from continuing accounts totaled $7.3 million. Losses equaled $10.2 million largely because of the exit of the Seagrams account. A 20%-25% growth rate is expect in 1989.

U.S. Accounts

Gained: Dreyfus Corp; Eveready Battery Co.; E&J Gallo Winery; Mgmt Science America; Subaru New England.
Lost: Seagram; Webster Industries.

Officers

Robert H. Schmidt, chmn, president & ceo; Harold Levine, chmn-exec comm; Allan Beaver, vice chmn, dir-creative svcs; Jean L. Bergin, sr vp, dir-new business; Terry Bonaccolta, James F. Brandhorst, James Dragoumis, Raymond J. Marione, Jane Pack, sr vps-group dirs; Matthew R. Bud, sr vp-finance; Alan Challin, Anthony DeGregorio, Lee Garfinkel, Nathan Russo, sr vps-creative dirs; Michael Daly, sr vp, dir-media svcs; Robert A. Nelson, sr vp-exec producer; Philip Sklar, John T. Wheaton, sr vps-mgmt supers; Leonard Sternbach, sr vp-operations.
Phone: (212) 545-3500.

RANK **59**

Lewis, Gilman & Kynett

Philadelphia
GROSS INCOME: **$ 19** MILLION ✓

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	19.2	19.2	0.0
Volume	128.0	128.0	0.0
U.S. volume stats	**1988**	**1987**	**% chg**
Media	69.5	82.0	(15.2)
Materials & services	21.5	12.4	73.4
Capitalized fees	37.0	33.6	10.1

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	6.5	8.2	(20.7)
Consumer magazine	3.0	3.5	(14.3)
Business publications	12.5	13.9	(10.1)
Free-standing inserts	0.4	0.4	0.0
Outdoor	1.6	1.4	14.3
Spot TV	31.5	38.5	(18.2)
Network TV	3.5	4.5	(22.2)
Radio	4.5	7.6	(40.8)
Other	6.0	NA	NA

Workforce & facilities

U.S.	1988	1987	% chg
Employees	265	275	(3.6)
Offices	3	3	NA

Annual Review

The year was flat, based on $7.5 million in lost business, mainly from Bell of Pennsylvania and Pennsylvania House, that matched the addition of $4.6 million in new business, primarily Keystone Financial Bank and Universal Health Services, and $2.9 million in growth from existing accounts. A 5% increase is expected in 1989, providing the Philadelphia area economy remains stable.

U.S. Accounts

Gained: AUS; Franklin Institute; O'Day Corp.; M&T Chemicals; Philadelphia Convention & Visitors Bureau; Keystone Financial Bank; Universal Health Svcs.
Lost: Bell of PA; Bethlehem Steel; Brown Boveri; Pennsylvania House.

Officers

Robert G. Wilder, chmn; John K. Kaiser, president & ceo; Peter J. Keenan, sr vp-finance & admin; Jacqueline P. Lowell, sr vp-exec creative dir; Edward J. Vatza, vp-rsch dir; Robert W. Schell, Brian J. Gail, Phillip R. Pegg, Edward Mahlman, A. Thomas Tebbens, sr vps-group mgmt supers.
Phone: (215) 790-4100.

RANK **48**

LGFE Inc.

New York
GROSS INCOME: **$ 25** MILLION ✓

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	24.6	31.8	(22.6)
Volume	172.4	221.3	(22.1)
U.S. volume stats	**1988**	**1987**	**% chg**
Media	131.1	169.4	(22.6)
Materials & services	24.2	33.3	(27.4)
Capitalized fees	17.2	18.6	(7.8)

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	13.5	20.3	(33.7)
Consumer magazine	40.2	54.7	(26.6)
Business publications	15.6	10.8	44.5
Outdoor	1.3	1.1	10.6
Spot TV	2.9	5.0	(41.1)
Network TV	54.5	68.0	(20.0)
Radio	3.2	9.4	(65.9)

Workforce & facilities

U.S.	1988	1987	% chg
Employees	129	325	(60.3)
Offices	1	1	NA

Annual Review

Although this newly named agency laid off one third its remaining staff one week after losing the IBM account in September and returning 1988 billings that were down 22%, it managed to hold onto Schieffelin & Somerset Co.'s $8 million Hennessy cognac account following a review. It also won a major new pharmaceutical product from American Cyanamid Co.'s Lederle Laboratories and new business from Australian-based Sheridan home furnishings store in U.S. and Motorola Codex—totaling $10 million, all added in the fourth quarter. The agency survived a major quake in early 1988 when six former execs left to form a joint venture with Young & Rubicam following LGFE's buyout by WPP Group. The breakaway agency, Lord Einstein O'Neill & Partners, besides involving partner defections, took some 40 former LGFE staffers.

U.S. Accounts

Gained: American Cyanamid; Brenmoss Group of Australia; Sheridan; Motorola Codex; Contel Telephone Operations.
Lost: IBM; WNBC; *New Yorker*; Fuji; Dean Witter.

Officers

Agt Clark, chief creative officer; Tim Elliott, coo; J. William Wardell, president; Norman Geller, chmn; Gene Federico, vice chmn.
Phone: (212) 421-6050.

RANK **9**

Lintas:Worldwide

New York
GROSS INCOME: **$ 538** MILLION ✓

Income & volume

($ in millions)

Worldwide	1988	1987	% chg
Gross income	537.6	417.9	28.6
Volume	3,585.6	2,787.2	28.6
U.S.	**1988**	**1987**	**% chg**
Gross income	201.7	166.1	21.4
Volume	1,345.4	1,107.9	21.4

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	120.6	NA	NA
Consumer magazine	167.2	NA	NA
Outdoor	6.4	NA	NA
Spot TV	59.0	NA	NA
Network TV	477.3	NA	NA
Cable TV	40.7	NA	NA
Radio	42.9	NA	NA
Direct response	50.9	NA	NA
Sales promotion	122.2	NA	NA
Other	172.3	NA	NA

Workforce & facilities

Worldwide	1988	1987	% chg
Employees	6,372	5,264	21.0
Offices	122	NA	NA
U.S.	**1988**	**1987**	**% chg**
Employees	1,917	1,390	37.9
Offices	20	20	NA

1988 billings by major office

Office, City	Billings
Lintas:Worldwide, New York	691.9
Lintas:Worldwide, Warren, Mich.	598.6
Lintas:Worldwide, Miami	20.9
Lintas:Worldwide, Chicago	3.3
Lintas:Worldwide, Los Angeles	30.7

Notes: Billings by office are AA estimates.

Annual Review

Looking to provide an integrated marketing program, Lintas in May acquired Muir Cornelius Moore, a sales promotion shop whose client roster included IBM, and by yearend was actively seeking a pr agency as its next priority. Buying MCM did not hurt its chances in the bid for the estimated $120 million IBM business which in September was split between Wells, Rich, Greene and Lintas with the latter handling desktop products, including the Personal System 2 pc. In October Lintas:Campbell-Ewald was awarded the $30-40 million advertising and direct marketing account for Princess Cruises which recently acquired Sitmar Cruises, a C-E client. Early this year, C-E was assigned to the $20 million Meineke Discount Mufflers account. Late in 1988 Lintas:Hakuhodo, the joint venture between Lintas and Japan's Hakuhodo, closed its New York office. Lintas also bought Fahlgren & Swink ($126 million in billings) and MacLaren Advertising, Toronto ($155 million in billings).

U.S. Accounts

Gained: New York—Motorola, RJR Nabisco, Phillips-Van Heusen, Inter-Continental Hotels, IBM. Campbell-Ewald—Princess Cruises.
Lost: New York—Heineken, Citizen. Campbell-Ewald—Hiram Walker, Rockwell, PPG Industries.

Foreign Accounts

Gained: Austria—Universal Versand mail order, Windhager Heating Systems, Salomon ski equipment. Belgium—Agfa, Olympia office equipment. Denmark—Nordisk film, Skandinavisk Kaffecompagni coffee, Better Brands liquors. England—Inter-Continental Hotels, Bridgewater Windscreens, Bausch & Lomb. Finland—Meilaser Leipomo bakery, Info Manger software. France—Les Freres Lissac opticals, Zanussi appliances, Monsieur Meuble furniture. Germany—Gruner & Jahr magazines, Einbecker Brauhaus beer, Yashica, Matchbox. Greece—Continental, Kotsovolos dept store. Italy—Osama writing instruments, Mura stockings, Pastificio Amato pasta. Norway—Minolta, Lipton, SAS Hotels. Netherlands—CMG software, MBO real estate. Portugal—General de Confiteria gum, Gallina Blanca stock cubes, Heinz. Spain—Minolta, Tabacanaria cigarettes, NEC, Renault. Sweden—Yamaha, Minolta. Switzerland—Wander, Le Clip watches, Commodore. Ivory Coast—Nestle. South Africa—Nixdorf computers, Smithkline. Argentina—Tecno Alimentaria pasta. Brazil—Fabrica de Pael Sta bathroom tissue, Polidura paints, Ideal Tintas paints. Chile—Lab. Berlimed Pankreoflat, Wrangler Jeans. Colombia—Eastern Airlines, Banco Royal. Mexico—Tapetes Luxor carpets. Canada—Kelly Svcs, General Motors. Australia—Rockwell, Inter-Continental Hotels, Fuji, Bridgestone. Hong Kong—Wander, Inter-Continental Hotels, Swiss Bank, Quick-Up Watches. India—BAT cigarettes, Phipson Black Label beer. Indonesia—PT Gawih Jaya cigarettes, PT Tritanu office equipment. Japan—Nihon Siber watches. Malaysia—Magnum Lottery, Dataphone. New Zealand—Noxell, Regent Hotel Auckland. Pakistan—AMA. Philippines—Arthur S. de Moss Foundation, Irish Dairy Board. Singapore—Lipton, Hewlett-Packard, Hertz Car Rental, Shell Gasoline. Taiwan—Chou Chin Gatorade, Golden Harvest, Noxell. Thailand—RJR Nabisco, Thai Dairy Ind., Pitney Bowes, Swift Meats, Dr. Scholl shoes.
Lost: Austria—Alfa Romeo, Carrefour/Huma, Bahlsen. Denmark—Dandy gum, Jacobs Suchard coffee. England—Toyota. France—Triumph, Kiabi apparel. Germany—Nortra. Greece—Helliniki Trofimon snacks. Portugal—Sical coffee, Wander, Richardson-Vicks. Spain—Garrido y Penades rice, Renault 25. Switzerland—Unifontes Citron Bleu. South Africa—Unilever. Argentina—Tetra Pak. Chile—Colmena insurance. Mexico—Hotel Presidente. Canada—Standard Broadcasting. Australia—Arthur Yates, NSW Treasury Corp. Hong Kong—Citibank, Jebsen, Reckitt & Colman, Timberland shoes. India—Citibank. Japan—RCA Columbia. Malaysia—Johnson & Johnson. New Zealand—Subaru Motor Holdings. Singapore—Waddingtons toys, Ambience Trading, Scruples. Thailand—United Wineries.

Officers

William V. Weithas, chmn & ceo-worldwide; Kenneth L. Robbins, dept chmn-worldwide, ceo-intl; Richard D. O'Connor, vice chmn-USA, chmn & ceo-C-E; Spencer Plavoukos, vice chmn-USA, chmn & ceo-NY; Francis J. DeVito, president, dir-creative svcs, NY; William A. Overlock, exec vp-admin & finance, NY; F. Stone Roberts, group exec vp-NY; Louis M. Schultz, exec vp, dir-media, USA; Jan T.L. Homan, exec vp, dir-strategic planning & rsch, USA; Don Peppers, exec vp-bus devel, USA; Richard D. O'Connor, chmn & ceo-C-E; Peter A. Dow, president-coo, C-E; Robert P. Roselle, exec vp-cfo, C-E; Sean K. Fitzpatrick, vice chmn, exec dir-creative, C-E; Robert H. Schirmer, exec vp, dir-client svcs, C-E; Eugene F. Taylor, exec vp-asst to chmn, C-E; Ronald W. Mitchell, exec vp, dir-agency planning, C-E; Anthony J. Hopp, exec vp-acct dir, C-E; James I. Bernardin, chmn & ceo-CECO; Frank E. Hoag Jr., president-coo-CECO; Thomas J. Turner, chmn & ceo-VOS Direct; Lewis M. Smith Jr., exec vp-dir-creative, VOS Direct; William P. Muir, chmn & ceo-MCM; James Cornelius, vice chmn, dir-corp devel, MCM; Richard Moore, vice chmn-chief creative officer, MCM; H. Smoot Fahlgren, chmn & ceo-Fahlgren & Swink; William J. Farson, treasurer-cfo, Fahlgren & Swink; James W. Swearingen, vice chmn-coo, Fahlgren & Swink.
Phone: (212) 605-8000.

RANK **84**

Lois/GGK New York

New York
GROSS INCOME: **$ 13** MILLION

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	13.3	10.4	27.9
Volume	99.4	89.0	11.7

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	5.0	0.0	NA
Sunday magazines	10.0	0.0	NA
Business publications	2.0	0.0	NA
Outdoor	2.0	0.0	NA
Cable TV	62.0	0.0	NA
Radio	12.0	0.0	NA
Direct response	3.0	0.0	NA
Other	3.4	NA	NA

Workforce & facilities

U.S.	1988	1987	% chg
Employees	95	93	2.2
Offices	1	1	NA

Annual Review

Lois/GGK New York became the new name this month for Lois Pitts Gershon Pon/GGK, and is one of three independent U.S. shops under Lois/GGK, the U.S. end of the Basel, Switzerland-based agency group, GGK Holdings. GGK expects growth in 1989 of about 15%, building on its 11.7% improvement in 1988.

Accounts

Gained: Pepsi-Cola Co; Faberge; Food & Wines from France; Western Devel Corp; Ansell-Americas; Southwestern Bell; Solomon Equities.
Lost: Inter-Continental Hotels; Trump Castle.

Officers

George Lois, chmn-creative dir; Ted Veru, president-coo; Jon Tracosas, exec vp-genl mgr.
Phone: (212) 757-6700.

RANK **93**

Long, Haymes & Carr

Winston-Salem, N.C.
GROSS INCOME: **$ 12** MILLION ✓

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	12.0	9.1	31.9
Volume	83.6	60.7	37.7
U.S. volume stats	**1988**	**1987**	**% chg**
Media	44.6	33.6	32.8
Materials & services	12.0	5.9	103.2
Capitalized fees	27.0	21.2	27.3

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	3.7	5.2	(28.8)
Consumer magazine	6.0	7.5	(20.0)
Business publications	4.6	2.8	64.3
Outdoor	2.4	2.4	0.0
Point of sale	3.0	2.6	15.4
Spot TV	14.9	5.1	192.2
Network TV	14.7	13.2	11.4
Radio	3.6	3.2	12.5
Direct response	0.9	1.5	(40.0)
Sales promotion	6.0	5.1	17.6
Special events	12.8	6.3	103.2

Workforce & facilities

U.S.	1988	1987	% chg
Employees	185	150	23.3
Offices	2	2	NA

Annual Review

A healthy $21.4 million in growth from existing clients, particularly in the special events and promotion areas, pushed up the agency's billings by 37.7% to seat the agency among the top 100 for the first time. It gained $1.4 million in new business and easily absorbed a $40,700 loss from a departing client. A 32% increase is projected for 1989 billings resulting from full-year returns on new accounts and scheduled national roll-outs on several new products as well as continued increases from other existing accounts.

U.S. Accounts

Gained: Adams-Millis Co.; Aris Isotoner Division; Sara Lee Corp.; Hanes Her Way Knit Scarves, Gloves & Hats; Pannill Knitting Co.; Planters Lifesavers Co.; Bubble Yum.

Lost: Fairchild Industrial prods.

Officers

Donald N. Adams, chmn & ceo; Robert F. Graham, vice chmn-chief creative officer; Loren L. Chamberlain, vice chmn-chief mktg officer; Robert E. Ely, president-coo.

Phone: (919) 760-3630.

RANK **29**

Lowe Marschalk

New York

GROSS INCOME: **$ 46** MILLION ✓

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	45.6	45.6	0.0
Volume	304.2	304.2	0.0

Workforce & facilities

U.S.	1988	1987	% chg
Employees	408	461	11.5
Offices	NA	NA	NA

1988 billings by major office

Office, City	Billings
Lowe Marschalk, San Francisco	17.7
Lowe Marschalk, New York	246.3
Lowe Marschalk, Houston	NA
Lowe Marschalk, Cleveland	41.0

Notes: Billings by office are AA estimates.

Annual Review

The agency's loss of the $30 million Stroh Beer account, which led to layoffs of 15 to 20 staffers in the New York office, was blamed primarily on flat sales but was not helped by comments attributed to Chairman Michael Lesser about the lack of marketing savvy demonstrated by a Stroh competitor advertising in a gay publication. Other losses included $4 million MONY Financial Services account, $3 million Texas Commerce Bancshares and KPRC-TV, Houston. Gains included the $500,000 Johnson & Johnson dental floss business, $1.5 million six-month campaign for Dep Corp.'s Lavoris Mint mouthwash and $5 million Bertolli U.S.A. olive oil account.

U.S. accounts

Gained: Cleveland—U.S. Videotel. New York—Bertolli Olive Oil. San Francisco—Easton Sports.

Lost: New York—Stroh Beer.

Officers

Michael S. Lesser, chmn & ceo; Andrew J. Langer, president; Richard Villante, exec vp-genl mgr; Barry R. Linsky, exec vp; Eric J. Einhorn, exec vp-acct mgmt; Stuart J. Agres, exec vp, dir-strategic planning; James D. Johnson, exec vp, mng dir-The Mktg Group; Stephen M. Segal, exec vp-media dir; Andrew Alprandi, exec vp-financial & admin officer; John L. Oliver, sr vp-acct mgmt; Kenneth I. Roffe, exec vp-ceo, Cleveland; Jeffry Adams, exec vp-ceo, San Francisco.

Phone: (212) 708-8800.

RANK **65**

Martin Agency

Richmond, VA

GROSS INCOME: **$ 17** MILLION ✓

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	16.9	15.4	10.1
Volume	113.0	102.6	10.1

Workforce & facilities

U.S.	1988	1987	% chg
Employees	195	176	10.8
Offices	2	2	NA

Annual Review

Its existing client base reduced budgets significantly in second half of 1988 but the agency anticipates a return to near previous budget levels in 1989 and forecasts 25% growth. The Richmond-based Market Source was merged with the agency's existing direct response company, The Stenrich Group. Personnel changes got complex when the agency hired Kerry Feuerman as vp-senior copywriter and Danny Boone as VP-senior art director from Ford & Westbrook, recently bought by newly-formed competitor Hawley Martin Partners. David Martin left the Martin Agency he founded to become senior partner in Hawley Martin in August. The Martin Agency vied with the new shop for the $1.5 million Marriott Corp.'s Residence Inn account and won. Martin Agency is a subsidiary of Scali, McCabe, Sloves, which is part of the Ogilvy Group.

U.S. Accounts

Gained: US West, Wrangler, Residence Inn, Maserati, Teh.

Lost: Alcatel; Henry Ford Museum; Palm Beach Co; Mash's Inc.; MBI Inc.

Officers

Harry Jacobs, chmn; Donald Just, president-ceo; James Hughes, vice chmn-creative dir; Ralph Thompson, exec vp-coo; John Adams, exec vp; Alan Newman, president-Alan Newman Associates; Steven Isaac, president-The Stenrich Group; Thomas Robinson, Dale Brown, Paul McKee, John Boatright, Stan Matus, Jerry Torchia, Morty Baran, Dian Tench, Kerry Feuerman, Thomas Weatherly, sr vps; Thomas Weatherly, controller.

Phone: (804) 254-3400.

RANK **76**

William Douglas McAdams Inc.

New York

GROSS INCOME: **$ 15** MILLION

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	15.2	15.2	0.2
Volume	107.0	100.9	6.1

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Kansas City, MO. Stamford, CT

U.S. volume stats	1988	1987	% chg
Media	69.0	65.0	6.2
Materials & services	0.0	NA	NA
Capitalized fees	38.0	35.9	5.9

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	5.5	6.5	(15.4)
Medical journals	43.0	45.5	(5.5)
Network TV	8.0	0.0	NA
Cable TV	2.0	2.6	(23.1)
Direct response	4.5	3.9	15.4
Sales promotion	4.5	4.6	(1.1)
Other	1.5	NA	NA

Workforce & facilities

U.S.	1988	1987	% chg
Employees	159	159	0.0
Offices	1	1	NA

Annual Review

The agency specializing in healthcare, sales promotion and hispanic marketing, whose existing client base includes Ciba-Geigy, General Nutrition, Pfizer, Roche, Searle, Schering, Wallace and Wyeth/Ayerest, had a 6% billings increase in 1988. Growth was tied to FDA approval of new product applications from new and current accounts.

U.S. Accounts

Gained: Merck & Co.; Amgen; Savage Labs; Praxis; Purdue Frederick Co.

Lost: Dupont Critical Care.

Officers

Irwin C. Gerson, chmn & ceo; Anthony J. D'Onofrio, president-coo; Joseph G. Carobene, Howard A. Mandelbaum, Ronald J. Vignone, exec vps; Victor Trasoff, sr vp-exec art dir; Thomas Haynes, Walter Scott, Patrick Creaven, sr vps-art; Claire Anderly PhD, sr vp-copy; James Boland, Eugene Fine, sr vps-mgmt supers; Barnett Mennen MD, sr vp-med dir; Brian Boyle, treasurer-cfo.

Phone: (212) 698-4033.

RANK **32**

McCaffrey & McCall

New York

GROSS INCOME: **$ 42** MILLION

Income & volume

($ in millions)

Worldwide	1988	1987	% chg
Gross income	41.9	41.2	1.8
Volume	303.7	301.7	0.6
U.S.	**1988**	**1987**	**% chg**
Gross income	39.8	39.6	0.5
Volume	286.4	287.0	(0.2)
U.S. volume stats	1988	1987	% chg
Media	201.7	181.6	11.1
Materials & services	23.6	28.1	(16.1)
Capitalized fees	61.0	77.3	(21.0)

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	27.0	30.0	(10.0)
Consumer magazine	26.0	23.0	13.0
Business publications	1.0	15.0	(93.3)
Outdoor	4.0	2.0	100.0
Transit	0.0	3.0	NA

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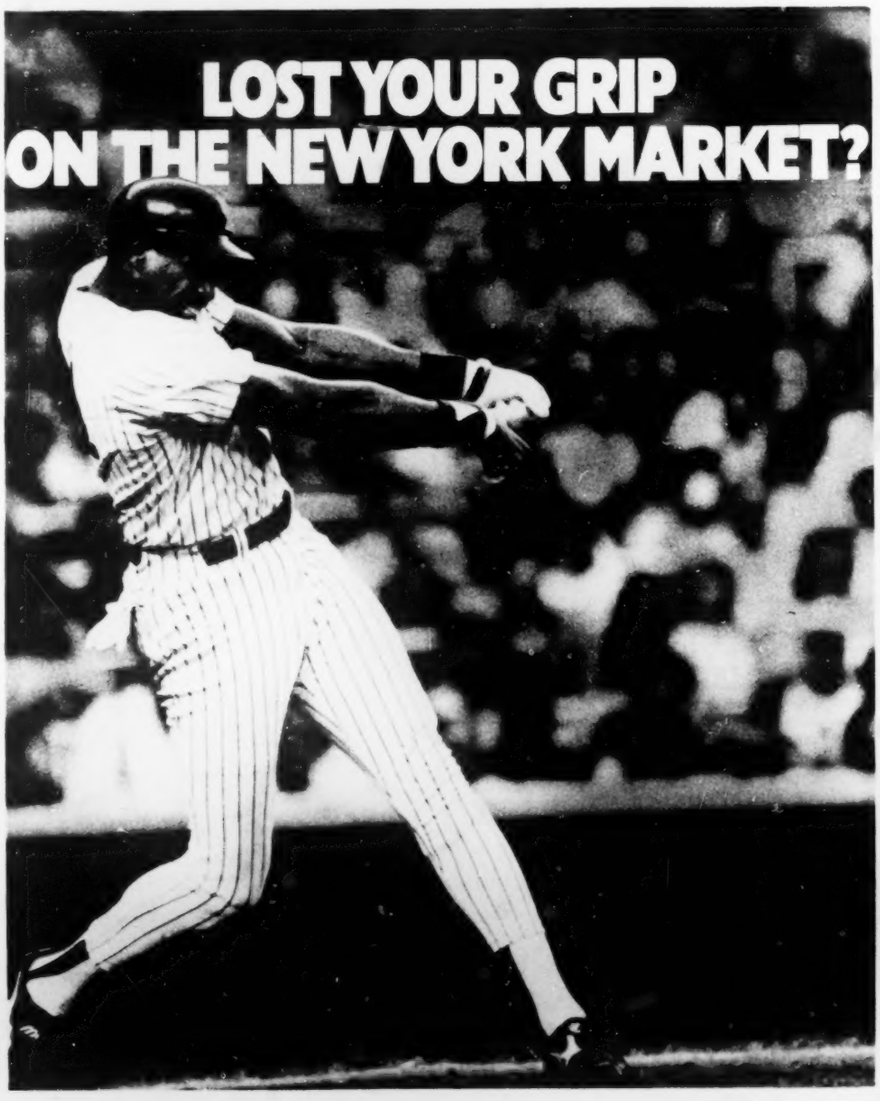

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Media	1988	1987	% chg
Point of sale	0.0	3.0	NA
Spot TV	31.0	35.0	(11.4)
Network TV	73.0	80.0	(8.8)
Cable TV	5.0	15.0	(66.7)
Radio	17.0	30.0	(43.3)
Direct response	17.0	51.0	(66.7)

Workforce & facilities

Worldwide	1988	1987	% chg
Employees	417	493	(15.1)
Offices	5	5	0.0
U.S.	**1988**	**1987**	**% chg**
Employees	413	486	(15.0)
Offices	4	4	NA

1988 billings by major office

Office, City	Billings
McCaffrey & McCall, Irvine, Calif.	16.0
McCaffrey & McCall, Atlanta	3.0
McCaffrey & McCall, Zionville, Ind.	11.0
McCaffrey & McCall, New York	256.0

Annual Review

Existing client expenditures dominated 1988 billings for the agency including $13 million of spending for Mercedes Benz. This helped offset $9 million losses from Chase Acquisitions, Westinghouse Credit and Allied Fibers. Chief executive Robert H. Cherins moved up to chairman as founder David B. McCall shifted to chairman of the executive committee. Former vice chairman Gary Landis became president and chief operating officer.

U.S. Accounts

Gained: Intl Gaming Mgmt, *Inc.* magazine; Harry Macklowe Real Estate; CBA Vision; Shamut Natl Corp.; Electrolux; Super Crost Seeds.

Lost: Western Union; United Artists; MacMillan; Chase Acquisitions, NY State Lottery; Allied Fibers; Westinghouse Credit Corp.; Atlantic Bank & Trust.

Foreign Accounts

Gained: None.

Lost: Canada—Burroughs-Wellcome.

Officers

David B. McCall, chmn-exec comm; Robert H. Cherins, chmn & ceo; Bruce P.G. McCall, vice chmn, chief creative officer; Gary D. Landis, president-coo; Michael P. Quinn, cfo; Ralph Cohen, president-coo, M&M Direct Mktg; Linden A. Davis Jr., Robert Werlin, exec vps-rsch dirs; H. Thomas Wilson, exec vp-media dir; William Vieser, vice chmn, dir-client svcs; Paul Goldsmith, vice chmn-new business; Henry E. Dunn III, Harvey M. Kahn, Bernard J. Long, Herbert W. Warden, James Scanlon, exec vps-mgmt supers; William Hamilton, Lila Sternglass, exec vps-creative dirs; Michael P. Quinn, exec vp-cfo, secretary, treasurer; Neil Zelenetz, exec vp, dir-client svcs.

Phone: (212) 350-1000.

Profiles with a check (✓) indicate an independent CPA or accounting firm has reviewed the gross income reported and signed a statement of verification supplied or approved by ADVERTISING AGE. *See story on Page 6.*

RANK **4**

McCann-Erickson Worldwide

New York

GROSS INCOME: **$ 657** MILLION ✓

Income & volume

($ in millions)

Worldwide	1988	1987	% chg
Gross income	656.8	512.5	28.2
Volume	4,381.0	3,418.5	28.2
U.S.	**1988**	**1987**	**% chg**
Gross income	197.0	161.6	21.9
Volume	1,314.0	1,078.0	21.9

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	73.4	60.2	21.9
Consumer magazine	144.8	118.8	21.9
Business publications	33.1	27.2	21.7
Medical journals	60.0	49.2	22.0
Outdoor	10.4	8.5	22.4
Spot TV	210.0	172.3	21.9
Network TV	400.9	328.9	21.9
Cable TV	21.0	17.2	22.1
Syndicated TV	30.0	24.6	22.0
Radio	89.5	73.4	21.9

Workforce & facilities

Worldwide	1988	1987	% chg
Employees	8,606	7,941	8.4
Offices	144	144	NA
U.S.	**1988**	**1987**	**% chg**
Employees	1,889	1,789	5.6
Offices	10	10	NA

1988 billings by major office

Office, City	Billings
McCann-Erickson Worldwide, New York	675.0
McCann-Erickson Worldwide, San Diego	32.0
McCann-Erickson Worldwide, Houston	83.0
McCann-Erickson Worldwide, Seattle	25.0
McCann Healthcare, Chicago	51.0
McCann-Erickson Worldwide, Phoenix	21.0
McCann-Erickson Worldwide, San Francisco	118.0
McCann Direct, New York	46.0
McCann-Erickson Worldwide, Louisville	NA
McCann-Erickson Worldwide, Atlanta	40.0
McCann-Erickson Worldwide, Detroit	150.0
McCann-Erickson Worldwide, Los Angeles	105.5

Annual Review

McCann, which reorganized its San Francisco office into "collaborative" teams functioning as mini-agencies, credits its experimental format with bringing in three new pieces of business including $1.5 million (annualized) Datacopy account, $5 million Vipont Pharmaceutical account and $6 million Washington State Apple Commission account shared with Seattle office. The San Francisco office ranked third in 1988 agency billings behind New York and Detroit and ahead of six other offices, all of which contributed to a strong 22% gain in U.S. billings. Helping boost billings was a full-year's reporting from Geers Gross's U.S. operations, a unit with $130 million in billings purchased in late 1987, and Phillips-Ramsey, an agency with offices in Phoenix and San Diego with billings of $53 million that became part of McCann-Erickson in July, 1988. Among personnel changes, John J. McNamara, president-coo, announced his retirement in early 1989.

U.S. accounts

Gained: Detroit—Michigan Natl Corp., Champion Spark Plug Co. Houston—Datapoint computers, King Ranch, Sierra Geophysics, Talent Tree, Gemcraft Homes. Los Angeles—Mentor Co., Good Earth restaurants, Weintraub Entertainment Group. New York—United Parcel Svc, Columbia. San Francisco—Valent, Monterey Bay Aquarium, Wisconsin Milk Mktg Board, Kurzweil. Seattle—State of Alaska Tourism, Domino's Pizza, Ernst Home Centers, Gargoyles Pro-Tec. McCann Healthcare, Chicago—Baxter Healthcare, Searle, American Medical Assn, Phillips-Ramsey, Phoenix—Coventry Homes, SMI/Systems Mktg, Del Webb, Famous Restaurants, Sun Valley Waterbeds, Phillips-Ramsey, San Diego—Mail Boxes Etc., Shakey's Pizza, Natl Theme Prods, Hollywood Park.

Lost: Houston—Eye & Tech. Los Angeles—Winchell's Donut Houses. New York—Fuji Film, Lea & Perrins. Seattle—Hoody's Nuts, Shakey's Pizza, Rainier Bancorp. McCann Direct—Times Mirror. McCann Healthcare, Chicago—Pennwalt. Phillips-Ramsey, Phoenix—Watt/Hancock Homes. Phillips-Ramsey, San Diego—Hot Springs Spa, San Diego Zoo, IVAC Corp.

Foreign Accounts

Gained: Australia—American Express. Belgium—Stefanel clothing stores, Electronic Data System software, Price Waterhouse. England—Charles Letts diaries, Mecca Holidays holiday centers, Jaeger retailers, Sony, Malaysia Tourist Devel, Friends Provident. Finland—VR state railways, Chesebrough/Unilever Vaseline. Finland (Womena)—Finnish Jewelers Assn., Stefanel. France—Stefanel, Agfa cameras, Datapoint processing equipment. Germany—Geobra toys, Panasonic, Puma. Greece—Stefanel, Buitoni pasta. Italy—Radio Montecarlo, Manetti & Roberts men's toiletries, Italsiel software. Netherlands—Columbia, American Express, Portugal—Stefanel, Petroquimica e Gas, Tia Maria Liqueur. Spain—Panasonic, Exxon, Stefanel, Mennen. Sweden—*SDA/Hitta Ratt*, Datapoint computers. Switzerland—Del Monte, Buitoni, Chesebrough/Unilever, Stefanel, General Motors, Polaroid. Argentina—Agro Industrias Cartellone fruit juices, Nestle. Brazil—Del Monte, Sony, Citizen. Chile—Grupo Bond, Unilever. Columbia—Electmedios, Time & Life. Costa-Rica—Merck Sharp & Dohme, Levi Strauss, SmithKline. Ecuador—Bata sport shoes. El Salvador—General Motors, Mennen. Guatemala—McDonald's, Citizen, Mennen, Ralston-Purina. Honduras—Supermercados La Colonia supermarket. Jamaica—Highgate Food Prods, Assoc Brands. Mexico—Cia Nacional Provincial insurance. Peru—R.J. Reynolds, Machines jeans. Puerto Rico—Pontiac Dealers Assn., Lufthansa Airlines. Barbados—Gulf Stream Industries, British American Insurance. Trinidad—Exxon, Caroni Felcitie rum. Venezuela—Henken industrial sealants, Puropan bread. Australia—RCA/Columbia, Chesebrough/Unilever, Power Brewing, Black & Decker. Hong Kong—Washington State Apple Commission, Getz mattresses, San Miguel Brewery, Jarine Riche Monde Hennessy XO cognac. Japan—Bacardi rum, RCA/Columbia, Sandoz. Malaysia—Nicholas Kiwi detergent, Scott Paper, Washington State Apple Commission, Malaysia Tourist Devel. New Zealand—Datapoint software, Pan Pacific Hotels. Philippines—Globe-Mackay telex/telegraph, Digitaf. Singapore—Getz mattresses, Nicholas Kiwi household cleaners, Washington State Apple Commission. Taiwan—Exxon, RJR/Nabisco, L'Oreal. Thailand—Casio Watches, Cyanamid, RJR/Nabisco.

Lost: Belgium—Sigma Paints. England—Tuborg Beer, Sterling, Kodak Copiers. Finland—Electrolux. Finland (Womena)—Iittala-Nuutajarvi designer glass. France—Exxon Motor Oil, Warner Lingerie. Greece—*Grammi* magazine. Netherlands—Stybenex insulation, VVTH industrial. Spain—Continente hypermarket, Ministerio Hacienda treasury dept. Sweden—Columbia Pictures, Hellas chocolates. Argentina—Chapelco Ski Resort. Colombia—Unilever. Costa Rica—Svenson hair salons. Guatemala—Persa computers, La Ceiba insurance. Jamaica—Wherry Wharf office equipment, Richardson-Vicks. Mexico—Campbells. Peru—Cia de Servicios Tur. hotel. Barbados—Richardson-Vicks. Trinidad—T&T Telephone. Venezuela—Seagrams. Australia—Toowong Village shopping center, Golden Gasket Lottery. Hong Kong—Carrier, U.S. Poultry & Egg Council. Japan—Ralston-Purina, Bausch & Lomb. Malaysia—Heublein KFC, Philips appliances. New Zealand—Economics Labs. Philippines—Richardson-Vicks, RFM Corp. Singapore—Wellcome, Levi Jeans. Taiwan—Gallo Winery.

Officers

Robert L. James, chmn & president; John F. Bergin, vice chmn; Marcio M. Moreira, vice chmn, chief creative officer-intl; Eugene H. Kummel, chmn emeritus; Gianni Cottardo, exec vp-worldwide, regional dir; Max Cusair, exec vp-worldwide, regional dir-Asia Pacific; John J. Dooner, exec vp-worldwide, president-North America; Michael C. Ferrier, William J. Shively, exec vp-worldwide, regional dir; Peter Hamilton, Bohdan I. Kurylko, Michael Sennott, exec vps-worldwide; Jens Olesen, exec vp-worldwide, regional dir-Latin America.

Phone: (212) 697-6000.

RANK **62**

McKinney & Silver

Raleigh, N.C.

GROSS INCOME: **$ 18** MILLION

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	17.9	17.2	4.1
Volume	119.5	114.7	4.1
U.S. volume stats	**1988**	**1987**	**% chg**
Media	101.5	97.2	4.4
Materials & services	10.6	9.5	11.3
Capitalized fees	7.4	8.0	(7.9)

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	21.5	20.0	7.5
Consumer magazine	17.0	16.0	6.3
Business publications	7.5	7.0	7.1
Outdoor	3.5	4.0	(12.5)
Transit	0.0	0.2	NA
Spot TV	29.0	28.0	3.6
Network TV	2.5	4.0	(37.5)
Cable TV	8.0	6.0	33.3
Radio	10.8	10.0	7.5
Direct response	0.8	1.0	(25.0)
Other	1.0	NA	NA

Workforce & facilities

U.S.	1988	1987	% chg
Employees	122	135	(9.6)
Offices	1	1	NA

Annual Review

The agency lost $33.9 million with the merger of client Piedmont Airlines with US Air, and the loss of Benihana of Toyko. This was slightly offset by $25 million in new business gains including Braniff ($18 million annualized), Karastan Bigelow carpets ($4 million) and Hyde Athletics ($3 million). It expects 20% growth from two existing accounts—Norwegian Cruise Line and FNMA. But without factoring in new business or increased client budgets, the agency conservatively projects an 8% drop in 1989 billings to about $110 million.

U.S. Accounts

Gained: Braniff Airlines; Karastan Bigelow; Hyde Athletics.

Lost: Piedmont Airlines; Benihana of Tokyo.

Officers

Charles McKinney, chmn; Robert Doherty, president; Lloyd Jacobs, exec vp; John Russo, exec vp-creative dir; Michael Winslow, Larry Bennett, Charlie Ashby, sr vps-creative; Janice Hunter, sr vp-media dir; Rick Myracle, James DeVos, David Johnston, sr vps-mgmt supers.

Phone: (919) 828-0691.

Isidore & Paulson grows 7%

I&P, New York, not included in issue totals because of late filing, had gross income of $5.4 million on billings of $35 million in 1988, both up 7% from 1987.

Top 25 U.S. cities by local shop billings

Rank	City	Total local shop billings 1988	1987	% chg	Reported shops	Top office in market by local billings	Local office billings 1988	1987	% chg
1	New York	$21,068	$19,202	9.7	169	Saatchi & Saatchi Advertising	$1,440	$1,392	3.4
2	Chicago	5,941	5,292	12.3	80	Leo Burnett Co.	1,765	1,550	13.9
3	Los Angeles	3,308	2,924	13.1	57	Foote, Cone & Belding Communications	272	235	15.7
4	Detroit	3,093	2,620	18.1	31	Lintas:Campbell-Ewald	599	493	21.5
5	San Francisco	1,467	1,456	0.8	34	Foote, Cone & Belding Communications	270	221	22.2
6	Boston	1,058	972	8.8	25	Hill, Holliday, Connors, Cosmopulos	287	245	17.1
7	Minneapolis	993	917	8.3	20	Campbell-Mithun-Esty	299	278	7.6
8	Dallas	932	850	9.6	16	Tracy-Locke	278	201	38.3
9	Philadelphia	804	771	4.2	26	Lewis Gilman Kynett	128	128	0.0
10	Cleveland	643	615	4.5	16	Nationwide Advertising Services	185	157	17.8
11	Atlanta	620	560	10.6	24	Tucker Wayne/Luckie & Co.	120	123	(2.4)
12	St. Louis	581	531	9.5	9	D'Arcy Masius Benton & Bowles	324	280	15.7
13	Houston	401	379	5.8	14	Ogilvy & Mather	100	95	5.3
14	Pittsburgh	321	310	3.5	7	Ketchum Communications	117	119	(1.7)
15	Baltimore	314	291	7.8	8	W.B. Doner & Co.	87	78	11.5
16	Washington	310	283	9.6	8	Earle Palmer Brown Cos.	136	119	14.3
17	Milwaukee	290	263	10.3	13	Bader, Rutter & Associates	50	49	2.0
18	Seattle	248	225	10.2	10	Cole & Weber	70	64	9.4
19	Kansas City, Mo.	241	225	7.1	10	Bernstein-Rein Advertising	79	79	0.0
20	Rochester, N.Y.	228	219	4.2	9	Rumrill-Hoyt	76	68	11.8
21	Stamford, Conn.	218	204	7.1	12	North Castle Partners	50	44	13.6
22	Richmond, Va.	175	151	16.2	5	Martin Agency	113	103	9.7
23	Columbus, Ohio	152	132	14.8	5	Fahlgren & Swink	72	66	9.1
24	Miami	130	110	18.2	12	Ad Team of Florida	37	34	8.8
25	Raleigh, N.C.	129	122	5.1	2	McKinney & Silver	119	115	3.5

Notes: Dollars are in millions.

RANK
80

M.E.D. Communications

Woodbridge, N.J.
GROSS INCOME: **$ 14** MILLION

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	14.2	11.1	27.4
Volume	93.0	73.0	27.4
U.S. volume stats	**1988**	**1987**	**% chg**
Media	19.0	13.0	46.2
Materials & services	8.0	6.0	33.3
Capitalized fees	66.0	54.0	22.2

Billings by media

($ in millions)

Media	1988	1987	% chg
Consumer magazine	1.0	0.0	NA
Medical journals	12.0	13.0	(7.7)
Network TV	6.0	0.0	NA
Other	NA	0.9	NA

Workforce & facilities

U.S.	1988	1987	% chg
Employees	120	105	14.3
Offices	1	1	NA

Annual Review

As part of the Mednet International Healthcare Agency Network, which includes affiliates in France, U.K., Switzerland, West Germany and Japan, this Woodbridge, N.J.-based shop experienced a 27.4% billings increase in 1988. Existing clients include DuPont, Ortho, Sandoz, Schering-Plough, Smithkline & French and Wallace.

U.S. Accounts

Gained: Centocor Inc.; Alcon Laboratories; Reed & Carnick; Forest Laboratories.
Lost: Kerlone (G.D. Searle).

Officers

Robert Portman, president; Tom H. Rosenwald, exec vp-genl mgr; Edward Cohen, exec dir-creative svcs.
Phone: (201) 636-6600.

RANK
37

Medicus Intercon International

New York
GROSS INCOME: **$ 35.5** MILLION ✓

Income & volume

($ in millions)

Worldwide	1988	1987	% chg
Gross income	35.5	32.0	11.0
Volume	286.2	249.9	14.5
U.S.	**1988**	**1987**	**% chg**
Gross income	12.5	11.9	5.1
Volume	117.6	104.2	12.8

U.S. volume stats	1988	1987	% chg
Media	21.0	16.3	29.4
Materials & services	17.5	12.9	35.3
Capitalized fees	79.0	75.0	5.4

Billings by media

($ in millions)

Media	1988	1987	% chg
Consumer magazine	3.2	10.3	(68.7)
Medical journals	8.5	3.5	143.1
Point of sale	13.1	9.7	35.3
Spot TV	7.0	1.0	600.0
Radio	2.3	1.5	58.5
Direct response	4.4	3.2	35.3
Other	NA	58.2	NA

Workforce & facilities

Worldwide	1988	1987	% chg
Employees	435	421	3.3
Offices	20	20	NA
U.S.	**1988**	**1987**	**% chg**
Employees	158	136	16.2
Offices	3	3	NA

Annual Review

The agency, which is owned by D'Arcy Masius Benton & Bowles, anticipates a 19% growth in 1989 billings based on maturing of new business gained last year.

U.S. Accounts

Gained: Boehringer Mannheim; Fisons; Louis Rich; Searle.
Lost: None.

Foreign Accounts

Gained: Germany—Knoll; Merrell Dow; Warner-Lambert. Hong Kong—Boehringer Mannheim. Italy—Procter & Gamble. Japan—Boehringer Ingelheim; Sankyo. Spain—Farmitalia; Sandoz. U.K.—Boehringer Ingelheim; Roche; Sandoz.
Lost: The agency did not report accounts lost.

Officers

Lawrence J. Lesser, chmn & ceo; Hartwig Elimer, vice chmn; William G. Castagnoli, president; Nicholas F. Matale, Wilhelm Rall, exec vps-group dirs, Intl; Gary A. Elman, sr vp-corp controller; Jay M. Cohen, exec vp-mng dir; Stephen P. King, exec vp, dir-client svcs; Robert E. Gengenbach, Jennifer Greenblatt, Melissa Gryczka, Neil James, sr vps, dirs-client svcs; Kenneth F. Benjamin, sr vp, dir-mktg & media; Ralph Jacobsen M.D., sr vp-medical dir; Joseph L. Davis, exec vp-mng dir, consumer; Gerald S. Weinstein, exec vp-creative dir, consumer; Robert M. Ross, president-Science & Medicine.
Phone: (212) 826-0760.

RANK
88

Miller Advertising Agency

New York
GROSS INCOME: **$ 13** MILLION ✓

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	12.5	11.1	12.6
Volume	83.5	76.3	9.4
U.S. volume stats	**1988**	**1987**	**% chg**
Media	66.5	61.5	8.1
Materials & services	1.6	1.5	6.7
Capitalized fees	15.4	13.3	15.8

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	54.0	NA	NA
Spot TV	5.0	NA	NA
Cable TV	2.0	NA	NA
Radio	5.0	NA0	NA
Other	NA	19.2	NA

Workforce & facilities

U.S.	1988	1987	% chg
Employees	180	180	0.0
Offices	4	4	NA

Annual Review

The agency, with four offices in New York, New Jersey and Massachusetts, predicts 5-10% billings growth this year, in keeping with the 9.4% growth in 1988. Its 1988 billings mix included $4.2 million in new business and $4 million in existing business with $1 million in losses largely from Martin Motors.

U.S. Accounts

Agency did not report accounts gained or lost.

Officers

Leonard Miller, chmn; Robert Miller, president; Walter Hadrigan, vp-controller; Andrew Miller, vp; Nicole Miller, treasurer.
Phone: (212) 929-2200.

RANK
100

Mojo U.S.A.

San Francisco
GROSS INCOME: **$ 11** MILLION ✓

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	11.0	9.6	15.5
Volume	73.6	63.7	15.6
U.S. volume stats	**1988**	**1987**	**% chg**
Media	55.3	51.5	7.4
Materials & services	14.7	9.1	61.0
Capitalized fees	3.7	3.1	18.5

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	6.0	4.9	21.6
Consumer magazine	7.1	7.1	0.6
Farm publications	1.2	2.2	(44.6)
Outdoor	1.4	1.9	(24.5)
Transit	0.2	0.3	(41.6)
Spot TV	24.8	22.9	8.0
Cable TV	1.2	1.1	6.9
Radio	13.4	11.1	21.0

Workforce & facilities

U.S.	1988	1987	% chg
Employees	147	130	13.1
Offices	3	3	NA

1988 billings by major office

Office, City	Billings
Mojo U.S.A., Houston	12.2
Mojo U.S.A., San Francisco	59.8
Mojo U.S.A., New York	1.6

Annual Review

Due to a pending merger with Chiat/Day, the agency made no billings forecast. Some 25 of Mojo USA's 95 staffers in San Francisco were laid off in March 1989. The $8 million Pepsi-Cola Bottlers of Northern California account was the major loss in 1988. The agency expects growth from existing business including Northern California Toyota Dealers and G. Heileman's Rainier, Lone Star and Iron City beers. Mojo's work for Bond Corp. Holdings in Australia helped it gain the Heileman business when Bond bought out the La Crosse, Wis., brewer. Since the 10-person New York office opened in

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AGENCY OF THE YEAR: RUNNER-UP

W.B. Doner & Co. mixes humor with ad messages

Agency also scores with some 'big ideas,' and wins international assignment for British Petroleum work

Runner-up W.B. Doner & Co. earned the attention of ADVERTISING AGE editors with ads that mixed irreverent humor with strong selling points.

Based in Southfield, Mich., and Baltimore, Doner also scored with several "big ideas," including turning the town of Hope, Ind., into a burger-free zone to promote Arby's roast beef sandwiches.

Another big idea won a worldwide ad assignment from client British Petroleum. It was an ad showing the many modes of transportation BP serves—diesel trains, jets, helicopters and semi-trailers—all seeming ready to converge on a motorist quietly filling up his car.

Humor is a mainstay in many campaigns for Doner clients. Even ads for Baltimore's zoo are no immune.

The "BP on the Move" spot ran in 20 countries, and Doner has now opened a London office to handle other BP assignments.

A couple of "what ifs" also scored. To introduce premium-priced Iams dog food, Doner showed what would happen if dogs and cats ran the world. And a tried-and-true technique—asking kids what would happen if there was no electricity—produced some humorous spots for Edison Electric Institute.

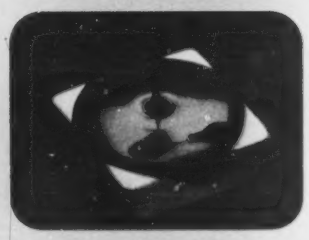
Outdoor message from Doner for client Baltimore Sunpapers uses a simple message—a twist on the eat-a-good-breakfast theme—to reach motoring commuters in the Baltimore area.

This scene is from a BP commercial showing the many forms of transportation British Petroleum services. Variations of the Doner-produced spot are being shown in 20 countries.

Long known for its retail work, Doner's humorous ads for Highland Superstores continued to win applause, as did its whimsical spots for Klondike bars. For Klondike, stuffy business types were shown as ready to act silly to get a free Klondike bar.

The agency isn't as attached to big-name presenters as some shops, but Doner did bring in comedian Martin Mull as spokesman for Red Roof Inns ("A good mint—$27, but it's good") and actor Billy Dee Williams for Colt 45 malt liquor. □

Comedian Martin Mull was brought in by the agency to be spokesman for Red Roof Inns.



People do strange things in the Klondike bar spots, including the "I'm a little teapot" bit.

1987, it picked up several accounts including the $2 million Reader's Digest domestic and international trade account.

U.S. Accounts

Gained: Houston—CADCenter Limited. New York—Girl Scouts of USA, Grandy's Food, Indoor Sporting Systems, Pierre Fabre, Reader's Digest, Coward Shoe. San Francisco—Schlage Lock Co., Victorian Tourism Commission.

Lost: Houston—St. Lukes Hospital, T.F. Judgins, Dresser Industries, DuPont AgChem. San Francisco—Blue Cross, Fleming, Grand Auto, Mug Root Beer, Pepsi Bottlers.

Officers

Don Dorward, chmn-San Francisco; Bob Riddell, exec vp-San Francisco; Ed Bennett, John Galbraith, Fred Greene, Josh Nichol, sr vps-group acct dirs, San Francisco; Kurt Olsen, sr vp-media planning, San Francisco; Dawn Tognolt, sr vp-media buying, San Francisco; John Coll, Fran Huelse, sr vps-co-creative dirs, San Francisco; Mort Kohn, sr vp-assoc creative dir, San Francisco; Bob Blomquist, vp, dir-sales promo, San Francisco; Don Freed, vp-finance, San Francisco; Gil Lindberg, vp-tech dir, San Francisco; Darryl McGuire, vp-assoc media dir, San Francisco; Jeff Raleigh, vp, dir-pr, San Francisco. Houston—Joe Van Trump, president; Ross LeFevre, exec vp; Scott Williams, vp-acct dir; Jim Whaley, vp-creative dir; Bill Holicek, vp-assoc creative dir. NY—Julian Martin, president; Don Freed, vp-controller.

Phone: (415) 956-7470.

RANK 49

Nationwide Advertising Service

Cleveland

GROSS INCOME: **$ 24** MILLION

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	24.1	20.4	17.9
Volume	185.4	157.2	17.9

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	153.9	133.6	15.2
Consumer magazine	11.1	7.9	40.5
Other	20.4	NA	NA

Workforce & facilities

U.S.	1988	1987	% chg
Employees	376	358	5.0
Offices	31	31	NA

Annual Review

The Cleveland-based recruitment agency serving personnel departments of client companies, had a 13% billings growth in 1988 which it credited to continued growth in its marketplace, enhanced service to clients and aggressive new business efforts. It lists 31 offices in the U.S.

U.S. Accounts

Agency did not report accounts lost or gained.

Officers

George Gund, Gordon Gund, co-chmns; John W. Graham, vice chmn-ceo, treasurer; Thomas A. Richey, president-coo.

Phone: (216) 579-0300.

RANK 22

Ogilvy & Mather Direct Response

New York

GROSS INCOME: **$ 97** MILLION ✓

Income & volume

($ in millions)

Worldwide	1988	1987	% chg
Gross income	97.0	84.0	15.5
Volume	647.0	560.0	15.5
U.S.	1988	1987	% chg
Gross income	41.0	39.0	5.1
Volume	272.0	260.0	4.6

Billings by media

($ in millions)

Media	1988	1987	% chg
Direct response	272.0	260.0	4.6

Workforce & facilities

Worldwide	1988	1987	% chg
Employees	1,212	1,200	1.0
Offices	47	43	9.3
U.S.	1988	1987	% chg
Employees	471	495	(4.8)
Offices	8	9	(11.1)

Annual Review

The Ogilvy Group subsidiary predicts a 10% growth domestically with 15-20% growth outside the U.S. for this year. In 1988, the loss of the $2.5 million ChemLawn account was offset by Sealand Services, which awarded its $3.5 million shipping services account to this direct response agency. Agency financial totals include those of other Ogilvy Group direct response units, A. Eicoff & Co., and Targeted Communications.

U.S. Accounts

Gained: Union Bank; Sealand; Microsoft; US Robotics; First Nationwide Bank; Science Research Assoc.

Lost: Chemlawn.

Foreign Accounts

Gained: Ford; Sealand; Rank Zerox.

Agency did not report accounts lost.

Officers

Jerome W. Pickholz, chmn & ceo; Stanley Winston, vice chmn-exec creative dir; William Morrissey, president-coo; Rochelle Lazarus, sr vp-mng dir, NY; Ron Bliwas, president-A. Eicoff & Co.; Robert Smith, president-Targeted Communications; Pamela Reese, sr vp.

Phone: (212) 340-3500.

RANK 6

Ogilvy & Mather Worldwide

New York

GROSS INCOME: **$ 635** MILLION ✓

Income & volume

($ in millions)

Worldwide	1988	1987	% chg
Gross income	635.2	563.9	12.7
Volume	4,110.1	3,663.8	12.2
U.S.	1988	1987	% chg
Gross income	281.1	261.6	7.4
Volume	1,874.9	1,745.2	7.4

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	32.0	43.0	(25.6)
Consumer magazine	121.0	196.0	(38.3)
Sunday magazines	2.0	2.0	0.0
Business publications	35.0	12.0	191.7
Outdoor	4.0	33.0	(87.9)
Spot TV	182.0	175.0	4.0
Network TV	479.0	391.0	22.5
Cable TV	21.0	9.0	133.3
Radio	96.0	65.0	47.7
Direct response	272.0	260.0	4.6
Other	8.0	1.1	(9.1)

Workforce & facilities

Worldwide	1988	1987	% chg
Employees	7,671	7,693	(0.3)
Offices	44	42	4.8
U.S.	1988	1987	% chg
Employees	2,732	2,810	(2.8)
Offices	275	264	4.2

1988 billings by major office

Office, City	Billings
Ogilvy & Mather Direct, New York	272.0
Ogilvy & Mather, Chicago	187.3
Ogilvy & Mather, Miami	NA
Ogilvy & Mather, Los Angeles	103.9
Ogilvy & Mather, New York	803.4
Ogilvy & Mather, Honolulu	11.0
Ogilvy & Mather, Houston	99.8
Ogilvy & Mather, Dearborn, Mich.	NA
Ogilvy & Mather, Atlanta	53.1
Rolf Werner Rosenthal, New York	44.5

Annual Review

O&M attributes its 12% growth in worldwide billings in 1988 to spending from new clients including Simplesse ($9 million annualized), Microsoft ($15 million), Tandem ($6 million) and Thompson Medical ($10 million) and existing business including new products from General Foods ($20 million), Hershey Mounds/Almond Joy ($12 million), Pepperidge Farm ($5.5 million), Mattel ($8.2 million), Sears ($20 million), Chesebrough-Ponds ($3.7) and Beecham ($4.7 million). These gains more than offset losses from Mattel Hot Wheels ($4.6 million), Schering ($20 million) and Hallmark ($40 million). Kenneth Roman became chairman-ceo succeeding Graham Phillips who remains chairman of the executive committee and oversees Scali, McCabe, Sloves and Research International units. O&M closed its Tokyo subsidiary as it withdrew from the Japanese market. Early this year heavy trading in Ogilvy stock fueled rumors of a possible takeover, however, no suitor has materialized as yet.

U.S. Accounts

Gained: American Express; Optima; Beecham; Chesebrough-Ponds; Pepperidge Farm; Innovative Controls; Mattel; Microsoft; Tandem; NutraSweet; Simplesse; Sears; Martha White Foods; Ford

Co-op; Hawaiian Air; Hershey; General Foods; Glass Packaging Institute; Thompson Medical; Greensheet; Nevada Properties; Lake Lanier Islands; Hershey's Cadbury Eggs.

Lost: AFG; Criterion; Deck the Walls; Mattel; Mettler; Pizza Inn; Schering; Spenco; Enron; Hallmark; WMS; Laser Connection.

Foreign Accounts

Gained: Ford Venezuela; Portugal; WDI; Bank Dusseldorf; Continental Tires Dusseldorf; Unilever U.K.; Italy; Germany; Midas Canada; Nestle Australia; New Zealand; U.K.; B.A.T. Brazil; U.K.

Lost: Milk Mktg Board U.K.; Compaq Australia; Scottish Amicable U.K.; Kimberly-Clark U.K.; Michelin London; Reebok London; Nyvredit Denmark; Volvo Denmark.

Officers

Norman Berry, president-creative; Alexander Brody, president-Intl; Kenneth Roman, chmn; Graham Phillips, president-N. America; Peter Scarpert, cfo-O&M US; Charles Walsh, cfo-O&M Worldwide.

Phone: (212) 907-3400.

RANK **79**

Poppe Tyson

New York

GROSS INCOME: **$ 14** MILLION

Income & volume

($ in millions)

■ U.S.	1988	1987	% chg
Gross income	14.3	9.0	58.9
Volume	95.0	66.0	43.9
■ U.S. volume stats	**1988**	**1987**	**% chg**
Media	59.0	41.0	43.9
Materials & services	25.0	16.8	48.8
Capitalized fees	11.0	8.2	34.1

Workforce & facilities

■ U.S.	1988	1987	% chg
Employees	131	124	5.6
Offices	2	3	(33.3)

Annual Review

This Bozell Inc. agency sold its Boston shop ($14 million billings) to management there, and bought Williams, London, Marchin, Weltman & Associates, West Orange, N.J., ($15 million billings) while notching a 44% gain in 1988 billings.

U.S. Accounts

Gained: APA Transport; Sam Reider & Sons; Sigma Corp; Silk America; Asbach Intl; Caldwell College; Port Authority Aviation; PSE&G; Falkin Assoc.; Model Rectifier Corp; Brotherhood Const; Summit Bank; Custom Living; Siemens Corp; New Jersey Transit; Bethlehem Steel; Prudential Home Mktg; Osram Corp.; Locate; Fabricated Plastics; Charmant Eyewear; James Huber; Mamiya; Seal Prods.

Lost: New Jersey Bell; Elizabethtown Gas; Newark Beth Israel Hospital; Rowe Intl; Charles Ross & Sons; Dollar Dry Dock.

Officers

Fergus Odaly, president-coo; Gary Davis, chmn & ceo.

Phone: (212) 725-2900.

RANK **51**

Rapp Collins Marcoa

New York

GROSS INCOME: **$ 24** MILLION ✓

Income & volume

($ in millions)

■ U.S.	1988	1987	% chg
Gross income	23.7	23.4	1.3
Volume	236.3	218.6	8.1
■ U.S. volume stats	**1988**	**1987**	**% chg**
Media	134.5	131.7	2.1
Materials & services	25.8	18.9	36.5
Capitalized fees	76.0	68.0	11.8

Billings by media

($ in millions)

■ Media	1988	1987	% chg
Free-standing inserts	9.3	9.1	2.2
Direct response	125.2	122.6	2.1
Other	NA	4.0	50.0

Workforce & facilities

■ U.S.	1988	1987	% chg
Employees	328	307	6.8
Offices	6	6	NA

1988 billings by major office

■ Office, City	Billings
Rapp & Collins Marcoa, Chicago	59.7
Rapp & Collins Marcoa, Boston	24.9
Rapp & Collins Marcoa, Newport Beach	NA
Rapp & Collins Marcoa, New York	76.5
Rapp & Collins Marcoa, Dallas	69.8

■ **Notes:** Billings by office are AA estimates.

Annual Review

This direct marketing agency represents the linkage in 1988 of two agencies from different sides of the Omnicom family tree—DDB Needham's Rapp & Collins USA, New York, and MARCOA DR Group from BBDO. Rapp & Collins, itself is a 1986 merger of R&C and Direct Response Group, Dallas, while MARCOA DR Group was formed by the merging of three shops about the time of the Omnicom formation. Existing business accounted for $18.5 million in the 1988 billings mix with new business pegged at $12.4 million offset by $13.2 million in losses. Co-founder Tom Collins was awarded the first Irving Wunderman award.

U.S. Accounts

Gained: U.S. Navy; New England Telephone; U.S. Golf Assn.; Country Curtains; Brinks Home Security; British Airways; Waterford Wedgwood.

Lost: Encyclopaedia Britannica; ADT; Monex; Save The Children; Field Publications; Aparacor; Black & Decker; Weight Watchers.

Officers

David Hefter, chmn; James E. Dunne III, president; Ronald Perrella, vice chmn; Carmen Baez, president-Boston; Lloyd Kieran, president-LA; David King, president-Chicago; Robert Mohr, president-Dallas; David Scholes, president-NY; Emily Soell, chief creative dir; Edward E. McNally, cfo.

Phone: (212) 725-8100.

RANK **78**

Richards Group

Dallas

GROSS INCOME: **$ 15** MILLION

Income & volume

($ in millions)

■ U.S.	1988	1987	% chg
Gross income	15.1	13.4	12.7
Volume	101.4	89.1	13.8
■ U.S. volume stats	**1988**	**1987**	**% chg**
Media	42.9	27.0	59.2
Materials & services	14.0	12.4	12.9
Capitalized fees	44.5	49.7	(10.6)

Billings by media

($ in millions)

■ Media	1988	1987	% chg
Newspaper	3.5	1.6	122.6
Consumer magazine	5.8	3.1	87.1
Business publications	1.3	1.1	23.8
Free-standing inserts	0.1	0.1	NA
Outdoor	1.5	1.2	30.4
Spot TV	13.3	10.8	23.7
Network TV	4.3	1.4	207.1
Cable TV	0.7	0.2	250.0
Radio	12.5	0.8	NA

Workforce & facilities

■ U.S.	1988	1987	% chg
Employees	166	149	11.4
Offices	1	1	NA

Annual Review

The $15 million creative account for Long John Silver's Seafood Shoppes was the major addition in 1988, although short-lived because the agency lost it this past month. Other gains—Burlington Northern, Windham Hotels & Resorts and Community Coffee (each $4 million annualized)—and budgetal increases from existing accounts will push billings up in 1989, though probably not by the 30% projected prior to the LJS loss. The only account losses in 1988 were resigned. They included Grandy's ($4.4 million) and Residence Inns ($1.8 million). It handled Pier One Imports first national print campaign in 1988.

U.S. Accounts

Gained: Long John Silvers, Burlington Northern; Windham Hotels & Resorts; Community Coffee; Flower Country USA.

Lost: Grandy's; Resident Inn.

Officers

Stan Richards, president; Scot Dykema, cfo; Brad Todd, Rod Underhill, Jim McGhee, mgmt supers; Scott Crockett, mktg group head; Gary Gibson, Glenn Dady, Grant Richards, Ray Redding, Doug Racker, Mike Malone, Glenn Gill, Dick Mitchell, Steve Miller, Thomas Hripko, creative group heads; Mark Cunningham, dir-rsch & acct planning; Hart Weichselbaum, Michael Leonard, media dirs.

Phone: (214) 891-5700.

RANK **52**

Hal Riney & Partners

San Francisco

GROSS INCOME: **$ 23** MILLION

Income & volume

($ in millions)

■ U.S.	1988	1987	% chg
Gross income	23.0	23.0	0.0
Volume	200.0	200.0	0.0

Workforce & facilities

■ U.S.	1988	1987	% chg
Employees	183	185	(1.1)
Offices	3	3	NA

Annual Review

Riney had an active year winning the much sought after $100 million Saturn Corp. account but losing Austin Rover estimated at $20 million as a result. The agency picked up a $30 million Stroh's account but had to cut its ties with Anheuser-Busch. There were increases in the Perrier account but Shaklee Corp., San Francisco, was resigned because of conflict. All this coming and going produced flat returns in 1988, a year that got off to an inauspicious start following the resignation of the $75 million E.J. Gallo Winery account in December, 1987. Among the offices, New York was particularly hard-hit when the $15 million E.F. Hutton business pulled out after Hutton was bought by Shearson Lehman Brothers, and when Tom Rost, a top creative director, left to re-join Ogilvy & Mather.

U.S. Accounts

Gained: Saturn Corp., WWOR-TV, Dell Computers, Stroh's Brewery.

Lost: Shakley Corp., Austin Rover Cars of North America, Anheuser-Busch, E.F. Hutton, *Good Housekeeping*.

Officers

Hal Riney, chmn.

Phone: (415) 955-4324.

RANK **64**

Rosenfeld, Sirowitz, Humphrey & Strauss

New York

GROSS INCOME: **$ 17** MILLION

Income & volume

($ in millions)

■ U.S.	1988	1987	% chg
Gross income	17.4	16.5	5.5
Volume	116.0	110.0	5.5
■ U.S. volume stats	**1988**	**1987**	**% chg**
Media	100.0	96.0	4.2
Materials & services	7.2	7.3	(1.4)
Capitalized fees	8.8	6.7	31.3

Billings by media

($ in millions)

■ Media	1988	1987	% chg
Newspaper	9.0	8.0	12.5
Consumer magazine	33.0	33.0	0.0
Business publications	3.0	3.0	0.0
Outdoor	1.0	1.0	0.0
Spot TV	25.0	24.0	4.2
Network TV	14.0	14.0	0.0
Cable TV	2.0	2.0	0.0
Radio	9.0	9.0	0.0
Direct response	4.0	2.0	100.0

Workforce & facilities

■ U.S.	1988	1987	% chg
Employees	122	114	7.0
Offices	2	2	NA

1988 billings by major office

■ Office, City	Billing
Rosenfeld, Sirowitz, Humph, Ft. Lauderdale	2.0
Rosenfeld, Sirowitz, Humph, New York	114.0

Annual Review

The agency acquired Muhlfeld & Wolff, a $10 million shop founded in 1974, which became a division of RSH&S, and also bought Patchen Brownfeld in Phoenix, Ariz., a $17 million agency, and renamed it RSHS/Patchen Brownfeld. In 1988 the Rosenfeld shop handled a $4 million campaign for Chase Manhattan Bank investment products and a $3 million launch of Playtex's Jhirmack Silver shampoo and conditioner for gray hair. RSHS growth remained relatively flat at 5.5%. Total volume remains far short of the 1986 high of $149 million billings. However, RSHS seems poised to push billings much higher in 1989 with new account gains, particularly Burger King (East regional ad program), and the consolidation of acquisitions.

U.S. Accounts

Gained: Merillat.

Lost: Block Drugs.

Foreign Accounts

Gained: Smith Corona-U.K. & Canada.

Lost: The agency did not report.

Officers

Ronald Rosenfeld, Leonard Sirowitz, Harold Strauss, co-chmns.

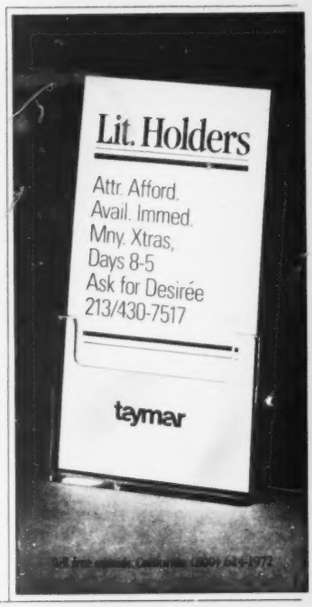
Phone: (212) 505-0200.

RANK **23**

Ross Roy Group

Bloomfield Hills, Mich.

GROSS INCOME: **$ 85** MILLION ✓



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27 E. 21 Street, New York, NY 10010 (212) 475-5791

Income & volume
($ in millions)

U.S.	1988	1987	% chg
Gross income	85.2	71.3	19.5
Volume	568.1	475.3	19.5
U.S. volume stats	**1988**	**1987**	**% chg**
Media	210.3	180.3	16.6
Materials & services	59.1	42.8	38.1
Capitalized fees	298.7	252.2	18.4

Billings by media
($ in millions)

Media	1988	1987	% chg
Newspaper	12.2	12.7	0.0
Consumer magazine	29.6	28.8	2.8
Sunday magazines	3.3	5.2	(36.5)
Business publications	6.3	6.0	5.0
Outdoor	4.1	6.2	(33.9)
Transit	0.0	0.4	NA
Spot TV	55.9	53.9	3.8
Network TV	59.7	35.8	66.8
Cable TV	5.7	2.9	95.3
Syndicated TV	6.8	0.0	NA
Radio	27.4	24.1	13.7
Direct response	51.7	59.6	(13.3)
Sales promotion	37.7	26.0	45.0
Other	4.6	NA	NA

Workforce & facilities

U.S.	1988	1987	% chg
Employees	848	805	5.3
Offices	9	10	(10.0)

1988 billings by major office

Office, City	Billings
Calet, Hirsch & Spector, New York	82.5
Dilorio, Wergeles, New York	15.0
Gray & Kilgore, Troy, Mich.	7.0
Griswold Inc., Cleveland	41.4
Ross Roy Inc., Detroit	422.1

Annual Review

A buying spree in 1988 capped in November with the purhase of Group 243, the Ann Arbor, Mich.-based agency whose major account is the $50 million Domino's Pizza business, a sale also including an Atlanta office and a printing company. Earlier RRG purchased the Nathan Fraser Agency in Toronto, which reportedly billed $15 million in 1988. Along with its two other Canadian affiliates, Ross Roy Advertising, Toronto, and Commercial Associates/Ross Roy, Windsor, Ont., the agency's billings volume now placed Ross Roy among the top 20 agencies in Canada.

U.S. Accounts

Gained: Alfa Romeo; NBD Bancorp; Hunter Douglas; Kraft Inc.; Ritz Thrift Shop; American Fare; A&W Restaurants; Dana Commercial Credit; Mission Pointe Resort; Oakland General Hospital; Basic Computer; EZ Por Div; Firestone Tire & Rubber; Great Lakes Window; White Consolidated.

Lost: Natl Yellow Pages Svc Assn.; American Standard; A-1 Transmissions; Hoover Co.; Anchor-Hocking Corp.; Terex Corp.; Cleveland Coca-Cola Bottling; Stop-N-Shop/Carl's Superstores.

Foreign Accounts

Gained: Continental Airlines; Moosehead Beer.

Lost: None.

Officers

Glen W. Fortinberry, chmn; Richard C. Brightling, president-Nathan Fraser Ross Roy; Verne C. Hampton II, secretary; Chris A. Lawson, exec vp-finance & admin, treasurer-Ross Roy Inc.; Patrick J. Morin, president-ceo, Griswold Inc.; C.L. Parent, president-Commercial Assoc./Ross Roy Ltd.; Bruce S. Wagner, exec vp, dir-client svcs, Ross Roy Inc.; Richard C. Ward, exec vp, genl mgr-communications-Ross Roy Inc.; Donald S. Wergeles, chmn-Dilorio, Wergeles Inc.

Phone: (313) 433-6000.

RANK **63**

Rubin Postaer & Associates

Los Angeles

GROSS INCOME: **$ 17** MILLION ✓

Income & volume
($ in millions)

U.S.	1988	1987	% chg
Gross income	17.5	17.6	(0.6)
Volume	128.7	125.5	2.6
U.S. volume stats	**1988**	**1987**	**% chg**
Media	106.3	105.9	0.4
Materials & services	22.0	17.9	22.9
Capitalized fees	0.4	1.7	(77.1)

Billings by media
($ in millions)

Media	1988	1987	% chg
Newspaper	4.2	5.3	(21.1)
Consumer magazine	23.5	18.0	30.5
Business publications	0.2	0.2	0.4
Farm publications	0.8	0.1	668.6
Outdoor	1.8	0.5	241.4
Spot TV	12.7	32.2	(60.4)
Network TV	54.1	40.2	34.5
Radio	6.3	9.3	(32.3)
Special events	2.7	0.0	NA

Workforce & facilities

U.S.	1988	1987	% chg
Employees	148	151	(2.0)
Offices	2	3	(33.3)

1988 billings by major office

Office, City	Billings
Rubin Postaer & Associates, Los Angeles	126.4
Rubin Postaer & Associates, New York	NA
Rubin Postaer & Associates, San Diego	2.3

Annual Review

The agency launched a $140 million 1989 model year ad campaign for Honda and experienced $2.2 million 1988 spending increases from other current clients including Home Federal and Bugle Boy Industries Inc. It estimates 6-10% growth for 1989 from new and existing business.

U.S. Accounts

Gained: Partners Real Estate Network, Yokohama Tire Corp.

Lost: Magliaro & McHaney.

Officers

Gerrold R. Rubin, president; Larry Postaer, exec vp, dir-creative svcs; Gary Wenzel, sr vp, dir-acct planning; Tom Somerset, sr vp, dir-media resources; Vincent Mancuso, vp, dir-finance & admin; Chuck Valentine, Tom Kirk, sr vps-group acct dirs; Bill Cummins, vp, dir-rsch; Jackie Ulery, vp, assoc media dir-San Diego.

Phone: (213) 208-5000.

RANK **97**

Rumrill-Hoyt

Rochester, N.Y.

GROSS INCOME: **$ 11** MILLION

Income & volume
($ in millions)

U.S.	1988	1987	% chg
Gross income	11.3	10.2	10.9
Volume	75.6	68.2	10.9
U.S. volume stats	**1988**	**1987**	**% chg**
Media	17.2	16.8	2.3
Materials & services	3.0	3.8	(19.4)
Capitalized fees	55.3	47.5	16.4

Billings by media
($ in millions)

Media	1988	1987	% chg
Newspaper	0.1	0.2	(29.5)
Consumer magazine	7.0	5.2	33.8
Business publications	7.4	7.8	(4.7)
Farm publications	3.1	3.2	(3.1)
Outdoor	0.1	0.0	NA
Spot TV	3.3	0.6	501.4
Network TV	0.0	0.1	NA
Radio	1.8	1.1	72.0
Other	5.6	NA	NA

Annual Review

The agency resigned both Pfizer and Pfaudler accounts in 1988 but gained new assignments from DuPont and Canandaigua as it boosted billings 10.9% from 1987, a year in which its New York shop, with billings of about $60 million, was merged with McCaffrey & McCall as part of a realignment within the Saatchi & Saatchi PLC group.

U.S. Accounts

Gained: DuPont Shell acquisition AG prods; DuPont Stren Fishing Line; Canandaigua Wine.

Lost: Pfizer Animal Health Prods; Pfaudler Inc.

Officers

Richard Thomson, chmn & ceo; Nicholas Orloff, president-coo; Timothy Cronin, sr vp-creative dir; Gary Kroll, sr vp, dir-client svcs; Gale Johnson, sr vp, dir-pr; Kurt Minwell, vp-cfo.

Phone: (716) 272-6100.

RANK **2**

Saatchi & Saatchi Advertising Worldwide

New York

GROSS INCOME: **$ 740** MILLION

Income & volume
($ in millions)

Worldwide	1988	1987	% chg
Gross income	740.5	685.3	8.1
Volume	5,035.2	4,548.5	10.7
U.S.	**1988**	**1987**	**% chg**
Gross income	326.3	319.7	2.0
Volume	2,209.6	2,126.1	3.9

Billings by media
($ in millions)

Media	1988	1987	% chg
Newspaper	49.0	51.5	(4.9)
Consumer magazine	149.8	157.3	(4.8)
Outdoor	7.2	13.9	(48.2)
Spot TV	309.6	282.2	9.7
Network TV	698.4	636.4	9.7
Radio	34.5	45.9	(24.8)
Other	191.5	2.0	(23.1)

Workforce & facilities

Worldwide	1988	1987	% chg
Employees	7,750	NA	NA
Offices	NA	NA	NA
U.S.	**1988**	**1987**	**% chg**
Employees	1,975	NA	NA
Offices	NA	NA	NA

1988 billings by major office

Office, City	Billings
Hoffman York & Compton, Chicago	1.7
Hoffman York & Compton, Milwaukee	36.7
Hoffman York & Compton, Minneapolis	0.6
Kleintner, New York	90.2
McCaffrey & McCall, Irvine, Calif.	16.0
McCaffrey & McCall, Atlanta	3.0
McCaffrey & McCall, Zionville, Ind.	11.0
McCaffrey & McCall, New York	256.0
Rumrill Hoyt, Rochester, N.Y.	75.6
Saatchi & Saatchi/DFS, San Francisco	55.1
Saatchi & Saatchi/DFS, Torrance, Calif.	245.0
Saatchi & Saatchi Advertising, New York	1,440.0
Saatchi & Saatchi Direct, Atlanta	4.7
Saatchi & Saatchi Direct, San Francisco	2.5
Saatchi & Saatchi Direct, New York	19.0
Saatchi & Saatchi Direct, Rochester, N.Y.	33.0

Note: All U.S. figures are for S&S Advertising, N.Y., and S&S/DFS shops.

Annual Review

In 1988, an anti-smoking campaign for Northwest Airlines so peeved RJR/Nabisco (even though Saatchi & Saatchi only handled the Nabisco side) that it yanked its $70 million billings from S&S Advertising, New York. Also included in the $111 million in aggregate losses, were New York Life ($15 million) and VF Corp.'s Wrangler jeans ($10 million). Total gains of $128 million canceled out losses, with biggest contributions coming from Johnson & Johnson Stayfree and Hewlett-Packard (both $20 million) and Teleline ($10 million) and Yamaha Motors ($10 million). Prior-year figures were adjusted to reflect the current year loss of Cochrane Chase Livingston, which in 1988 merged with AC&R as part of a realignment within Saatchi & Saatchi PLC.

U.S. Accounts

Gained: Johnson & Johnson's Stayfree; Hewlett-Packard; Teleline; Yamaha Motors.

Lost: RJR/Nabisco; New York Life; VF Corp. Wrangler jeans.

Foreign Accounts

Gained: Johnson & Johnson-Austria, Canada, Germany, Greece, Italy, Switzerland, UK; Philips-Austria, Italy; Procter & Gamble-Canada, Taiwan; DHL-Chile, Malaysia, Spain, Venezuela; British Airways-Chile, Denmark, Norway, Switzerland; Stanley Tools-Denmark, Portugal; Gillette-France, Switzerland; Richardson-Vicks-Germany, Ireland; Pirelli-Netherlands, Venezuela; Sara Lee-Netherlands, Puerto Rico; Pepsi-Cola-Puerto Rico, Spain; Dixons-UK; Pfizer-UK, Zimbabwe.

Lost: Royal Le Page Real Estate-Canada; Lego-France; Ford-France, Switzerland; S.C. Johnson-Hong Kong; Tesco-UK.

Officers

Stuart B. Upson, co-chmn, G. Milton Gossett, co-chmn, S&S Advertising Worldwide; Gary M. Susnjara, president-coo, S&S/DFS; Ed Wax, chmn-ceo, S&S Advertising; Alban Lloyd, chmn; Richard Humphreys, ceo, S&S Advertising Intl.

Phone: (212) 463-2000.

RANK **18**

Scali McCabe Sloves

New York

GROSS INCOME: **$ 107** MILLION ✓

Income & volume
($ in millions)

Worldwide	1988	1987	% chg
Gross income	107.0	93.1	14.9
Volume	770.6	653.2	18.0
U.S.	**1988**	**1987**	**% chg**
Gross income	71.8	69.8	2.9
Volume	559.7	506.8	10.4
U.S. volume stats	**1988**	**1987**	**% chg**
Media	559.7	506.8	10.4
Materials & services	0.0	NA	NA
Capitalized fees	0.0	NA	NA

Workforce & facilities

Worldwide	1988	1987	% chg
Employees	1,438	1,309	9.9
Offices	16	14	14.3
U.S.	**1988**	**1987**	**% chg**
Employees	706	737	(4.2)
Offices	5	5	NA

1988 billings by major office

Office, City	Billings
Fallon McElligott, Minneapolis	131.4
Martin Agency, Richmond, Va.	113.0
Morton Goldberg Associates, New York	NA
Scali McCabe Sloves, New York	311.4

Annual Review

As of yearend the Ogilvy Group subsidiary was getting closer to buying back a majority interest in the agency from its parent. It is majority stockholder in both Fallon McElligott of Minneapolis and the Martin Agency of Richmond, Va., and has a variety of equity arrangements in 13 agencies around the world. In the first quarter 1988, Scali closed its branch offices in Los Angeles and Atlanta because of financial losses and poor growth projections there. Each of the branches had billings of about $5 million annually with the Georgia office handling Harris Corp.'s Lanier Business Systems and the L.A. office responsible for *California* magazine, Camp Beverly Hills stores and Yokohama Tire Corp.

U.S. Accounts

Gained: Allied Fibers; Greek Intl Tourism; WFLD Television; ICI Image Data; Oreo; Johnson & Johnson; Chesebrough-Pond's; Burger King-Chicago.

Lost: Champion; Sharp; Natl Dairy Board; Godfather Pizza; Mashs'; Bunker Hill; Coty.

Foreign Accounts

Gained: Knorr; Best Foods; Jaguar/Rover; Computer Plus; Australian Labor Party; Ramdisk; Mobiltronics; Pillsbury; Champion; Moenus; PBS; Sopexa; VDW; Dow Chemical; Penn; Carbonell; Lever Bros.; United Biscuits; Beecham; STP/Valvoline; ICF; Roger & Gallet.

Lost: Canada Airlines; Moulinex; Hattori; Henkel; Philip Morris; Xerox; Sanbitter; Computerland; Gillette.

Officers

Marvin Sloves, chmn & ceo; Sam Scali, president-Worldwide; Keith Green, exec vp, dir-mktg & strategic planning; Bob Levenson, vice chmn-creative dir; Lee Graham, president-SMS Direct; Jerry Sherman, president-SMS Sales Promotion; Stuart Epstein, John Slaven, Peter Bates, Tim Arnold, Murray Gaylord, exec vps-group mgmt reps; Alan Jurmain, exec vp-media; Gail Lieberman, exec vp-cfo; Judith Pines, exec vp-genl mgr; Barbara Titus, exec vp, dir-rsch.

Phone: (212) 735-8000.

RANK **42**

Sudler & Hennessey

New York

GROSS INCOME: **$ 29.5** MILLION ✓

Income & volume
($ in millions)

Worldwide	1988	1987	% chg
Gross income	29.5	26.8	9.8
Volume	196.5	178.9	9.8
U.S.	**1988**	**1987**	**% chg**
Gross income	20.6	19.7	4.6
Volume	137.2	131.1	4.6

Workforce & facilities

Worldwide	1988	1987	% chg
Employees	282	272	3.7
Offices	9	8	12.5
U.S.	**1988**	**1987**	**% chg**
Employees	193	191	1.0
Offices	2	2	NA

Annual Review

This pharmaceutical/healthcare specialist, is a subsidiery of Young & Rubicam. Its client roster includes Berlex Laboratories, Alcon Laboratories' Owen division, Roche Laboratories, General Foods Corp., various ICI America divisions, Warner-Lambert products in the consumer health products and international divisions as well as the two-year old Chilcott prescription business. S&H reported a 6% increase in billings for 1988.

U.S. Accounts

The agency did not report accounts gained and lost.

Officers

William B. Gibson, chmn & president-ceo; John Chervokas, exec vp-chief creative officer; Robert Gouterman, exec vp-comm svcs; John T. Corcoran, Leon Gamza, Neil Leiner, Donald Masterson, exec vps-group dirs; Ernie Smith, exec vp, creative dir-art; Diane Cooney, exec vp, creative dir-copy; Thomas Crotty, exec vp-treasurer; Bruce Richmond, sr vp-mgmt super; Joseph Laborsky, John Rinaldi, sr vps-group supers; Doug Burcin, Angela Rossetti, Walter E. Bernd III, Wayne Traub, Barbara Morano, Evelyn Roces, sr vps-acct supers; Barry Siegel, sr vp, dir-mkt rsch; Hiram Zimmerman, sr vp, dir-typographic svcs; Steve Brothers, Richard Russinko, sr vps-group art dirs; Kenneth Begasse, Wendy Mantel, Mark Merriman, Eileen Winters, vps-acct supers; Jerome Ehrlich, vp, dir-medical; Harold Grossman, vp-mkt rsch; Daniel Sanoff, vp-mkt rsch mgr; Elissa Querze, vp, dir-art; Steve Abbruscato, Tim Millas, Robin Davenport, Janice Iamonaco, vps-copy supers; Robert Buccino, Vince Parry, vps-assoc copy chiefs; John Donoher, vp, dir-print prod; Maryann Hagan, vp-client acctg; Thomas McGuinness, vp-agency acctg; Arthur M. Rosen, exec vp, dir-Consumer Group; Greta Basile, exec vp-creative dir, Consumer Group; Gregory Weed, Lisa Blumenstein, John Draper, sr vps-acct supers, Consumer Group; Kenneth Kopas, sr vp, dir-media, Consumer Group; Norma Birnbaum, sr vp, dir-rsch, Consumer Group; Glenn Levy, David Upright, sr vps-creative supers, Consumer Group; Ann Petelka, vp-acct super, Consumer Group; Ann Faxon, vp-production, Consumer Group; Kathleen Campbell, vp-assoc media dir, Consumer Group; James Oxnam, sr vp-dir, Intramed Communications; John Edward Putnam, sr vp-asst dir, Intramed Communications; Louisa Holland, sr vp-program dir, Intramed Communications; E. Hope Lang, J. Savio, vps-program dirs, Intramed Communications.

Phone: (212) 265-8000.

RANK **46**

Tatham-Laird & Kudner

Chicago

GROSS INCOME: **$ 26** MILLION

Income & volume
($ in millions)

U.S.	1988	1987	% chg
Gross income	26.0	28.9	(9.8)
Volume	217.0	241.8	(10.2)
U.S. volume stats	**1988**	**1987**	**% chg**
Media	153.5	146.7	4.6
Materials & services	20.1	27.3	(26.4)
Capitalized fees	43.5	67.8	(35.8)

Billings by media
($ in millions)

Media	1988	1987	% chg
Newspaper	18.6	26.3	(29.3)
Consumer magazine	29.3	22.2	32.3
Sunday magazines	3.7	4.7	(21.5)
Business publications	4.6	1.2	292.1
Free-standing inserts	1.7	1.8	(4.1)
Outdoor	1.4	1.5	(5.2)
Transit	0.5	1.5	(68.6)
Spot TV	31.6	37.8	(16.5)
Network TV	37.7	36.2	4.2
Cable TV	0.9	6.2	(85.1)
Syndicated TV	0.6	0.0	NA
Radio	22.9	7.5	205.6
Other	NA	1.0	NA

Workforce & facilities

U.S.	1988	1987	% chg
Employees	285	312	(8.7)
Offices	1	1	NA

Annual Review

The agency expanded its multinational capabilities when it was acquired in mid-1988 by Roux, Seguela, Cayzac & Goudard, a Paris agency. TLK chairman-ceo Charlotte Beers became one of 5 owners of the French shop and she and Jacques Seguela hold the title of vice chairman of RSC&G. In August, accounts of the two-year-old O'Rielly O'Brien Clow (including Nina Ricci business) were folded into TLK when founder and ceo Walter O'Brien left to become president of Hill, Holliday, Connors, Cosmopulos' New York office. On the account side, an estimated $15 million in billings walked out when Tatham was cut from the RJR Nabisco agency roster. In all, losses outnumbered gains as TLK dropped 10.2% in billings and cut employment by about 9%.

U.S. Accounts

Gained: Procter & Gamble, packaged soap & detergent div; Continental Baking, a div of Ralston-Purina Co.; Stouffer Corp.; Hoover Co.; Kayser-Roth; Brown

& Williamson Tobacco Corp.; Adolph Coors Co. Turbo 1000.

Lost: RJR Nabisco; Adolph Coors Co. Extra Gold; Jacobs Suchard Brach; Brown Shoe Co.

Officers

Charlotte Beers, mng partner, chmn & ceo; William P. Youngclaus, mng partner, president-coo; Ralph W. Rydholm, mng partner, chief creative officer; Phillip Gerber, sr partner, dir-media oper; Robert A. Hielscher, sr partner, dir-client svcs; Brian Zavier Hurley, Rawdon M.C. Parry, Thomas W. Schafer, Linda Garrison, sr partners-acct mgmt; Michael F. Robinson, sr partner, dir-rsch & planning; Lawrence A. Stillman, Neil Vanover, Curtis D. Olsen, sr partners, exec creative dirs; Kenneth Mach, treasurer.

Phone: (312) 337-4400

RANK **21**

TBWA Advertising

New York

GROSS INCOME: **$ 97** MILLION

Income & volume

($ in millions)

■ Worldwide	1988	1987	% chg
Gross income	97.4	74.6	30.6
Volume	671.9	545.0	23.3
■ U.S.	**1988**	**1987**	**% chg**
Gross income	23.1	18.9	22.4
Volume	154.1	125.9	22.4
■ U.S. volume stats	**1988**	**1987**	**% chg**
Media	154.1	125.9	22.4
Materials & services	0.0	NA	NA
Capitalized fees	0.0	NA	NA

Billings by media

($ in millions)

■ Media	1988	1987	% chg
Newspaper	3.9	3.1	25.8
Consumer magazine	51.5	44.6	15.5
Sunday magazines	5.1	3.8	34.2
Outdoor	4.2	3.3	30.8
Transit	1.0	1.2	(16.7)
Point of sale	3.5	0.0	NA
Spot TV	63.2	52.3	20.8
Network TV	12.0	7.6	57.9
Cable TV	3.6	1.3	92.3
Radio	9.7	10.1	(4.0)

Workforce & facilities

■ Worldwide	1988	1987	% chg
Employees	816	680	20.0
Offices	15	14	7.1
■ U.S.	**1988**	**1987**	**% chg**
Employees	165	126	28.9
Offices	2	2	NA

1988 billings by major office

■ Office, City	Billings
TBWA Advertising, New York	131.8
TBWA Advertising, St. Louis	27.3

Annual Review

Eight new accounts totaling $30 million were added in 1988, including the $6 million Western Union and $5 million People's Bank business. Existing clients increased spending levels, among them Evian Water and Goldstar Electronics (Korean Olympic Year) and Absolut, the Swedish vodka with an $18 million ad budget. TBWA bought BFV&L agency in St. Louis in mid-1988. The agency forecasts 23% growth in 1989.

U.S. Accounts

Gained: Western Union, business to business; People's Bank; Parfums Stern, Oscar de la Renta; Warner-Hathaway Shirts; Carillon, Bombay Sapphire Gin; Absolut Citron Vodka; General Biscuit, Indianapolis Power & Light; Delsey Luggage; Brooke Yachts; Saratoga Water.

Lost: Tri State Acura Dealers.

Foreign Accounts

Gained: Nivea; Reckitt & Colman; Delsey luggage; Henkel; Absolut Vodka; Bosch; Bayer Chemicals; AEG Olympia typewriters; Hine Cognac; Goldstar Electronics; Bombay Gin; Grundig; BMW Motor Bikes.

Lost: SEAT cars.

Officers

William Tragos, chmn & ceo; Richard Costello, president-coo; Arnold Arlow, Peter Lubalin, exec vps, co-creative dirs; John Doman, exec vp, dir-business devel; Anthony Morgan, exec vp, dir-strategic planning; William Oakey, exec vp-genl mgr, St. Louis; Grant Castle, Brian Barry, sr vps-mgmt supers; Art Gramer, sr vp, dir-acct svcs, St. Louis; James Jolliffe Sr., vp-creative dir, St. Louis; Geoff Hayes, sr vp-exec art dir; Patricia Cameron, sr vp, dir-mkt resource; Claude Fromm Sr., vp, dir-media; Mark Lashley Sr., vp, dir-business devel, St. Louis; Stuart Loss, dir-finance; Ed Pollack, sr vp, dir-broadcast prod; Steve Feldman, sr vp-art super.

Phone: (212) 725-1150

Telephone Marketing Programs

RANK **41**

New York

GROSS INCOME: **$ 31** MILLION ✓

Income & volume

($ in millions)

■ Worldwide	1988	1987	% chg
Gross income	31.4	23.2	35.1
Volume	209.2	154.8	35.1
■ U.S.	**1988**	**1987**	**% chg**
Gross income	29.6	21.7	36.4
Volume	197.1	144.5	36.4
■ U.S. volume stats	**1988**	**1987**	**% chg**
Media	197.1	144.5	36.4
Materials & services	0.0	NA	NA
Capitalized fees	0.0	NA	NA

Billings by media

($ in millions)

■ Media	1988	1987	% chg
Other	197.1	NA	NA

Workforce & facilities

■ Worldwide	1988	1987	% chg
Employees	736	735	0.1
Offices	24	21	14.3
■ U.S.	**1988**	**1987**	**% chg**
Employees	651	650	0.2
Offices	17	14	21.4

Annual Review

The 17-office agency, which specializes in Yellow Pages advertising, projects 15%-20% billings growth in 1989 based on historic growth trends, anticipated new business and growth of existing business. Market Support International, an "800" number fulfillment subsidiary, contributed $1.7 million in billings in 1988, a year in which domestic growth leaped 36.4%.

U.S. accounts

Gained: Ask Mr. Foster; Sonitrol; Pinkerton; Dayton-Hudson; British Airways; NAPA; Infiniti; Isuzu Diesel Engines; Exxon Co. USA.

Lost: Aamco Transmissions; Anderson Corp.; Exposystems; Herman Miller; Intergrated Resources Equity Corp.; Omron Business Systems; Perkins Engines; Tie Communications; USAir.

Officers

Andrew J. McKelvey, president; Paul M. Camara, sr vp-operations; Thomas G. Collison, vp-finance; Robert Lamb, vp-mktg; Frank Troise, vp-operations; Harold L. Levy, vp-sales.

Phone: (212) 977-4200

RANK **8**

J. Walter Thompson Co.

New York

GROSS INCOME: **$ 559** MILLION ✓

Income & volume

($ in millions)

■ Worldwide	1988	1987	% chg
Gross income	559.3	487.6	14.7
Volume	3,857.5	3,252.2	18.6
■ U.S.	**1988**	**1987**	**% chg**
Gross income	257.5	242.8	6.0
Volume	1,787.9	1,619.3	10.4

Billings by media

($ in millions)

■ Media	1988	1987	% chg
Newspaper	194.0	180.7	7.4
Consumer magazine	225.0	188.0	19.7
Farm publications	52.7	51.1	3.1
Outdoor	27.8	25.9	7.2
Spot TV	316.9	357.3	(11.3)
Network TV	699.4	516.8	35.3
Radio	81.0	87.8	(7.7)
Other	191.1	NA	NA

Workforce & facilities

■ Worldwide	1988	1987	% chg
Employees	7,080	6,735	5.1
Offices	176	179	(1.7)
■ U.S.	**1988**	**1987**	**% chg**
Employees	2,427	2,506	(3.2)
Offices	69	69	NA

1988 billings by major office

■ Office, City	Billings
Brouillard Communications, New York	66.4
J. Walter Thompson Co., Chicago	360.0
J. Walter Thompson Co., New York	437.0
J. Walter Thompson Co., Detroit	395.0
J. Walter Thompson Co., Los Angeles	165.0
Thompson Recruitment, Los Angeles	NA
J. Walter Thompson Co., Atlanta	55.0
J. Walter Thompson Co., San Francisco	136.0

■ **Notes:** Billings by office are AA estimates.

Annual Review

JWT lost $450 million in accounts from June, 1987, when acquired by WPP Group PLC, to the first of this year. It still registered a 10.4% gain in U.S. billings and 26.8% growth abroad. Among losses of 1988 was Ameritech ($8 million) after JWT won Bell Atlantic ($50 million). Kellogg's All Bran and Crispix ($20 million); W.A. Taylor & Co. liquor ($8 million); Kemper Group property and casualty insurance and Perrier Group (both $5 million); worldwide N.V. Philips small appliances ($7 million); S.C. Johnson Agree ($6 million); $15-20 million local broadcast buying for Quaker Oats. After 61 years it lost Scott Paper Worldwide but retained the account in Canada, Malaysia, Spain and U.K. On the plus side, JWT gained $35 million media-buying assignment from Sterling Drug, itself acquired by JWT client Kodak; $18 million Nestle spot media buying, $10-$12 million first-ever national ad campaign for Thomson McKinnon Securities; $9 million Del Taco and $6 million Health & Tennis Corp. of America direct marketing accounts. Early in 1988, five senior executives were fired. Omnicom's treasurer Edward Haymes was hired as exec vp-finance and adminstration and a senior executive salary and bonus package linked to financial performance was established. It closed its 5-person direct response operation in Chicago, sold its Tokyo office building for $205 million, opened a Taiwanese office and merged its Hispania unit into Mendoza, Dillon & Asociados, Newport Beach, Calif. Mid-year JWT USA rehired Bert Metter as division chairman, a post he held before the takeover. William Lane, exec vp-general manager and chief creative officer in the San Francisco office relocated to New York to share co-executive creative directorship with CEO James Patterson. In Detroit, Charles Balestrino, former senior vp-managing director on the Ford account, was appointed exec vp-general manager succeeding Peter Schweitzer who previously was named vice chairman of the New York-based agency's worldwide operations. It restructured its strategic services department creating a national research function headed by Peter Kim. In Chicago, which lost some $100 million in the first few months of the new ownership, JWT created a business review board to monitor its largest clients and a consumer behavior group for research.

U.S. Accounts

Gained: Bell Atlantic; Cellular One; Computer Assoc.; Connecticut Mutual; Del Taco/Naugles; Ford Dealers Assn.; Health & Tennis Corp.; Natl Yellow Pages; KFC Atlanta; KFC Home Delivery; KFC Print AOR; Rowntree After Eights; Southland; Standard Brands; Thomson McKinnon.

Lost: Ameritech; Bell South; Del Webb; Kemper Natl Properties & Casualty Co.; Miller High Life; Perrier; Scott Paper.

Foreign Accounts

Gained: Alitalia-Italy, Switzerland; Chamber of Economy-Austria; Henninger-Brau-Germany; ITV-UK; Italian Natl RR-Italy; Kellogg-Spain, Denmark; Ministry of Agri/Fish-Spain; Nestle/Findus-UK; Sorepark-France, Germany; Statoil-Sweden; Swaddlers-UK; Unilever-Belgium, Portugal, UK, Italy, Sweden, Switzerland, Brazil, Taiwan, Malaysia, Indonesia, Japan; Warner-Lambert-Holland, Denmark, Portugal, Italy, Sweden, Spain, Mexico, Thailand, Philippines; Aerolineas Argentinas-Venezuela; Abastible-Chile; Barelco-Argentina; Chesebrough-Ponds-Mexico, Canada; La Prudencial-Peru; *Bangkok Post*-Thailand; Blackburn Lockwood-Australia; Caltex Oil-New Zealand; Converse-Japan; Exxon-Japan; Ford-Australia, Taiwan; Hewlett-Packard-Australia; Kodak-Taiwan; Mattel-Columbia, Canada; Monroe-Brazil; Nestle-Mexico; Sydney Ross-Brazil; Nestle-HK, Singapore; President Park-Thailand; R.J. Reynolds-Philippines; Wellcome Singapore-Singapore; Carling O'Keefe-Canada; Peerless Carpets-Canada; Wardair-Canada.

Lost: Bacardi-Germany; British Rail-UK; Campari-Germany; IBM-Belgium; Jacobs Suchard, Philips-Belgium, Holland; Pepsi-Spain, Portugal, Brazil, Chile, HK, Philippines; Quaker-Holland, Queensway-UK; Kraft-Mexico; Bowater/Sancella-Australia; BP-Singapore; Christian Dior-Japan; IWS-Japan; GWG Levi Strauss-Canada; Goodyear Tires-Canada; Midas Mufflers-Canada; Ralston-Purina-Canada.

Burt Manning, chmn & ceo; Peter Schweitzer, vice chmn-agency operations; William C. Johnson Jr., vice chmn-client

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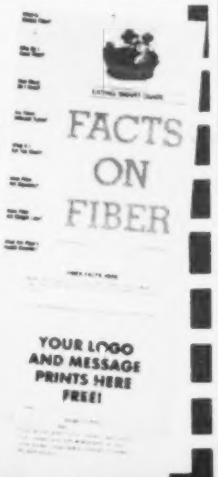

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operations; James K. Agnew, exec vp, exec vp-J. Walter Thompson USA; Stephen G. Bowen, exec vp, president-J. Walter Thompson USA; Julian Bravo, exec vp, president-ceo, J. Walter Thompson S.A.; Ronald S. Burns, exec vp, president-ceo, J. Walter Thompson Co. Ltd.; Miles Colebrook, exec vp, regional president-Europe; Michael Cooper-Evans, exec vp, chmn-Europe; Manuel de Elexpuru, exec vp, chmn-J. Walter Thompson S.A.; James H. Foster, exec vp, president-ceo, Brouillard Communications; Edward A. Haymes, exec vp-finance & admin; John E. Holmes, exec vp, president-J. Walter Thompson de Mexico; Leon P. Honiverns, exec vp, chmn-J. Walter Thompson Co. Philippines; Marlene Hore, exec vp, vice chmn-nat'l creative dir, J. Walter Thompson Co. Ltd.; William M. Lane, exec vp, exec vp-J. Walter Thompson USA; Norman A. MacMaster, exec vp, area dir-J. Walter Thompson Japan; Bertram Metter, exec vp, ceo-J. Walter Thompson USA; James B. Patterson, exec vp, coo-J. Walter Thompson USA; W. Lee Preschel, exec vp, chmn-Latin America Asia Pacific; Donald C. Robertson, exec vp, president-Thompson Recruitment Advertising; Dominique Simonin, exec vp, regional president-Europe; Donald G. Sullivan, exec vp, vice chmn-J. Walter Thompson USA; Allen Thomas, exec vp, chmn-exec creative dir, J. Walter Thompson Co. Ltd., U.K.; John F. Tukey, exec vp; Alan W. Webb, exec vp, exec vp-J. Walter Thompson USA.

Phone: (212) 210-8247.

RANK **89**

Towne Silverstein & Rotter

New York

GROSS INCOME: **$ 12.5** MILLION

Income & volume

($ in millions)

■ U.S.	1988	1987	% chg
Gross income	12.5	12.3	1.0
Volume	83.0	83.5	(0.6)
■ U.S. volume stats	**1988**	**1987**	**% chg**
Media	83.0	83.5	(0.6)
Materials & services	0.0	NA	NA
Capitalized fees	0.0	NA	NA

Billings by media

($ in millions)

■ Media	1988	1987	% chg
Newspaper	3.0	0.8	259.3
Consumer magazine	8.0	8.4	(4.2)
Outdoor	4.0	2.5	59.7
Spot TV	13.0	13.6	(4.1)
Network TV	24.0	41.6	(42.2)
Cable TV	6.0	4.2	43.7
Syndicated TV	4.0	0.0	NA
Radio	10.0	12.5	(20.2)
Sales promotion	3.0	0.0	NA
Other	8.0	NA	NA

Workforce & facilities

■ U.S.	1988	1987	% chg
Employees	45	45	NA
Offices	1	1	NA

Annual Review

In the coming year the agency is looking for a 2%-5% growth due to anticipated increased billings from its Lewis Galoob Toys account. During 1988 total billings dropped by $500,000, primarily because of a slowdown in the sales of its major account, Canandaigua Wine Co.'s Sun Country wine cooler.

U.S. Accounts

The agency did not report accounts gained or lost.

Officers

Leslie H. Towne, ceo; Steve Rotter, president; Ralph Lederman, exec vp-creative dir; Binnie J. Levin, sr vp-finance; Amy Weltman, sr vp-mgmt supr; Daniel J. Baczyk, dir-mktg, acct supr; Tom Horner, dir-media; Rosemarie Miksis-Zivic, vp-sr copywriter; Sheldon Wasserman, dir-sales promo.

Phone: (212) 353-1700.

RANK **27**

Tracy-Locke

Dallas

GROSS INCOME: **$ 55** MILLION ✓

Income & volume

($ in millions)

■ U.S.	1988	1987	% chg
Gross income	54.5	47.3	15.4
Volume	408.0	326.0	25.2
■ U.S. volume stats	**1988**	**1987**	**% chg**
Media	213.6	160.9	32.8
Materials & services	49.8	44.3	12.4
Capitalized fees	144.6	120.8	19.6

Billings by media

($ in millions)

■ Media	1988	1987	% chg
Newspaper	17.8	15.8	12.7
Consumer magazine	16.7	11.0	51.8
Sunday magazines	2.0	2.2	(9.1)
Business publications	5.4	3.5	54.3
Outdoor	3.5	3.4	2.9
Spot TV	153.9	NA	NA
Network TV	20.4	19.5	4.6
Cable TV	3.0	2.0	50.0
Radio	48.4	33.9	42.8
Direct response	11.4	1.5	660.0

Workforce & facilities

■ U.S.	1988	1987	% chg
Employees	654	593	10.3
Offices	5	5	NA

1988 billings by major office

■ Office, City	Billings
Tracy-Locke, Denver	13.5
Tracy-Locke, Atlanta	25.4
Tracy-Locke, Los Angeles	75.0
Tracy-Locke, Dallas	278.2
Tracy-Locke, Geographic Mkt, Philadelphia	15.9

Notes: Billings by office are AA estimates.

Annual Review

The acquisition of New York-based Altschiller Reitzfeld in late 1988 continues T-L's strategy to develop a third agency network as a subsidiary within Omnicom Group alongside BBDO Worldwide and DDB Needham Worldwide. The new shop, named Altschiller Reitzfeld Davis/Tracy-Locke, could bill close to $100 million this year. In its headquarters city, T-L also bought Stern/Monroe Advertising, Dallas, with $34 million in billings. In June, Phil Slott, former chairman-ceo of BBDO London, became chairman and chief creative officer at the agency. While a $61 million increase in existing accounts dominated the 1988 billings mix, new business garnered $45 million. Tracy-Locke was appointed agency of record for all of Dial Corp.'s consumer products spot broadcast buying midyear and resigned Pilgrim's Pride.

U.S. Accounts

Gained: Dial Corp.; Embassy Suites; Homewood Suites; Landmark Trust; Meadow Gold; Rent-A-Center; Texas Commerce Bancshares; Brinks Security; Drug Emporium; Charter Medical.

Lost: Princess Cruise Lines; Colorado Tourism Board; Pilgrim's Pride; Mountain Bell; Public Svc Co.; United Bank of Colorado.

Officers

Phil Slott, chmn & chief creative officer, corp; Howard Davis, president-ceo, corp; David Hudnall, cfo-corp; Robert Largen, exec vp, dir-mkt rsch, corp; Lawrence Stern, vice chmn-corp devel, Dallas; Thomas Monroe, exec vp-exec creative dir, Dallas; Larry Spiegel, exec vp, dir-media, Dallas; Ron Askew, Mike Rawlings, Alan Burks, group acct dirs-Dallas; Bruce Dundore, exec vp-exec creative dir, LA; Tom Morris, exec vp, dir-client svcs, LA; Don Morgan, president-Atlanta; Harris Milligan, sr vp-creative dir-Atlanta; David Altschiller, chmn & ceo, NY; Richard Reitzfeld, vice chmn- creative dir, NY; Steve Davis, president-NY.

Phone: (214) 969-9000.

RANK **67**

Tucker Wayne/ Luckie & Co.

Atlanta-Birmingham, Ala.

GROSS INCOME: **$ 17** MILLION ✓

Income & volume

($ in millions)

■ U.S.	1988	1987	% chg
Gross income	16.7	17.2	(2.6)
Volume	119.7	123.3	(3.0)
■ U.S. volume stats	**1988**	**1987**	**% chg**
Media	80.9	81.9	(1.2)
Materials & services	14.8	15.7	(5.7)
Capitalized fees	24.0	25.8	(6.9)

Billings by media

($ in millions)

■ Media	1988	1987	% chg
Newspaper	6.0	6.5	(8.1)
Consumer magazine	8.6	9.0	(4.7)
Business publications	5.0	5.3	(5.6)
Outdoor	2.6	2.6	(2.4)
Spot TV	44.9	44.2	1.6
Radio	13.8	14.2	(2.7)

Workforce & facilities

■ U.S.	1988	1987	% chg
Employees	187	198	(5.6)
Offices	2	2	NA

Annual Review

In January 1988, Tucker Wayne, the largest independent Atlanta agency with $82 million in billings, merged with Luckie & Forney, a Birmingham, Ala., shop to form a $123 million Southeast agency. The agreement called for the two offices, which had similar client rosters but no apparent conflicts, to operate separately and for the principal officers to retain their titles.

U.S. Accounts

Gained: The House of Domecq; Reynolds Metals Co.

Lost: GoodMark Foods; Flowers Industries.

Officers

Matthew Connor, chmn-exec comm; Robert Luckie Jr., chmn; Knox Massey Jr., president; Frank Lee, vice chmn, president-Birmingham; Sidney Smith, exec vp, president-Atlanta.

Phone: (404) 521-7600.

RANK **85**

Venet Cos.

Union, N.J.

GROSS INCOME: **$ 13** MILLION

Income & volume

($ in millions)

■ U.S.	1988	1987	% chg
Gross income	13.1	11.4	15.0
Volume	87.4	76.0	15.0

Workforce & facilities

■ U.S.	1988	1987	% chg
Employees	220	214	2.8
Offices	5	4	25.0

Annual Review

The agency projects 20% growth in 1989 based on a mix of new business, client growth and acquisitions. In 1988, it "arranged" to handle several accounts at the Douglas Turner Agency in Newark, as a result of a stroke suffered by the Newark agency's chairman, Douglas Turner, but said it was not buying the shop or paying for accounts. Nevertheless, some $10 million of business from Pitney Bowes, the Port Authority of New York and other clients was shifted to Venet's New York office and four Turner staffers were moved to Venet in similar posts. Venet lost the $1.5 million Carr's biscuit, cookies and crackers account from Shaffer Clarke & Co., gained the $2 million Domenico Tours account and launched a $700,000 ad campaign for its $4.5 million New Jersey Lottery account's new 5-card Lotto.

U.S. Accounts

Agency did not report accounts gained or lost.

Officers

Zal Venet, chmn & cfo; George Coscia, president-NJ; Murray Skurnik, president-NY; Roman Mayer, president-NY Retail; Nat Kameny, president-Kameny/Venet; Al Romano, sr vp-media; Art Siegel, Chuck Levy, exec vps; Saul Margulies, treasurer.

Phone: (201) 687-1313.

RANK **92**

Vicom/FCB

San Francisco

GROSS INCOME: **$ 12** MILLION ✓

Income & volume

($ in millions)

■ U.S.	1988	1987	% chg
Gross income	12.0	11.2	6.7
Volume	80.0	75.0	6.7

Workforce & facilities

■ U.S.	1988	1987	% chg
Employees	115	101	13.9
Offices	3	3	NA

Annual Review

The wholly-owned healthcare and pharmaceutical subsidiary of Foote, Cone & Belding had a billings increase of 6.7% in 1988, not nearly as dramatic as 1987 billings growth which reflected the acquisition of Lewis Gilman Kynett's healthcare advertising division. The agency, with offices in San Francisco, New York and Philadelphia, gained and lost about an equal amount of business. Losses were paced by Merck Sharp & Dohme's Heptavax B telemarketing, and gains led by Zocor and Prinzide products.

U.S. Accounts

Gained: Applied Polymer Sciences; Collagen Corp./Orcon Sciences; Merck Sharp & Dohme; Quidel; Wyeth-Ayerst Labs.

Lost: Critikon; Clintec Nutrition; Merck Sharp & Dohme; E.R. Squibb; Alza; Princeton Pharmaceuticals.

Officers

Robert W. Buechert, chmn & ceo; Thomas C. Spooner, president-coo; Reginald A. Bowes, vice chmn; Lester A. Barnett, exec vp-creative; Charles B. Mathias, exec vp; Berta Ledecky, sr vp-mng dir; Lawrence Wolheim, sr vp, dir-client svcs; Tom Domanico, sr vp, dir-creative svcs; Lawrence Stoll, sr vp, dir-acct svcs; Michael J. Burke, sr vp, mng dir-consumer; David J. Rossini, sr vp, mng dir-pro/health.

Phone: (415) 391-8700.

RANK **50**

Warwick Advertising

New York

GROSS INCOME: **$ 24** MILLION

Income & volume

($ in millions)

■ U.S.	1988	1987	% chg
Gross income	24.0	21.0	14.3
Volume	160.0	141.0	13.5

Five-year gross income and billings review

Year	Gross income: Worldwide	% chg	U.S.	% chg	Foreign	% chg	Billings: Worldwide	% chg	U.S.	% chg	Foreign	% chg
Top 500 agencies												
1988	$11,238.3	16.9	$6,827.5	9.8	$4,410.8	29.9	$77,988.9	18.7	$48,299.2	12.4	$29,689.7	30.6
1987	9,613.1	11.1	6,217.7	(4.4)	3,395.4	58.2	65,702.4	10.8	42,971.2	(4.0)	22,731.2	55.9
1986	8,648.9	5.8	6,502.2	3.8	2,146.7	12.3	59,318.8	6.3	44,740.8	8.1	14,578.0	1.0
1985	8,174.6	14.7	6,262.2	18.7	1,912.4	3.2	55,805.5	15.2	41,371.8	15.3	14,433.7	15.0
1984	7,129.4	17.1	5,276.7	18.4	1,852.7	13.6	48,443.9	17.0	35,895.4	18.3	12,548.5	13.5
Top 100 agencies												
1988	9,852.1	17.3	5,441.3	8.5	4,410.8	30.2	68,343.3	19.3	38,653.7	11.7	29,689.7	30.8
1987	8,402.4	14.1	5,015.7	(4.0)	3,386.7	58.1	57,294.6	13.4	34,593.7	(3.7)	22,700.9	55.7
1986	7,366.7	7.2	5,223.4	3.8	2,142.8	16.5	50,513.5	7.9	35,937.3	9.3	14,576.2	4.7
1985	6,870.1	9.5	5,030.3	13.7	1,839.8	(0.5)	46,805.7	9.9	32,880.2	9.2	13,925.5	11.5
1984	6,272.2	16.4	4,423.3	17.6	1,848.9	13.5	42,608.0	16.6	30,115.3	18.0	12,492.6	13.3
Top 25 agencies												
1988	8,654.4	27.3	4,259.5	23.3	4,394.9	31.5	59,809.7	30.2	30,229.1	26.4	29,580.7	32.1
1987	6,796.5	19.3	3,455.0	(5.5)	3,341.5	63.6	45,932.3	18.2	23,535.3	(5.7)	22,397.0	61.1
1986	5,698.0	(1.5)	3,655.1	(8.6)	2,042.9	14.6	38,868.4	(1.1)	24,966.6	(3.0)	13,901.8	2.6
1985	5,781.9	11.3	3,999.4	18.2	1,782.5	(1.7)	39,297.1	11.8	25,742.7	12.5	13,554.4	10.6
1984	5,196.2	16.1	3,382.4	17.5	1,813.8	13.6	35,136.1	16.5	22,879.1	18.2	12,257.1	13.4

Notes: Dollars are in millions. Change is computed from previous years' figures, including 1983, not shown. All figures are constant, representing reporting by the top agencies in the year given.

U.S. volume stats	1988	1987	% chg
Media	119.5	106.0	12.8
Materials & services	11.8	9.3	27.5
Capitalized fees	28.7	25.7	11.4

Billings by media
($ in millions)

Media	1988	1987	% chg
Newspaper	6.0	4.2	40.9
Consumer magazine	16.7	15.9	5.2
Business publications	4.8	5.3	(9.8)
Outdoor	1.2	2.1	(43.6)
Spot TV	84.9	68.9	23.2
Radio	6.0	4.2	40.9
Other	0.0	NA	NA

Workforce & facilities

U.S.	1988	1987	% chg
Employees	190	190	0.0
Offices	1	1	NA

Annual Review

The agency, which includes Chapman Warwick in San Diego, won the $12-$15 million Van Munching's Amstel Light, Grizzly and Heineken beers account along with new product assignments from Schering Plough, Sterling Drug and UST. It anticipates 10% growth in 1989.

U.S. Accounts

Gained: Van Munching & Co.; Radio Adv Bureau; Fruit of the Loom.
Lost: None.

Officers

John P. Warwick, chmn; Wilder D. Baker, president-ceo; Robert J. Fiore, vice chmn-chief creative officer; Jerry Prestomburgo, exec vp-creative dir; John J. Meskil, exec vp-media; Susan Small-Weil, exec vp, dir-strategic planning; Sean Driscoll, group sr vp-new business devel; Ronald S. Fierman, group sr vp-finance & admin; Alden R. Ludlow III, group sr vp, mgr-creative svcs; Michael A. Haggerty, sr vp-media dir; Susan E. Donovan, sr vp-personnel.
Phone: (212) 751-4700.

RANK
77

Weightman Group

Philadelphia
GROSS INCOME: **$ 15** MILLION ✓

Income & volume
($ in millions)

U.S.	1988	1987	% chg
Gross income	15.2	14.0	8.6
Volume	101.4	93.4	8.6

Billings by media
($ in millions)

Media	1988	1987	% chg
Newspaper	9.7	0.0	NA
Consumer magazine	10.4	0.0	NA
Business publications	5.2	0.0	NA
Outdoor	1.3	0.0	NA
Point of sale	1.9	0.0	NA
Spot TV	28.5	0.0	NA
Cable TV	3.9	0.0	NA
Syndicated TV	3.9	0.0	NA

Workforce & facilities

U.S.	1988	1987	% chg
Employees	210	201	4.5
Offices	3	3	NA

1988 billings by major office

Office, City	Billings
Roska Direct Marketing, North Wales, Pa.	7.1
Schaefer Advertising, Valley Forge, Pa.	30.6
Weightman Advertising, Philadelphia	63.7

Annual Review

The agency anticipates 10% growth in its billings for 1989 based on a full-year effect of new business garnered last year. Included in this group of newcomers are food accounts from Hershey Pasta Group and Weaver, along with additional business from existing clients like Scott Paper and Wendy's. Billings in 1988 were up 8.6%. New accounts were the main ingredient in the 1988 billings mix.

U.S. Accounts

Gained: Scott Paper Co.; Hershey Pasta Group; Weaver Frozen Chicken & Refrigerated Deli Prods; AMA Advisors; The Hold Co.; Applied Extrusion Technologists; FMC; Huls America; Gelco Space; Transport Intl Pool; W.L. Gore & Assoc.; Methodist Hospital; Ron Jaworski Sports Center; U.S. Inflatables.
Lost: Invisible Fence; Greentree Mortgage Co.; Incentive Consultants.

Officers

Charles Coffey, chmn-Weightman Group; John C. Goodchild, president-Weightman Group; Dave Jordan, vice chmn-Weightman Group; A.O. Schaefer Jr., chmn-Schaefer Advertising; Jon Roska, president-Roska Direct Mktg; Jim Bruno, president-Weightman Schaefer PR; John Duke, president-Weightman Research; Neil Harrison, sr vp-exec media dir, Weightman Group; James Saunders, vp-finance, Weightman Group; Douglas Schores, sr vp-mgmt super, Weightman Advertising; George Erickson, vp-admin, Weightman Group; John C. Goodchild, president-Weightman Advertising; Mark Plamondon, exec vp-Weightman Advertising; H. John Burke, sr vp, dir-client svcs, Weightman Advertising; Paul Burger, Harry M. Gwyn, Andy Gray, sr vps-mgmt supers, Weightman Advertising; William Lunsford, sr vp-creative dir, Weightman Group; Dave Jordan, president-Schaefer Advertising; Thomas F. O'Neill, exec vp-Schaefer Advertising; Bruce Dunham, sr vp-acct mgmt, Schaefer Advertising; Neil Greenberg, vp-creative dir, Schaefer Advertising; Steve Emory, sr vp-mktg, Roska Direct Mktg; Mark Mancini, vp-creative dir, Roska Direct Mktg; Charles Romm, exec vp-Weightman Schaefer PR; Francis A. Odymec Jr., sr vp-Weightman Schaefer PR.
Phone: (215) 561-6100.

RANK
17

Wells, Rich, Greene

New York
GROSS INCOME: **$ 117** MILLION

Income & volume
($ in millions)

Worldwide	1988	1987	% chg
Gross income	117.3	107.0	9.6
Volume	835.9	765.0	9.3
U.S.	**1988**	**1987**	**% chg**
Gross income	117.0	107.0	9.3
Volume	833.9	765.0	9.0

Billings by media
($ in millions)

Media	1988	1987	% chg
Newspaper	80.2	99.5	(19.4)
Consumer magazine	160.5	130.0	23.5
Outdoor	44.3	45.9	(3.5)
Spot TV	153.1	153.0	0.1
Network TV	296.4	260.1	14.0
Cable TV	16.7	15.3	9.2
Syndicated TV	21.7	NA	NA
Radio	61.0	61.2	(0.3)

Workforce & facilities

U.S.	1988	1987	% chg
Employees	829	805	3.0
Offices	5	5	NA

1988 billings by major office

Office, City	Billings
Gardner Advertising, St. Louis	106.0
WRG West, Los Angeles	25.0
Wells, Rich, Greene, Chicago	56.0
Wells, Rich, Greene, New York	646.0

Notes: Billings by office are AA estimates.

Annual Review

The addition of the $65 million IBM Corp. account should help offset the losses from the resignation of the $60 million Pan American World Airways account and the $15 million loss of Cadbury-Schweppes Confections when it was bought by Hershey Foods and consolidated at two existing Hershey agencies. (None of these changes affected 1988 billings.) The shop benefited from increased spending of existing clients including MCI, ITT, Philip Morris, Polo/Ralph Lauren and Midas (Chicago).

U.S. Accounts

Gained: IBM Corp.; Waterford/Wedgwood; New York Dept. of Economic Devel; Mobil Chemical Corp.; MCI Telecommunications; Miles Laboratories; Joseph E. Seagram & Sons.
Lost: Cadbury-Schweppes Confections; Pan Am World Airways.

Officers

Mary Wells Lawrence, chmn & ceo; Charles Moss, vice chmn-corp creative dir; Bill Benton, vice chmn-Detroit; Tom Fagan, exec vp-finance & treasurer; Katherine Durham, sr vp-admin & pr; Richard Freedman, sr vp-finance, asst treasurer; Stanley Haspel, sr vp-legal, secretary; Ely Drogin, Phyllis Cerf Wagner, sr vps; Kathryn Lawrence, sr vp-financial planning; Kenneth Olshan, chmn-Worldwide; Mary Moore, vice chmn-chief creative officer, Worldwide; Richard Hopple, president-Worldwide; Dick Macedo, president-West, Entertainment; Larry Singer, president-Chicago; Chuck Damon, president-Damon; Jim Lawrence, exec vp, mng dir-Detroit; Richard Cohen, Jayne Eastman, exec vps, dirs-mktg & strategic planning, Worldwide; Paul Schulman, exec vp-TV prod, creative mgr-Worldwide, NY; Joanne Davis, sr vp, genl mgr-new business devel-Worldwide, NY; Ron Albrecht, exec vp-creative dir, Image Group; Sandy Carlson, exec vp-creative dir, NY; Steve Farella, exec vp, dir-corp media svcs, NY; Marcia Grace, Al Lerman, Bill Yamada, exec vps-creative dirs, Image Group; Chris Hanson, Tom Hayes, Frank Sampogna, David Sklaver, Andre Van Stom, exec vps-NY; Bill Mullen, exec vp-creative dir, NY; Marie Barnard, Joel Benay, Bruce Bloch, Michele Buslik, J. Dixon Byrne, Charlie Carlson, Jane Carlson, Ila Clarkson, John De Feo, Janet Fruch, Martin N. Grant, Ron Hartley, Alex Hillenbrand, Ray Hirshman, Eileen McKenna, Ken Manka, Roberta Mell, Robert E. Moehl, Joan Overlock, Herb Passberger, Patricia Rockmore, Donald Sterzin, Arnold Weinrib, Michael Wolff, sr vps-NY; Barry Fischer, sr vp, dir-natl broadcast, NY; Harold Singer, sr vp, dir-print prod, NY; Susan Singer, sr vp, dir-mktg, NY; Yolan Toro, sr vp, dir-local broadcast; Murray Hysen, special mkt rsch consultant-NY; Stan Flaum, sr vp, dir-field svcs, Chicago; Donald A. Stork, president-Advanswers, exec vp-Gardner Advertising; John L. Marlow, sr exec officer-Advanswers; Rosalie Busalacki, Gordon H. Hendry, sr vp-Advanswers; Paul M. Schulman, sr vp-Advanswers, president-Paul Schulman Co.; Joseph B. Rousseau, Frederick W. Webber Jr., sr vps-exec group dirs, Advanswers; John Fox, exec vp-genl mgr, Gardner Advertising; Sue Chapman, exec vp- creative dir, Gardner Advertising; Jim Perable, exec vp-mgmt rep, Gardner Advertising; Karen H. Card, sr vp-admin, Gardner Advertising; Alan C. Lindberg, sr vp-rsch dir, Gardner Advertising.
Phone: (212) 303-5000.

RANK
25

Wunderman Worldwide

New York
GROSS INCOME: **$ 69** MILLION

Income & volume
($ in millions)

Worldwide	1988	1987	% chg
Gross income	68.6	62.1	10.4
Volume	457.5	414.8	10.3
U.S.	**1988**	**1987**	**% chg**
Gross income	39.9	38.9	2.6
Volume	266.1	260.0	2.4

Billings by media
($ in millions)

Media	1988	1987	% chg
Direct response	266.1	260.0	2.4

Workforce & facilities

Worldwide	1988	1987	% chg
Employees	622	NA	NA
Offices	24	NA	NA
U.S.	**1988**	**1987**	**% chg**
Employees	295	393	(24.9)
Offices	5	5	NA

1988 billings by major office

Office, City	Billings
Infobase, Conway, Ark.	4.4
Wunderman Worldwide, New York	229.7
Wunderman Worldwide, Detroit	32.0

Annual Review

The direct marketing subsidiary of Young & Rubicam, which counts many of the top 100 advertisers among its clients including Colgate-Palmolive, Eastman Kodak, Ford Motor Co., General Foods, Johnson & Johnson and Time Inc., lost the IBM National Distribution division business last year which was offset by new assignments from American Express, H.J. Heinz and Clorox.

U.S. Accounts

Gained: Amex Corp Card; Arthur Andersen; Clorox; Weight Watchers; Wells Fargo; Automatic Call Processing.
Lost: IBM; Opportunity Calling Program.

Officers

Lester Wunderman, chmn; G. Steven Danper, president-ceo; Michael Kilby, president-Wunderman Europe; Steven McKenna, sr vp-cfo; Michael Becker, chief creative officer.
Phone: (212) 909-0100.

(Continued on Page 82)

Sweet but not too low

At the tail end of the rankings is No. 588 Sweet Advertising, Mt. Morris, Ill., where the late Don Sweet started from scratch in 1952 working on poultry accounts. In 1968 he sold out to Thomas Hanson who added a partner recently. Sweet's base, broadened to include food and hardware, should produce billings growth of 10%-15% in 1989.

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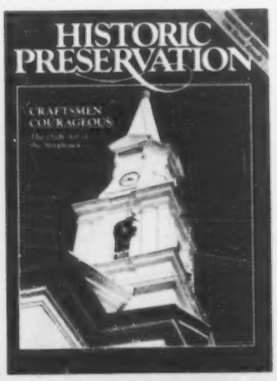

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*Source: SRDS 1988-89 Newspaper Circulation Analysis

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Member, Metropolitan Sunday Newspapers

No. 1 Dentsu hits lofty $1.2 billion in gross income

(Continued from Page 1)
billings increased 24.3%.

Dentsu definitely was not the only Japanese agency to benefit from the dollar's slide of 14.6% against the yen in 1988. (AA treats prior-year figures historically, meaning each year has its own set of exchange rates. Declines in the dollar can produce substantial volume growth among agencies with sizable operations outside the U.S.)

Of the top 50, 13 have Japanese roots. In 1987, nine Japanese agencies reached top 50 status.

Several had considerable upward mobility. Dai-Ichi Kikaku and Daiko Advertising each rose three notches to No. 22 and No. 23, respectively. Yomiko Advertising moved up two slots to No. 32. I&S Corp. and Asahi Advertising each jumped four positions to No. 29 and No. 35, respectively. Japanese newcomers include: No. 40 Chuo Senko Advertising, No. 41 Nihon Keizaisha, No. 47 Orikomi Advertising and No. 50 Man-Nen-Sha.

Considering Japanese agencies tend to have few operations outside their home country, the movement is noteworthy.

With a 4.3% increase in the franc's strength against the dollar, French agencies also benefited. The presence of the French also became more prominent due to the alliance between Chicago-based Foote, Cone & Belding Communications and France's Publicis, which created the No. 6 agency in the world.

Even those French agencies without major merger partners moved up. Roux Seguela Cayzac & Goudard jumped four slots to No. 18 and BDDP rose nine positions to No. 36. FCA! Group joined the top 50 list this year at No. 38.

U.K. agencies had less movement. While Saatchi & Saatchi Advertising Worldwide and WCRS Worldwide held firm in their '87 posts, Lowe Howard-Spink & Bell climbed two positions to No. 19. BMP Davidson Pearce made its first appearance on the list, placing at No. 45.

Asia/Pacific is emerging. Mojo MDA, set to be broken up by Chiat/Day and HDM in 1989, moved up to No. 34 in 1988 from No. 40. A South Korean agency, Korea First Advertising, broke into the top 50 at No. 43. Korea First lead the list for gross income growth, skyrocketing 95.7% in 1988.

Other newcomers to the list include: AC&R Advertising, New York, at No. 44; Baltimore-based W.B. Doner & Co. at No. 46; Admarketing Inc., Los Angeles, at No. 48 and New York-based Jordan, McGrath, Case & Taylor at No. 49.

More non-U.S.-based agencies among the top 50 means some U.S. agencies have been squeezed off the list. In 1987, 32 agencies with U.S. roots made the grade, compared with 27 in 1988.

For the first time this year independent subsidiaries, whose figures are part of the parent agency's totals, were left off the Top 50 chart. The new procedure eliminated agencies such as Saatchi & Saatchi Co.'s Campbell-Mithun, Dorland Worldwide, McCaffrey & McCall; Backer Spielvogel Bates' George Patterson Pty., WCRS Worldwide's Della Femina, McNamee WCRS, Lowe Howard-Spink & Bell's Laurence, Charles, Free & Lawson, BBDO Worldwide's Tracy-Locke and Doremus & Co., along with GGK.

Position changes of U.S. agencies were a mixed bag.

Of those improving their standing, McCann-Erickson Worldwide, with an established international network to take advantage of the weaker dollar, broke into the top 5 from No. 7 last year. Grey Advertising; Wells, Rich, Greene, and Ketchum Communications each pushed their standings up a notch to No. 12, No. 25 and No. 27, respectively. Hill, Holliday, Connors, Cosmopulos jumped to No. 39 from No. 47. Chiat/Day, which will surely move up in 1989 when its acquisition of Mojo is complete, moved up two spots to No. 37 in '88.

U.S. agencies taking a tumble included: Ogilvy & Mather Worldwide, to No. 7; BBDO Worldwide to No. 8; J. Walter Thompson Co. to No. 9; Lintas:Worldwide to No. 10; D'Arcy, Masius, Benton & Bowles to No. 13; Leo Burnett Co. to No. 14; DDB Needham Worldwide to No. 15; N W Ayer to No. 20; Bozell, Jacobs, Kenyon & Eckhardt to No. 21, and O&M Direct Response to No. 30. TBWA fell to No. 31.

Along with Dentsu, Y&R and Saatchi, those maintaining their 1987 positions include Backer Spielvogel Bates Worldwide at No. 4 and HDM, a joint venture among Y&R, Dentsu and France's Havas at No. 17. □

Top 50 agencies worldwide

Rank 1988	Rank 1987	Agency	Worldwide gross income 1988	Worldwide gross income 1987	Worldwide gross income % chg	Worldwide billings 1988	Worldwide billings 1987	Worldwide billings % chg
1	1	Dentsu Inc.[1]	$1,229	$885	38.9	$9,450	$6,775	39.5
2	2	Young & Rubicam	758	735	3.1	5,390	4,906	9.9
3	3	Saatchi & Saatchi Advertising Worldwide	740	685	8.0	5,035	4,548	10.7
4	4	Backer Spielvogel Bates Worldwide	690	601	14.8	4,678	4,069	15.0
5	7	McCann-Erickson Worldwide	657	513	28.1	4,381	3,418	28.2
6	NA	FCB-Publicis	653	518	26.1	4,358	3,458	26.0
7	6	Ogilvy & Mather Worldwide	635	564	12.6	4,110	3,664	12.2
8	5	BBDO Worldwide	586	550	6.5	4,051	3,753	7.9
9	8	J. Walter Thompson Co.	559	488	14.5	3,858	3,252	18.6
10	9	Lintas:Worldwide	538	418	28.7	3,586	2,787	28.7
11	10	Hakuhodo International[2]	522	383	36.3	3,939	2,897	36.0
12	13	Grey Advertising	433	369	17.3	2,886	2,463	17.2
13	11	D'Arcy Masius Benton & Bowles	429	371	15.6	3,361	2,727	23.2
14	12	Leo Burnett Co.	428	369	16.0	2,865	2,462	16.4
15	14	DDB Needham Worldwide	400	368	8.7	3,020	2,670	13.1
16	16	WCRS Worldwide[3]	290	240	20.8	2,029	1,675	21.1
17	17	HDM[4]	279	204	36.8	1,938	1,384	40.0
18	22	Roux, Seguela, Cayzac & Goudard[5]	210	116	81.0	1,527	830	84.0
19	21	Lowe, Howard-Spink & Bell[6]	197	149	32.2	1,316	1,036	27.0
20	19	N W Ayer	185	166	11.4	1,348	1,218	10.7
21	18	Bozell, Jacobs, Kenyon & Eckhardt	179	185	(3.2)	1,283	1,325	(3.2)
22	25	Dai-Ichi Kikaku	142	109	30.3	978	837	16.8
23	26	Daiko Advertising	140	107	30.8	1,127	880	28.1
24	24	Tokyu Advertising Agency	135	120	12.5	1,115	949	17.5
25	26	Wells, Rich, Greene	117	107	9.3	836	765	9.3
26	NA	Scali, McCabe, Sloves	107	93	15.1	771	653	18.1
27	28	Ketchum Communications	106	88	20.5	776	660	17.6
28	31	Asatsu Advertising	105	73	43.8	755	546	38.3
29	33	I&S Corp.[7]	97	66	47.0	691	540	28.0
30	29	Ogilvy & Mather Direct Response	97	84	15.5	647	560	15.5
31	30	TBWA	97	75	29.3	672	545	23.3
32	34	Yomiko Advertising	90	65	38.5	660	477	38.4
33	32	Ross Roy Group	85	71	19.7	568	475	19.6
34	40	Mojo MDA[8]	72	53	35.8	455	348	30.7
35	38	Asahi Advertising	71	54	31.5	440	340	29.4
36	45	BDDP Group[9]	69	45	53.3	462	298	55.0
37	39	Chiat/Day	65	53	22.6	520	350	48.6
38	NA	FCA! Group[10]	58	40	45.0	387	269	43.9
39	47	Hill, Holliday, Connors, Cosmopulos	50	43	16.3	335	290	15.5
40	NA	Chuo Senko Advertising	47	37	27.0	346	269	28.5
41	NA	Nihon Keizaisha	47	34	38.2	283	205	38.0
42	43	Lowe Marschalk	46	46	0.0	304	304	0.0
43	NA	Korea First Advertising	45	23	95.7	194	130	49.2
44	NA	AC&R Advertising	44	45	(2.2)	356	366	(2.7)
45	NA	BMP Davidson Pearce	43	29	48.3	300	196	51.5
46	NA	W.B. Doner	42	41	2.4	303	270	12.2
47	NA	Orikomi Advertising	41	30	36.7	420	312	34.6
48	NA	Admarketing Inc.	40	36	11.1	225	201	11.9
49	NA	Jordan, McGrath, Case & Taylor	39	38	2.6	300	280	7.1
50	NA	Man-Nen-Sha	36	29	24.1	493	413	19.4

Notes: Dollars are in millions. Composition of U.S. agencies reflecting worldwide figures for U.S. multinational agencies is given in the specific agency profiles elsewhere in this issue.

[1] **Dentsu Inc.:** Figures include Dentsu's equity in HDM as follows—40% for Asia, 35% for the U.S. and 20% for Europe. A 49% stake in ISL Marketing, Lucerne, Switzerland and 12 overseas offices. Additionally, Dentsu PROX, Dentsu Printing-Tokyo/Osaka, Dentsu Graphics Osaka, AD Dentsu Tokyo, Dentsu Cotec, Dentsu PR Center, Dentsu Research, Dentsu EYE, Dentsu Wunderman Direct and HDM K.K. and HDM-DSH K.K., both Tokyo.

[2] **Hakuhodo Inc.:** Includes 19 domestic offices, as well as offices in New York, Washington, Los Angeles, Malaysia, Singapore, Thailand, Hong Kong, Netherlands, Germany, France and Brazil.

[3] **WCRS Worldwide:** In the U.S., Della Femina McNamee WCRS, Heller Breene, Cohn & Wells, Creamer Dickson Basford and Corporate Graphics. WCRS Mathews Marcantonio, FCO and WCRS/dma, all three London. Belier WCRS France plus offices in Belgium, Netherlands, Italy and The Ball WCRS Partnership in Australia, Hong Kong, Malaysia, New Zealand, Singapore, Taiwan and Thailand.

[4] **HDM:** HDM (Havas, Dentsu, Marsteller) is an equal partnership (33 1/3%) between Young & Rubicam, Tokyo-based Dentsu and Havas Conseil, Paris.

[5] **Roux, Seguela, Cayzac & Goudard:** offices in Austria, Belgium, France (Paris and regional), Germany, Netherlands, Italy, Spain, Sweden, Switzerland, U.K. and Tatham, Laird & Kudner, Chicago. Also, RSCG Export in Africa, the Middle East, the French Caribbean; and The Creative Business International.

[6] **Lowe Howard-Spink & Bell:** Lowe International Australia, 8 offices in Europe, Canada and Lowe Marschalk (30%) and Lowe Tucker Metcalf (18%) in the U.S. Also, Allan Brady & Marsh, Laurence Charles Free & Lawson, Lowe Bell Communications.

[7] **I&S Corp.:** Formerly Dai-Ichi Advertising, Tokyo, which merged three years ago with SPN Co., a communications and sales promotion company of the Seibu Saison Group. Four offices in Tokyo, and Osaka, Nagoya, Sapporo, Sendai, Hiroshima, Kita-Kyushi, Fukuoka and Okinawa. Also New York and Paris.

[8] **Mojo MDA:** Four offices in Australia, the Mattingly and Marketing & Communications networks, plus offices in New Zealand, Hong Kong, Singapore, U.K. and San Francisco, Houston and New York. In January, 1989, Chiat/Day, Venice, Cal., acquired Mojo MDA, a deal which needs the approval of the Australian government. The group's second agency network, Mattingly, will be sold to a joint venture between HDM Worldwide and Mojo MDA Group directors.

[9] **BDDP Group:** Includes Benard & Du Payrat, Opera, nine regional agencies, offices in Belgium, Italy, Spain and the U.K. and 15 affiliated companies.

[10] **FCA! Group:** Includes Concurrence Moderne, Bernard Moors & Associes, four regional offices, 15 specialized agencies, and offices in six European countries.

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Foreign agency income report

Agency, city	Owner-ship	Gross income	% chg	Billings	% chg
Argentina	***Exchange rates: 0.132300/0.400000 Austral***				
J. Walter Thompson Argentina, Buenos Aires	MJ	9,422	NA	62,848	NA
David Ratto/BBDO , Buenos Aires	MN	5,652	NA	37,698	NA
Caseres Grey, Buenos Aires	ND	4,465	NA	29,782	NA
Gowland Publicidad, Buenos Aires	NA	4,290	NA	18,352	NA
Lautrec/Santchi & Saatchi, Buenos Aires	NE	4,017	NA	26,751	NA
Ricardo de Luca, Buenos Aires	NA	3,374	NA	22,491	NA
McCann-Erickson, Buenos Aires	MJ	2,616	NA	17,446	NA
Colonnese:Lintas Argentina, Buenos Aires	MJ	2,541	NA	16,946	NA
Leo Burnett Co. , Buenos Aires	MJ	2,088	NA	13,923	NA
Pragma/FCB Publicidade, Buenos Aires	MN	2,052	NA	13,752	NA
Pesce, Stroeckney, Dreyfuss Y&R, Buenos Aires	MN	1,458	NA	9,726	NA
Ayer Vasquez, Buenos Aires	MN	1,180	NA	6,686	NA
Footeaerrese, Caporre & Asociades, Buenos Aires	NA	640	NA	4,150	NA
Cicero/Ted Bates Publicidad, Buenos Aires	NE	630	NA	4,200	NA
Grafitti/DMB&B, Buenos Aires	MN	100	NA	556	NA

■ **Notes:** Ortiz, Scopesi y Cia , majority owned by Ogilvy & Mather, did not report figures. Lautrec/Saatchi & Saatchi Advertising non equity affiliation. Cicero/Ted Bates non equity affiliation. Graffiti/DMB&B 5% owned by DMB&B. Due to fluctuations in the Austral rate, AA did not compute percentage changes for 1988 and 1987 for gross income and billings.

Australia	***Exchange rates: 0.754700/0.694900 Australian dollar***				
George Patterson Pty., Sydney	MJ	60,376	36.3	392,444	32.9
Clemenger BBDO , Melbourne	MN	45,845	37.5	305,785	37.5
Mojo MDA, Sydney	MJ	29,974	24.4	187,340	24.4
DDB Needham, Sydney	MJ	24,544	27.6	158,487	33.4
Young & Rubicam Australia, Sydney	MJ	23,196	8.7	154,719	8.7
Mattingly, Sydney	MJ	16,932	48.4	105,829	50.0
McCann-Erickson, Sydney	MJ	16,269	8.3	108,514	8.3
Saatchi & Saatchi Advertising, Sydney	MJ	15,281	38.1	85,206	25.7
DMB&B, Sydney	MJ	14,089	2.6	98,811	7.1
Ogilvy & Mather, Melbourne	MJ	13,702	(14.9)	91,393	(14.9)
J. Walter Thompson Australia, Sydney	MJ	11,250	4.6	75,038	5.6
Foote, Cone & Belding, Sydney	MJ	10,325	32.9	68,869	32.9
Leo Burnett Ltd., Sydney	MJ	9,502	(0.8)	63,346	(0.8)
SSB Advertising, Sydney	MJ	9,021	6.6	56,603	7.0
Marketing & Communications, Sydney	MJ	8,501	55.2	53,131	55.2
Grey Australia, Sydney	MJ	6,040	20.0	40,288	20.0
Magnum Mackenzie & Carl, Sydney	NA	5,434	47.5	34,112	47.9
Connaghan & May Ayer, Sydney	MN	5,361	46.0	29,741	36.9
Bell WCRS Partnership, Sydney	MJ	5,119	24.9	28,836	26.2
Dancer Fitzgerald Sample Australia, Sydney	M	5,099	39.8	31,697	38.6
Kelly & Draft-Bond Intl., Sydney	MJ	5,090	NA	33,942	NA
Luscombe & Partners, Melbourne/Sydney	NA	3,126	40.0	16,758	44.8
Hertz Walpole, Sydney	MN	2,819	20.2	18,794	20.2
Scali, McCabe, Sloves, Melbourne	MJ	1,631	73.6	8,267	69.7
FCB/Harding, Adelaide	MJ	1,026	NA	6,846	NA
FCB/Shorter, Perth	MN	738	43.1	4,923	43.1
Kelly Gee Harvie HRC Advertising, Fortitude Valley	MN	647	142.2	3,932	232.2
Kestell, McManis & Thompson, Perth	MN	387	32.7	2,582	32.7

■ **Note:** Mojo MDA includes offices in San Francisco, Houston, New York, Auckland, London, Singapore and Hong Kong. Also, the Mattingly and Marketing Communications networks are part of Mojo. In January 1989, Chiat/Day, Venice, Calif. acquired Mojo and a decision by the Australian government is expected soon. Kestell, McManis & Thompson 25% owned by J. Walter Thompson Co. Kelly Gee Harvie 15.89% owned by BBDO Worldwide. Kobs & Draft—Bond International part of Backer Spielvogel Bates. Dancer Fitzgerald Sample was acquired by Saatchi & Saatchi Advertising. Hertz Walpole 48% owned by Lowe Howard-Spink & Bell. Luscombe & Partners gross income figures for both years are agency estimates.

Austria	***Exchange rates: 0.081490/0.076500 Schilling***				
GGK, Vienna/Salzburg	MJ	8,516	23.3	56,799	7.4
Demner & Merlicek, Vienna	NA	7,505	21.3	50,059	21.3
Lintas:Austria, Vienna	MJ	6,889	11.9	45,952	11.9
Werbeagentur Wirz, Vienna	MN	6,764	17.9	45,114	17.9
McCann-Erickson, Vienna	MJ	5,123	13.6	34,172	13.6
Ogilvy & Mather, Vienna	MJ	5,085	30.9	33,915	30.9
Bio Sicker, Vienna	NE	4,726	37.3	35,285	37.3
Grey Austria, Vienna	MJ	4,204	30.8	28,041	30.8
Young & Rubicam, Vienna	MJ	3,667	36.2	24,458	36.2
IMMS Werbeagentur, Linz	NA	3,317	11.7	22,084	8.9
Team/BBDO, Vienna	MJ	3,121	10.1	20,813	10.1
HDM Dorland, Vienna	MN	3,113	34.7	21,187	42.8
Dr. Pulkner & Ted Bates, Vienna		2,502	13.9	19,574	14.5

Gross income and billings figures are U.S. dollars in thousands.

Agency, city	Owner-ship	Gross income	% chg	Billings	% chg
R.W. Eggert, Vienna	MJ	2,502	16.4	16,657	16.4
DMB&B, Vienna	MJ	1,946	18.1	13,772	24.1
RSCG-Jasch & Schramm, Vienna	MJ	1,862	(7.1)	12,349	(2.8)
Publicis Wien, Vienna	MJ	1,638	15.1	15,972	19.3
Publicitas, Vienna	NE	1,508	8.3	8,149	(43.9)
J. Walter Thompson Co., Vienna	MJ	1,375	(15.3)	8,817	(28.3)
Achatz/FCB, Vienna	MN	1,100	2.7	7,338	2.7
DDB Needham, Vienna	MJ	809	4.4	4,443	(23.6)
Conquest Europe , Vienna	MJ	198	421.7	1,323	421.7
Campbell Ewald, Vienna	MJ	37	11.2	245	11.2

■ **Notes:** Publicitas non-equity affiliation with Bozell, Jacobs, Kenyon & Eckhardt. Ogilvy & Mather includes figures for O&M Direkt and O&M Public Relations.

Bahrain	***Exchange rates: 2.640000/2.650000 Dinar***				
Fortune Promoseven, Manama	NE	8,005	68.0	53,368	68.0
Radius Advertising, Manama	NE	1,370	19.4	9,134	19.4

■ **Notes:** Fortune Promoseven Network offices in Saudi Arabia, Kuwait, Dubai, Egypt, Lebanon, U.K. and France. Gross income figures for both years AA estimates. Radius Advertising non-equity affiliation with Leo Burnett Co.

Barbados	***Exchange rates: 0.049890/0.513300 Barbados dollar***				
Smith & Oxley Advertising, St. Michael	NA	57	(88.0)	232	(88.7)
Lonsdale/Saatchi & Saatchi, St. Michaels	ND	55	NA	352	NA
Belgium	***Exchange rates: 0.027490/0.026000 Belgian franc***				
Bates International Belgium, Brussels	MJ	13,822	32.3	75,566	33.0
McCann-Erickson Belgium, Brussels	MJ	12,956	20.5	86,416	20.5
HHD Ogilvy & Mather, Brussels	MJ	11,797	20.3	NA	NA
DMB&B, Brussels	MJ	11,235	21.3	74,940	5.3
HDM Belgium, Brussels	MJ	8,934	12.7	59,598	12.6
Lowe Troost , Brussels	MJ	7,824	39.0	52,159	39.0
Lintas:Brussels, Brussels	MJ	7,690	8.8	51,290	8.8
Partner-J. Walter Thompson Co., Brussels	MJ	7,620	(19.4)	50,828	(19.4)
Young & Rubicam, Brussels	MJ	7,106	41.0	47,399	41.0
Grey , Brussels	MJ	5,560	78.2	37,084	78.2
DDB Needham, Brussels	MJ	5,471	36.0	37,634	35.0
Publicis, Brussels	MJ	5,104	38.7	34,046	38.7
Leo Burnett-Belgium, Brussels	MJ	4,989	39.8	33,262	39.8
VVL/BBDO, Brussels	MJ	4,503	(8.4)	30,036	(8.4)
Impact FCB Belgium, Brussels	MJ	4,225	(3.0)	28,183	(3.0)
Garbarski RSCG, Brussels	MJ	4,206	10.0	34,643	26.3
LVH Alliance, Brussels	MJ	3,998	28.2	26,665	28.2
TBWA, Brussels	MJ	2,886	26.6	19,243	26.5
Moors Bronselaer , Brussels	MJ	1,905	41.3	12,709	43.4
Saatchi & Saatchi/FDBP, Zaventem	MJ	1,649	NA	10,996	NA
M&CW, Brussels	MJ	1,467	(24.8)	9,782	(24.8)
Media Team, Brussels	MJ	1,428	57.9	9,528	58.0
Katte Empain Beller WCRS, Brussels	MJ	1,100	41.0	7,334	41.0
Gelderinterpartners , Brussels	NA	1,031	26.4	6,873	26.5
Morael & Partners, Antwerp	MJ	1,019	11.1	6,797	11.1
Accent, Brussels	NA	1,018	9.7	1,282	14.9
KPR, Brussels	MJ	889	109.5	5,400	50.2
BDDP/Booster , Brussels	MJ	805	199.6	5,368	199.6
MarkCom S.A., Brussels	NA	667	(14.0)	5,513	(0.5)
Conquest Europe, Brussels	MJ	287	NA	1,917	NA

■ **Notes:** M&CW, majority owned by BJK&E, changed its name to WBBozell. Young & Rubicam Belgium includes figures for Wunderman, Cato-Johnson and Burson-Marsteller. Moors Bronselaer and Morael & Partners both 52% owned by BBDO Worldwide. Media Team 55% owned by BBDO. McCann-Erickson includes figure for Universal Media. HDM Belgium includes figures for HDM Dechy, HDM Dechy International and GRPO Forum. Kallir, Philips, Ross majority owned by Omnicom. HHD Ogilvy & Mather does not report billings.

Bermuda	***Exchange rates: 1.000000/1.000000 Bermuda dollar***				
Advertising Associates Compton, Hamilton	NE	1,642	32.3	10,947	32.8
Brazil	***Exchange rates: 0.000250/0.025500 Cruzado***				
MPM Propaganda, Sao Paulo	NA	101,069	NA	317,788	NA
Salles/Inter-Americana, Sao Paulo	NA	88,906	NA	436,281	NA
Dualibi Petit Zaragoza Propaganda, Sao Paulo	NA	56,539	NA	226,215	NA
Standard, Ogilvy & Mather, Sao Paulo	MJ	45,031	NA	162,799	NA
Alcantara Machado,Periscinoto/BBDO, Sao Paulo	MN	37,781	NA	121,075	NA
J. Walter Thompson Publicidade, Sao Paulo	MJ	36,236	NA	241,693	NA
Fischer, Justus, Young & Rubicam, Sao Paulo	MJ	35,260	NA	235,184	NA
Norton Publicidade, Sao Paulo	NE	34,238	NA	136,950	NA
Lintas:Brasil , Sao Paulo	MJ	28,477	NA	189,941	NA
Leo Burnett Publicidade, Sao Paulo	MJ	23,402	NA	156,024	NA
CBBA/Propeg, Sao Paulo	MJ	21,033	NA	84,130	NA
W/GGK, Sao Paulo	MJ	20,284	NA	135,292	NA
SSB Publicidade , Rio de Janeiro	NE	13,200	NA	55,401	NA

Agency, city	Owner-ship	Gross income	% chg	Billings	% chg
FCB/Siboney Publicidade, Sao Paulo	MJ	9,812	NA	65,449	NA
Denison Propaganda, Sao Paulo	NE	6,155	NA	26,400	NA
Promo, Ogilvy & Mather, Sao Paulo	MJ	5,831	NA	22,092	NA
GTM&C , Sao Paulo	MJ	5,663	NA	32,586	NA
Direct, Ogilvy & Mather, Sao Paulo	MJ	2,160	NA	6,800	NA
Futura/Scali, McCabe, Sloves, Sao Paulo	MJ	1,744	NA	6,823	NA
McCann-Erickson, Sao Paulo	MJ	41	NA	274	NA

■ **Notes:** Denison Propaganda affiliated with Backer Spielvogel Bates. McCann-Erickson Brazil also includes figures for Interpublic Publicidade. CBBA/Propeg 100% owned by J. Walter Thompson Co. Fischer, Justus Young & Rubicam includes Cato-Johnson and Burson-Marsteller. Brazilian agencies submitting figures for this report used ADVERTISING Age's exchange rate of 0.00025, which covered the period November 1987-October 1988. However, a major devaluation of the currency beginning in January 1988 resulted in a much lower calendar '88 exchange rate of 0.00260, and it is still moving. The 0.00025 rate was used to convert local currency in this chart. The original AA rate was retained when a Brazilian agency's report was consolidated with a multinational agency, but when Brazilian agencies were considered for the ranking of the top 50 agencies worldwide, the 0.00260 rate was applied to local currency. Also, due to the fluctuations in the Cruzado rate, AA did not compute percentage changes for 1988 and 1987 for gross income and billings.

Britain	***Exchange rates: 1.771700/1.576400 Pound***				
Saatchi & Saatchi Advertising, London	MJ	138,884	21.3	1,070,107	40.2
Ogilvy Group, London	MJ	83,184	29.7	540,529	30.4
Grey Communications Group, London	MJ	72,108	31.1	480,962	31.1
BSB Dorland, London	MJ	69,488	7.2	463,253	4.3
Young & Rubicam Holdings , London	MJ	67,326	44.5	449,048	44.5
J. Walter Thompson Co., London	MJ	64,609	12.3	514,147	34.0
DMB&B, London	MJ	60,675	30.2	427,109	38.9
Charles Barker Group, London	MN	59,598	13.7	397,522	14.3
McCann-Erickson U.K., London	MJ	57,704	11.4	384,891	11.4
BMP Davidson Pearce, London	NA	43,407	50.5	299,594	51.0
Lowe Howard-Spink, London	MJ	42,255	48.3	281,700	48.3
WCRS Mathews Marcantonio, London	MJ	32,245	43.5	214,907	43.5
Collett Dickenson Pearce, London	NA	31,891	33.5	216,147	35.8
KHBB, London	MJ	24,315	20.9	162,111	25.8
Leo Burnett Ltd., London	MJ	23,996	31.8	159,985	31.8
Abbott Mead Vickers, SMS, London	NE	23,644	37.4	177,625	35.2
Publicis, London	MJ	22,882	38.0	152,543	38.0
Allen Brady & Marsh, London	MJ	22,483	29.4	149,886	29.4
Alliance U.K. , London	MJ	21,438	31.8	137,984	27.2
Lintas:U.K., London	MJ	20,029	1.8	133,594	1.8
Gold Greenlees Trott, London	NA	19,653	56.8	142,622	57.3
Austin Knight, London	NA	19,134	39.5	127,562	39.5
DDB Needham , London	MJ	19,120	0.7	131,992	13.9
Bartle Bogle Hegarty, London	NA	19,001	33.9	126,677	33.9
Lowe Bell Communications, London	MJ	18,603	40.5	124,023	40.5
Yellowhammer Advertising, London	NA	17,380	40.3	115,869	40.3
HDM Horner Collis & Kirvan, London	MJ	14,138	66.4	108,782	68.7
ARC Advertising , London	NA	13,819	54.6	92,128	54.6
Foote, Cone & Belding, London	MJ	12,916	(6.5)	86,153	(6.5)
Watson Ward Albert Varndell, London	NA	12,623	68.4	84,156	68.4
Still Price Court Twivy D'Souza, London	NA	12,145	122.3	80,967	122.3
Geers Gross , London	NA	11,268	8.3	75,120	8.3
Cogent Elliott, London	NA	10,630	18.3	70,868	18.3
Colman RSCG, London	MJ	9,922	24.9	89,294	28.0
Slaymaker Cowley White/Bozell, London	MN	9,379	49.7	62,010	48.4
Ayer Barker, London	MN	9,337	8.8	59,469	(4.3)
Chetwynd Haddons, London	NA	9,264	4.1	61,761	4.1
TBWA, London	MJ	9,216	22.3	61,478	22.3
GGK, London	MJ	8,500	56.3	56,684	56.3
Bowden Dyble Hayes & Partners, London	NA	8,385	2.3	55,897	2.3
BDDO, London	MJ	8,383	27.5	55,884	27.5
Leagas Delaney, London	NA	7,707	67.1	51,379	67.1
Connell May & Stevenson, London	NA	7,574	33.5	50,493	33.5
Cromer Titterton, London	NA	7,508	36.6	50,051	36.6
Valin Pollen, London	NA	7,317	44.2	37,649	24.4
LansdownEuro , London	MJ	6,732	29.4	62,010	78.8
Delaney Fletcher Delaney, London	NA	6,644	47.9	44,293	47.9
Dewe Rogerson, London	NA	6,210	(14.7)	114,390	(4.4)
BDDP/Waldron Allen Henry Thompson, London	MJ	5,669	41.6	38,056	42.6
Butterfield Day Devito Hockney, London	NA	5,142	137.8	34,282	137.7
FCO , London	MJ	4,961	43.0	53,151	34.9
WCRS/dma, London	MJ	4,252	929.5	13,819	NA
Garratt Baulcombe Associates, Nottingham	MJ	3,397	10.4	22,660	10.4
Paling Ellis/KPR , London	MJ	3,047	41.2	20,098	39.4
Mallett McCormick , London	MJ	2,932	18.1	19,558	18.1

Compiled by Ilse Cermak.

Agency, city	Owner-ship	Gross income	% chg	Billings	% chg
Kobs & Draft-Dorland Direct, London	MJ	1,419	NA	9,467	NA
Mojo Britain, London	MJ	1,056	385.4	7,039	385.3
FCB Direct, London	MJ	850	NA	5,669	NA
First City/BBDO , London	MN	269	NA	1,797	NA

Notes: Saatchi & Saatchi Advertising figures include Harrison Cowley, RPG Acme, SPA and Halls Collett Dickenson Pearce, Bartle Bogle Hegarty, Yellowhammer Advertising, Cogent Elliott, Chetwynd Haddons, Arc Advertising, Connell May & Steavenson, Still Price Court Twivy D'Souza, Leagas Delaney, Geers Gross, Bowden Dyble Hayes & Partners, Austin Knight, Watson Ward Albert Harndell and Cromer Titterton figures for both years are AA estimates. Garratt Baulcombe Associates 100% owned by Foote, Cone & Belding. Mallett McCormick part of the Publicis-FCB Communication Group. LansdownEuro majority owned by J. Walter Thompson Co. Grey Communications includes Grey U.K., Newton & Godin and Taylor Partnership with offices in London, Leicester and Manchester. McCann-Erickson U.K. includes Harrison Advertising, Advertising Ltd., Photo-Video, Intercompany Administrative & Computing Services, Direct, M-E Communications, M-E Royds, EPIC, Consultancy, Sales Desk and Scotland BDF. Charles Barker Group N.W. Ayer holds 12.7% equity. Paling Ellis/KPR 100% owned by Omnicom. Alliance U.K. combines ASL Alliance, St. James Alliance and WBH Alliance. Allen Brady & Marsh 100% owned by Lowe Howard-Spink & Bell. Young & Rubicam includes data for Wunderman, Cato-Johnson, Sudler & Hennessey and Burson-Marsteller.

Cameroon	***Exchange rates: 0.003300/0.003300 Central African franc***				
Lintas:Cameroon, Douala	MN	525	10.0	3,503	10.0
Canada	***Exchange rates: 0.802300/0.747500 Canadian dollar***				
Young & Rubicam, Toronto	MJ	23,686	30.0	157,979	30.0
MacLaren Advertising, Toronto	MJ	21,945	19.8	146,368	19.1
J. Walter Thompson Co., Toronto	MJ	21,137	10.4	140,981	10.4
Cossette Communication-Marketing, Toronto	NA	21,014	50.9	136,642	51.1
McCann-Erickson , Toronto	MJ	17,115	56.2	114,156	56.2
The BCP Group, Montreal	NA	16,848	17.4	112,322	17.4
Baker Lovick, Toronto	MN	16,426	28.6	109,561	28.6
Grey Canada, Toronto	MJ	16,324	20.7	108,879	20.7
FCB/Ronalds-Reynolds, Toronto	MJ	13,839	44.8	92,308	44.8
Ogilvy & Mather , Toronto	MJ	13,377	4.7	89,226	4.7
Leo Burnett Co., Toronto	MJ	12,181	11.1	81,207	11.1
Saatchi & Saatchi Compton Hayhurst, Toronto	MJ	11,312	15.6	90,660	16.6
Backer Spielvogel Bates Canada, Toronto	MJ	10,751	15.3	95,928	36.5
Scali, McCabe, Sloves (Canada), Toronto	MJ	9,082	73.4	44,559	52.8
DMB&B, Toronto	MJ	8,536	13.1	69,127	30.6
SMW Advertising, Toronto	NA	7,221	28.8	48,138	28.8
Lintas:Canada, Toronto	MJ	4,459	20.0	29,743	20.0
Kelley Advertising, Hamilton	JV	4,040	11.9	26,930	13.6
DDB Needham, Toronto	MJ	3,902	(3.2)	27,679	6.7
Kert Advertising , Toronto	NA	3,332	9.3	25,465	10.8
Enterprise Advertising, Toronto	MJ	3,209	45.1	21,405	45.1
Lowe Canada/Deacon Day, Toronto	MJ	1,745	(20.2)	11,633	(20.2)
Grant Teady, Toronto	MN	1,424	(42.6)	9,496	(42.6)
BBDO Retail Canada , Toronto	MN	1,422	108.8	9,483	108.8
Bozell, Jacobs, Kenyon & Eckhardt, Toronto	MJ	752	7.8	5,010	7.7
Raymond Lee & Associates, Toronto	NA	329	14.8	2,194	14.8
Kobe & Draft , Toronto	MJ	240	NA	1,585	NA
Publicite Pinnacle, Montreal	NA	116	(14.1)	770	(14.1)

Notes: Bozell, Jacobs, Kenyon & Eckhardt gross income figures for both years AA estimates. Enterprise Advertising 100% owned by J. Walter Thompson Co. Baker Lovick 49% owned by BBDO Worldwide. Kobs & Draft-Canada part of Backer Spielvogel Bates. Young & Rubicam includes data for Wunderman and Burson-Marsteller. McCann-Erickson figures include data for the last three month of 1988 for Foster Advertising, Toronto, which was bought by M-E in October. No information available for the first nine months for Foster. MacLaren Advertising 100% owned by Interpublic Group of Cos.

Chile	***Exchange rates: 0.004100/0.004300 Peso***				
J. Walter Thompson Chilena, Santiago	MJ	2,968	6.5	19,787	11.7
McCann-Erickson, Santiago	MJ	2,308	30.6	15,396	30.6
BBDO/Chile, Santiago	MN	2,045	27.3	13,642	27.3
A.M.W. de Publicidad , Santiago	MN	1,512	32.7	10,080	32.7
Quiroz Chile, Santiago		1,351	33.7	9,514	34.3
Lintas Chile, Santiago	MJ	1,351	25.5	9,012	25.5
Hermosilla & Asociados , Santiago	MN	1,292	33.5	8,610	33.5
Grey Chile, Santiago	MN	1,025	65.3	6,837	65.3
Israel & De Bianchi , Santiago	NE	934	63.1	6,230	63.2
Leo Burnett-Chile, Santiago	MJ	706	48.0	4,705	48.0
Young & Rubicam de Chile, Santiago	MJ	604	11.4	40	16.8
Hermosilla, Zegers, Santiago	MN	594	45.0	3,961	45.0
Prologo/BJK&E , Santiago	NE	202	181.1	1,349	181.1
Vex Publicida, Santiago	NA	94	123.8	762	88.4

Notes: BBDO/Chile formerly Publian/BBDO. Hermosilla, Zegers 16% owned by BBDO Worldwide. A.M.W. 20% owned by J. Walter Thompson Co. Prologo/BJK&E non-equity affiliation.

China	***Exchange rates: 0.272700/0.270300 Renmibi***				
McCann-Erickson Jardine China, Beijing	MJ	1,175	55.6	7,838	55.6
HDM-DYR, Beijing	MJ	323	55.2	2,154	55.2

Agency, city	Owner-ship	Gross income	% chg	Billings	% chg
Colombia	***Exchange rates: 0.003500/0.004400 Peso***				
Propaganda Sancho, Bogota	NE	3,332	2.7	15,658	14.0
McCann-Erickson, Bogota	MJ	2,499	27.9	16,668	27.9
Atlas Publicidad, Bogota	NE	2,155	(2.3)	14,372	(2.3)
Leo Burnett-Colombia, Bogota	MJ	2,004	(11.4)	13,362	(11.4)
G. Meza & Ted Bates, Bogota	NE	1,684	15.6	11,230	15.6
Atenas/BBDO, Bogota	NE	1,625	3.4	10,833	1.4
FCB/Puma , Bogota	MJ	1,616	377.5	10,776	377.5
Jaime Uribe & Asociados, Medellin	NE	1,103	(5.5)	7,350	(5.5)
Lintas:Colombia, Bogota	MJ	262	NA	1,746	NA

Notes: Propaganda Sancho non equity affiliation with Saatchi & Saatchi Advertising. Atlas Publicidad non equity affiliation with J. Walter Thompson Co. Jaime Uribe gross income for both years AA estimate.

Costa Rica	***Exchange rates: 0.014450/0.016300 Colon***				
Alberto H. Garnier, San Jose	NE	1,828	2.6	12,193	2.6
McCann-Erickson Centroamericana, San Jose	MJ	1,058	(4.3)	7,060	(4.3)
FCB/Siboney, San Jose	MJ	502	(10.4)	3,350	(10.4)
APCU Costa Rica, San Jose	MN	405	32.0	2,699	32.0
Publicidad Comercial, San Jose	MN	78	NA	518	NA

Notes: Alberto Garnier financial year Oct. '87 Sept. '88 and Oct. '86 Sept. '87. Non equity affiliation with BBDO Worldwide. Publicidad Comercial 30% held by Leo Burnett Co.

Cyprus	***Exchange rates: 2.232000/2.070000 Pound***				
Impact/BBDO International, Nicosia	MN	5,580	28.4	46,872	33.2

Notes: Impact BBDO, 44% held by BBDO Worldwide, has offices in Lebanon, Egypt, Saudi Arabia, United Arab Emirates and Kuwait.

Denmark	***Exchange rates: 0.149600/0.142100 kroner***				
Ted Bates Holding, Copenhagen	MJ	17,386	14.3	120,557	12.4
Team/BBDO Group Denmark, Copenhagen	MN	9,360	31.4	62,431	31.4
scan-ad reklamebureau, Aarhus	NA	8,662	17.0	57,775	17.0
Young & Rubicam Copenhagen, Copenhagen	MJ	7,786	12.9	51,929	12.9
Grey, Copenhagen/Aarhus	MJ	5,212	24.1	34,762	24.1
Lyre & Valbo Reklamebureau, Copenhagen	NA	5,106	16.2	34,059	16.2
Ogilvy & Mather , Copenhagen	MJ	4,818	8.5	30,215	29.1
Norgard Mikkelsen , Odense	MJ	4,754	13.0	28,542	9.9
Lintas:Denmark, Copenhagen	MJ	4,709	(20.8)	31,412	(20.8)
NP/3 Marketing, Aarhus	NA	4,165	44.2	27,778	44.2
Pro Reklame/Marketing, Copenhagen	NA	3,938	24.2	26,006	23.0
Gutenberghus Reklamebureau, Copenhagen	NA	3,771	(10.2)	27,159	(7.3)
McCann-Erickson, Copenhagen	MJ	2,933	4.9	19,566	4.9
Leo Burnett-Denmark , Copenhagen	MJ	2,910	32.9	19,402	32.9
FCB/Hiort, Stenius & Walter, Copenhagen	MN	2,609	NA	17,403	NA
Dyppel Advertising, Copenhagen	NA	2,053	29.6	7,198	21.0
Berg & Lyhne, Copenhagen	NA	1,955	13.7	6,325	15.1
DMB&B, Copenhagen	MJ	1,784	(2.9)	15,260	7.5
DMB&B Ipsen & Parmo, Copenhagen	MJ	1,375	7.5	10,574	10.9
J. Walter Thompson Co., Copenhagen	MJ	1,150	(25.9)	7,668	(25.9)
Createam, Frederiksberg	NE	628	94.6	4,189	94.6
Saatchi & Saatchi Advertising, Copenhagen	MJ	588	3.5	3,919	2.9

Notes: Young & Rubicam includes figures for Wunderman, Cato-Johnson and Burson-Marsteller. Team/BBDO Group Denmark, 25% held by BBDO Worldwide, includes Henriksen & Sieling/BBDO, Nielsen, Mikkelsen & Duus, Sorensen, Selig & Guldmann and BBDO Business Communications. Createam, non equity affiliation with BJK&E, shows AA gross income estimates for both years.

Dominican Republic	***Exchange rates: 0.199800/1.000000 Peso***				
Young & Rubicam Damaris , Santo Domingo	MJ	1,851	(72.2)	12,346	(72.2)
McCann-Erickson Dominicana, Santo Domingo	MJ	669	(70.6)	4,464	(70.6)
FCB/Siboney, Santo Domingo	MJ	476	(68.0)	3,178	(68.0)
Leo Burnett Co., Santo Domingo	MJ	410	(70.9)	2,732	(70.9)
Cumbre/Saatchi & Saatchi, Santo Domingo	NE	290	NA	1,319	NA
Ecuador	***Exchange rates: 0.002770/0.006072 Sucre***				
Norlop-Thompson/Ecuador, Guayaquil	MN	1,023	(41.4)	6,822	(41.4)
Veritas Publicitaria, Guayaquil/Quito	NE	989	(29.3)	6,594	(12.7)
McCann-Erickson, Guayaquil	MJ	951	(24.7)	6,345	(24.7)
FCB-Artefilme, Guayaquil	MJ	322	(13.2)	2,150	(13.2)

Notes: Veritas Publicitaria non equity affiliation with Ogilvy & Mather. Norlop-Thompson/Ecuador 20% held by J. Walter Thompson Co. Andina/BBDO did not supply figures.

Egypt	***Exchange rates: 0.443000/0.583700 Pound***				
Advertising & Marketing Associates, Cairo	NE	136	(23.6)	909	(23.6)
El Salvador	***Exchange rates: 0.188900/0.192500 Colon***				
McCann-Erickson Centroamericana, San Salvador	MJ	548	23.0	3,657	23.0
APCU El Salvador , San Salvador	MN	510	10.6	3,402	10.6

Agency, city	Owner-ship	Gross income	% chg	Billings	% chg
Comunicart, San Salvador	NA	434	12.8	1,511	6.1
Finland	***Exchange rates: 0.239000/0.220900 Markka***				
McCann-Erickson Finland, Helsinki	MJ	11,445	33.8	76,339	33.8
Finnad-Bates Advertising, Helsinki	ND	10,549	42.4	70,358	42.6
Sek & Grey Oy, Helsinki	MJ	10,038	9.9	66,953	9.9
Oy Liikemainonta-McCann, Helsinki	MJ	9,817	8.9	65,476	8.9
Markkinointi Viherjuuri Oy, Helsinki	NA	7,768	7.8	51,003	8.5
Mainosyhtyma Oy, Helsinki	NA	6,357	(5.6)	42,404	(5.6)
Erva-Latvala Oy, Helsinki	NA	5,625	0.3	37,518	0.3
Taucher Y&R, Helsinki	MN	5,096	NA	33,899	NA
Turkama & Kumppanit Oy, Helsinki	NA	5,055	(5.2)	33,716	(5.2)
Mainostoimisto MAS Oy, Helsinki	NA	4,905	(9.9)	32,715	(9.9)
Lintas Oy, Helsinki	MJ	4,676	12.6	31,187	12.6
Juniormainos Oy , Helsinki	NA	3,660	24.6	24,411	24.6
Oy Adsek , Tampere	NA	3,223	17.3	21,500	16.9
Asanti Konttinen Torkler Oy, Helsinki	MN	3,203	30.1	21,366	30.1
Ogilvy & Mather Oy , Helsinki	MJ	3,084	9.3	23,509	6.0
MK-mainos Oy , Helsinki	NA	3,078	4.9	20,528	4.9
Kauppamainos Oy, Helsinki	NE	2,966	33.0	19,783	33.0
Tehomainos-JWT Oy, Helsinki	MN	2,964	12.6	19,767	12.6
Markkinointi Topitorma Oy, Helsinki	NA	2,940	16.8	20,404	14.4
Alliance Oy, Helsinki	MN	2,868	8.2	19,130	8.2
Interplan, Helsinki	NE	2,868	15.8	19,130	15.8
Oy Interplan, Helsinki	NE	2,844	6.2	18,970	6.2
Mainostoimisto Konsepti Oy, Helsinki	NA	2,749	13.0	18,332	13.0
Oy Ilmo , Helsinki	NA	2,605	(18.2)	17,376	(18.2)
Oy Valotorni , Helsinki	NA	2,247	3.3	14,985	3.3
Markkinointiryhma Oy, Helsinki	NA	245	5.2	14,972	5.2
USP Helsinki Oy, Helsinki	NA	2,073	20.5	13,829	20.5
Mainostoimisto LSM Oy, Turku	NA	2,050	30.5	13,671	30.5
Mainoskentta Oy, Tampere	NA	1,960	3.8	13,073	3.9
Creator Oy, Helsinki	NA	1,888	(11.0)	12,593	(11.0)
Mainostoimisto U&M, Helsinki	NA	1,840	(0.8)	12,373	(0.0)
Mainostoimisto Womena Oy, Helsinki	MJ	1,816	10.2	12,110	10.2
DMB&B Finland, Helsinki	MJ	1,722	38.0	11,476	38.0
Adax-mainos Oy , Turku	NA	1,698	5.6	11,325	5.6
Lintas:Make Direct, Helsinki	MJ	1,602	17.0	10,686	17.0
Oy Mainostoimisto Byroo, Helsinki	NA	1,554	33.7	10,362	33.7
Tampereen Taucher Oy, Tampere	NA	1,545	8.3	10,307	8.3
Reklamainos Oy, Helsinki	NA	1,403	22.3	9,357	22.3
A-mainos Oy , Tampere	NA	1,393	7.8	9,292	18.2
USP Turku Oy , Turku	NA	1,261	(5.2)	8,541	(5.2)
Mainos Lehmus Oy , Tampere	NA	1,267	(3.6)	8,449	(3.6)
VSOP Oy , Tampere	NA	1,243	30.7	8,289	30.7
Markkinamainos Oy , Helsinki	NA	1,240	22.0	8,270	22.0
Oulun Taucher Oy , Oulu	NA	1,200	17.6	8,004	17.6
Mainostoimisto Rubiini , Helsinki	NA	1,169	37.2	7,997	40.7
Oy Preesens , Helsinki	NA	1,156	40.1	7,710	40.1
Mainosforum Oy , Helsinki	NA	1,030	55.1	6,868	55.1
Avant/BBDO , Helsinki	MN	1,009	27.0	3,241	22.3
Lahden Taucher Oy , Lahti	NA	900	29.4	6,000	2[illegible]4
J&C Advertising , Helsinki	NE	634	18.3	2,195	66.7
Mainostoimisto Remes & Kumppanit , Helsinki	NA	563	(15.8)	3,757	(15.8)
Mainostoimisto Hast Pasanen Vormala, Helsinki	NA	553	(5.6)	3,686	(5.6)
Apricot Oy , Helsinki	NA	541	NA	3,608	NA
Oy Mainos Up , Helsinki	NA	422	(50.3)	2,812	(50.3)
Liikekonsultit Oy , Helsinki	NA	360	2.8	2,401	2.8
Mainos Kunnas Oy , Helsinki	NA	263	(8.3)	1,754	(8.3)
Ajans Mainos Oy , Helsinki	NA	194	4.9	1,291	4.9
Mainos H&K Oy , Oulu	NA	55	(12.8)	369	(12.8)

Notes: Interplan non equity affiliation with Saatchi & Saatchi Advertising. McCann-Erickson Finland includes figures for Oy Liikemainonta McCann and Womena. Both are also listed separately. Asanti Konttinen Torkler 20% held by BBDO Worldwide. Taucher Y&R 10% held by Y&R. Avant/BBDO 1987 figures AA estimates. J&C Advertising non equity affiliation with N.W. Ayer. Young & Rubicam includes data for Wunderman.

France	***Exchange rates: 0.169100/0.162200 franc***				
Publicis Conseil, Paris	MJ	125,134	22.3	834,678	24.9
RSCG France , Paris	MJ	106,533	57.2	710,220	56.4
HDM France, Paris	MJ	95,711	60.3	638,390	60.3
Belier WCRS, Paris	MJ	89,630	31.6	629,716	38.6
BDDP Group, Paris	NA	69,331	55.4	462,489	55.4

Gross income and billings figures are U.S. dollars in thousands.
Compiled by Ilse Cermak.

Agency, city	Owner-ship	Gross income	% chg	Billings	% chg
Young & Rubicam France, Paris	MJ	55,101	67.4	367,542	67.4
Lintas:Paris, Paris	MJ	40,124	20.1	267,626	20.1
Univas, Paris	MJ	36,526	11.5	243,673	11.3
Saatchi & Saatchi Advertising, Paris	MJ	30,827	15.2	205,507	14.9
DDB Needham, Paris	MJ	30,366	38.0	169,100	(16.6)
Synergie Polaris BJK&E, Paris	JV	25,365	13.3	186,010	9.2
Ogilvy & Mather France, Paris	MJ	23,167	32.2	154,557	32.3
McCann-Erickson France, Paris	MJ	18,917	12.4	126,176	12.4
MGT8 Ayer, Paris	MN	18,432	16.0	120,061	13.9
Grey, Paris	MJ	17,992	51.5	120,004	51.5
CFP Alliance, Paris	MJ	15,557	7.8	103,767	7.8
FCB S.A., Paris	MJ	15,253	(0.4)	101,736	(0.4)
TBWA, Paris	MJ	15,219	13.7	101,460	13.7
CLM/BBDO , Paris	MJ	14,407	38.4	96,100	38.4
Ted Bates, Paris	MJ	12,260	19.3	78,716	18.2
The Creative Business Intl., Paris	MJ	12,006	56.6	79,984	57.4
Berdclais, Lemeunier/Leo Burnett, Paris	MJ	11,690	45.1	77,940	45.1
Alice/CDP, Paris	MN	11,669	NA	78,637	NA
J. Walter Thompson S.A., Paris	MJ	9,739	(33.5)	64,961	(33.5)
Ogilvy Delrenois Direct, Paris	MJ	8,734	23.1	58,241	23.1
DMB&B Paris, Paris	MJ	8,712	22.5	64,828	154.8
Eldorado, Paris	MJ	7,625	63.2	49,377	43.8
BCRC, Paris	NA	7,610	11.7	50,730	11.7
Lowe Quadrillage, Paris	MN	3,955	62.4	26,364	62.4
Manuel-Nose, Paris	JV	3,382	NA	22,558	NA
GGK Paris, Paris	MJ	3,169	11.9	21,138	32.1
RSCG Export, Issy-les-Moulineaux	MJ	3,002	(31.4)	20,292	(30.6)
OP, Paris	MJ	2,548	NA	16,996	NA
Havas Contact/AUM, Paris	MJ	2,469	NA	16,454	NA
Audour, Soum, Larue/SMS, Paris	MJ	2,200	NA	14,668	NA
OPF, Paris	MJ	1,677	4.3	7,593	4.3
Conquest Europe, Paris	MJ	1,508	NA	10,060	NA
Black Pencil, Paris	MJ	1,328	NA	8,855	NA
Herald, Paris	NA	972	8.3	2,293	(0.1)
Mix Communications, Paris	MJ	948	29.9	6,325	29.9
Henras-Vergonzanne, Montauban	NA	727	49.4	1,826	68.2
De Bonneville-Orlandini, Paris	NA	634	18.5	4,228	18.5
Kobs & Draft , Paris	MJ	150	NA	980	NA

■ **Notes:** Publicis Conseil includes 16 regional agencies plus Intermarco, Siquier Courcelle, De Bonneville Orlandini, Success-Slad, Loeb et Associes, Oreza, Publicite Sante, Camera 6, Jonction and Mundoprint. The Creative Business Intl. 51% owned by RSC&G. Black Pencil/Paris majority owned by Leo Burnett Co., opened in 1988. Young & Rubicam includes Wunderman, Cato-Johnson, Sudler & Hennessey and Burson-Marsteller. Mix Communications 100% owned by J. Walter Thompson Co. McCann-Erickson France includes Joannis Schneider and Universal Media. BDDP Group includes nine regional agencies, Tequila, Messages, Bruno Meura, Makalu, Hotshop, Mafia, FGR, CPM Consultant, Textuel and 35% of Horizons Media. FCA! Group consists of Concurrence Moderne, Bernard Moors, 4 regional and 15 specialized agencies, and offices in 6 European countries. Synergie Polaris BJK&E joint venture of Eurocom and Bozell, Jacobs, Kenyon & Eckhardt. RSC&G includes 18 regional offices. RSC&G Export covers agencies in Africa, the Middle East and the Caribbean. Eldorado 100% owned by Eurocom. Alice/CDP 25% owned by Eurocom.

Greece	***Exchange rates:***	***0.007120***	***0.007300***	***Drachma***	
Spot/Thompson Advertising, Athens	MN	4,601	33.4	30,687	33.4
Beiê Advertising, Athens	NA	3,987	44.5	27,910	44.3
Adel/Eastchi & Saatchi Advertising, Athens	MJ	3,560	74.2	21,574	64.2
Lintas:Athens, Athens	MJ	3,000	161.3	20,011	59.8
Euro-Leo Burnett, Athens	MJ	2,629	45.0	17,526	45.0
Olympic DDB Needham, Athens	MN	2,478	88.6	16,527	88.6
BBDO/Athens, Athens	MJ	2,137	48.6	14,251	48.6
McCann-Erickson Greece, Athens	MJ	1,974	44.0	13,167	44.0
Gnomi/FCB, Athens	MN	1,961	42.2	13,078	42.2
J.N. Leoussis Advertising, Athens	NA	1,440	14.7	9,600	14.6
Alocter Advertising, Athens	NA	1,367	17.0	8,572	17.9
Ted Bates, Athens	MJ	1,255	32.1	7,933	29.2
Grafis Advertising, Athens	MN	1,089	29.8	7,266	29.8
Geo II Advertising, Athens	NA	740	56.6	5,838	72.7
DMB&B Ergon, Athens	MJ	740	48.7	4,486	35.6
Lamda Alpha Advertising, Athens	NE	635	53.2	4,251	27.7
Interpress, Athens	NA	602	NA	4,389	NA
Global Communications, Athens	MJ	534	66.3	3,560	65.9
Epsilon-Epsilon , Athens	NA	337	19.3	2,528	16.2
Sigma Ltd., Athens	NA	274	62.4	1,828	62.4
Chapman/Patavidis, Athens	NA	239	47.2	1,673	27.3

■ **Notes:** Ted Bates Advertising includes figures for AC&R Hellas. Lamda Alpha Advertising non equity affiliation with Grey Advertising. Global Advertising 80% owned by BBDO Worldwide.

Agency, city	Owner-ship	Gross income	% chg	Billings	% chg
Guatemala	***Exchange rates:***	***0.396700***	***0.400000***	***Quetzal***	
Publicidad McCann-Erickson, Guatemala City	MJ	1,227	30.6	8,183	30.6
Communica Publicidad, Guatemala City	NE	733	(1.8)	4,890	(1.8)
FCB/Siboney, Guatemala City	MJ	711	11.9	4,746	11.9
APCU Thompson, Guatemala City	MN	581	5.7	3,878	5.9
Publimerca, Guatemala City	NE	184	7.4	1,117	(2.0)

■ **Notes:** APCU Thompson Asociados J. Walter Thompson Co. holds 40% equity in APCU, with offices in Panama, Costa Rica, El Salvador and Honduras. Communica Publicidad non equity affiliation with Leo Burnett Co. Publimerca non equity affiliation with N W Ayer.

Honduras	***Exchange rates:***	***0.363500***	***0.436700***	***Lempira***	
McCann-Erickson Centroamericana, Tegucigalpa	MJ	605	(9.3)	4,033	(9.3)
APCU Honduras, Tegucigalpa	MN	225	(2.6)	1,502	(2.6)
FCB/Arteflime Honduras, Tegucigalpa	MJ	146	NA	974	NA
Hong Kong	***Exchange rates:***	***0.128200***	***0.128200***	***Hong Kong dollar***	
Leo Burnett Ltd., Hong Kong	MJ	6,800	(0.9)	45,337	(0.9)
Ogilvy & Mather (HK), Hong Kong	MJ	6,785	11.8	45,256	11.8
J. Walter Thompson Co., Hong Kong	MJ	6,448	35.0	43,010	35.8
HDM Hong Kong, Hong Kong	MJ	5,698	74.8	38,052	75.0
Bell WCRS Partnership, Hong Kong	MJ	4,861	58.1	32,421	58.1
Ted Bates Ltd., Hong Kong	MJ	4,159	6.3	27,588	1
BBDO Hong Kong, Hong Kong	MJ	3,750	44.4	24,999	44.4
DDB Needham, Hong Kong	MJ	3,462	58.9	22,020	66.8
McCann-Erickson, Hong Kong	MJ	3,421	8.0	22,818	8.0
People & Grey, Hong Kong	MJ	2,788	51.0	18,598	51.0
Bozell, Jacobs, Kenyon & Eckhardt, Hong Kong	MJ	2,485	86.3	16,572	86.3
Far East-Ketchum Advertising, Hong Kong	NA	2,250	130.9	14,999	130.9
Lintas:Hong Kong, Hong Kong	MJ	2,189	(6.7)	14,598	(6.7)
Saatchi & Saatchi Advertising, Hong Kong	MJ	2,038	(13.8)	13,589	(13.8)
DMB&B Modern, Hong Kong	MJ	1,951	52.0	13,005	49.7
Foote, Cone & Belding , Hong Kong	MJ	1,528	(21.0)	10,195	(21.0)
Results (HK), Hong Kong	MJ	1,313	21.4	8,755	21.4
Lee Davis Ayer, Hong Kong	MJ	1,113	20.6	7,426	20.7
Mojo Hong Kong, Hong Kong	MJ	968	(1.7)	6,449	(1.7)
Chuo Senko Advertising, Hong Kong	NA	561	57.1	3,117	55.2
Kobs & Draft, Hong Kong	MJ	330	NA	2,200	NA

■ **Notes:** Kobs & Draft Hong Kong part of Backer Spielvogel Bates Worldwide. BBDO Hong Kong gross income for both years AA estimate.

India	***Exchange rates:***	***0.073600***	***0.077100***	***Rupee***	
Lintas:India, Bombay	MJ	8,502	12.1	56,707	12.1
Hindustan Thompson Associates, Bombay	NE	7,840	4.8	52,289	4.8
Ogilvy Benson & Mather, Bombay	MN	4,556	28.4	30,388	28.4
Clarion Advertising, Calcutta	NA	3,748	9.1	24,988	9.1
Everest Advertising, Bombay	MN	3,692	13.3	24,656	13.4
Ulka Advertising, Bombay	NA	3,533	19.8	23,552	19.8
R.K. Swamy Advertising, Madras	NE	2,944	1.8	19,651	2.0
Advertising & Sales Promotion, New Delhi	NA	2,112	16.0	12,070	19.3
Contract Advertising, Bombay	MN	2,058	5.5	13,727	5.5
Chaitra Advertising, Bombay	NA	1,818	(10.0)	12,107	(10.0)
daCunha Associates, Bombay	NA	1,810	18.1	11,650	33.7
Trikaya Advertising, Bombay	MN	1,287	NA	8,586	NA
Creative Unit, Bombay	NA	785	5.3	5,232	5.3
Contour Advertising, Bombay	NA	618	23.2	3,865	19.4
Bidhan Advertising & Marketing, Ahmedabad	NA	190	(40.3)	1,263	(40.3)
Marketing Advertising Associates, Bangalore	NA	162	55.6	1,030	48.5
Adverts, Bombay	NA	144	NA	957	NA

■ **Notes:** Everest minority owned by Saatchi & Saatchi Advertising. R.K. Swamy Advertising non equity affiliation with BBDO Worldwide. Hindustan Thompson Associates non equity affiliation with J. Walter Thompson Co. Contract Advertising 40% owned by JWT. Trikaya Advertising non equity affiliation with Grey.

Indonesia	***Exchange rates:***	***0.000590***	***0.000609***	***Rupiah***	
Matari Inc., Jakarta	NE	2,182	27.2	10,096	27.8
PT Fortune Compset, Jakarta	NE	1,912	49.5	10,620	24.6
Adforce-J. Walter Thompson, Jakarta	NE	1,112	26.6	7,418	26.6
P.T. Bates Mulia, Jakarta	NE	699	49.2	5,489	57.8
Perwanal DMB&B, Jakarta	MN	340	(9.1)	2,114	(15.4)

■ **Notes:** Matari Inc. non equity affiliation with Bozell, Jacobs, Kenyon & Eckhardt. Indo Ad non equity affiliation with Ogilvy & Mather. PT Fortune Compsett non equity affiliation with Saatchi & Saatchi Advertising. Sulisto Inc., BBDO Worldwide affiliate, did not submit figures.

Ireland	***Exchange rates:***	***1.531800***	***1.445000***	***Pound***	
Saatchi & Saatchi Advertising, Dublin	MJ	4,004	11.5	20,237	15.6
Peter Owens Ltd., Dublin	NA	3,983	34.4	22,150	41.8
Wilson Hartnell Advertising, Dublin	MJ	3,441	14.4	21,274	6.0
Hunter Advertising, Dublin	MJ	2,361	2.1	14,276	4.0
Arks Alliance, Dublin	MJ	2,066	15.3	13,786	15.4
Young Alliance, Dublin	MJ	1,991	27.6	13,282	27.6
Bell Advertising, Dublin	MJ	1,727	(0.3)	9,478	(18.0)
O'Keeffes Ltd., Dublin	NA	1,402	6.1	9,145	7.3
Des O'Meara & Partners, Dublin	NA	1,264	22.7	8,425	22.7
DMB&B Dublin, Dublin	MJ	409	174.8	2,728	174.8

■ **Notes:** Saatchi & Saatchi Advertising formerly O'Kennedy Brindley. Hunter Advertising part of Saatchi & Saatchi Advertising. Wilson Hartnell and Bell Advertising 80% owned by Ogilvy & Mather.

Israel	***Exchange rates:***	***0.627500***	***0.631600***	***Shekel***	
Ariyeli Communications Group, Tel Aviv	NA	3,750	0.0	20,000	0.0
Tamir, Cohen (Jacobsen), Tel Aviv	NA	3,300	10.0	22,000	10.0
Warshavsky, Freilich, Dover, Tel Aviv	NE	1,875	44.2	12,500	38.9
Pelled Ltd., Tel Aviv	NA	1,520	15.2	8,125	(17.2)
Bing-Linial Advertising, Tel Aviv	NA	1,500	NA	7,500	NA
OK Marketing & Advertising, Tel Aviv	NA	810	NA	4,400	NA
Nazareth Mass Communications, Nazareth	NA	300	NA	2,000	NA

■ **Notes:** All Israeli agencies reported in U.S. dollars. Warshavsky, Freilich, Dover non equity affiliation with Grey Advertising.

Italy	***Exchange rates:***	***0.000770***	***0.000755***	***Lira***	
Gruppo Armando Testa, Turin	NA	47,740	64.2	323,000	64.1
Publicis-FCB/MAC, Milan	MJ	47,395	13.1	338,468	12.6
Young & Rubicam Italia, Milan	MJ	38,084	33.2	254,020	33.2
McCann-Erickson Italiana, Milan	MJ	36,837	15.4	245,700	15.4
J. Walter Thompson Italia, Milan	MJ	27,489	19.4	225,302	20.5
Italia/BBDO, Milan	MN	25,410	21.3	169,400	21.3
Bellor WCRS Italia, Milan	MJ	24,933	15.9	166,320	15.9
Saatchi & Saatchi Advertising, Rome	MJ	22,638	27.1	188,650	24.3
Lintas:Milan, Milan	MJ	21,509	27.7	143,467	27.7
DMB&B, Milan	MJ	19,574	15.8	127,243	16.3
Milano & Grey, Milan	MJ	17,287	18.0	1,153,010	18.1
Livraghi, Ogilvy & Mather, Milan/Rome	MN	16,674	6.8	111,213	6.8
TBWA Italia, Milan/Rome	MJ	15,689	11.4	127,050	12.2
Canard Advertising, Turin	NA	13,090	15.6	107,800	36.0
Pirella Goettsche Lowe, Milan	MJ	11,495	19.9	101,640	30.7
Leo Burnett Co., Milan	MJ	10,267	24.2	68,453	24.2
Publinter Ayer, Milan	MJ	8,595	(10.7)	80,850	1.0
RSCG Mezzano Costantini Mignani, Milan	MJ	8,085	(0.4)	96,250	4.6
BJKE e Associati, Milan	JV	8,008	20.5	66,759	20.3
HDM WE, Milan	MJ	7,585	15.5	74,690	17.8
Ted Bates & Co., Milan	MJ	7,454	24.4	67,636	48.1
P&T Co., Milan	NA	7,392	39.9	61,600	29.5
B Communications, Milan	NA	5,889	7.7	54,693	13.0
GGK Milan, Milan	MJ	4,156	24.5	27,720	8.0
AdMarco, Milan/Florence	NA	4,004	26.3	40,040	26.3
Associati Globe, Milan	NA	3,835	13.3	23,100	13.3
Verba, Milan	MJ	3,276	NA	34,260	NA
Tonic Italy, Milan	MJ	2,926	60.1	19,516	60.1
Pubblimarket Alliance, Milan/Udine	MN	2,499	6.3	21,560	37.5
Conquest Europe, Milan	MJ	2,355	37.3	23,905	74.9
Broucc/DDB, Milan	JV	2,079	2.0	33,110	2.0
Gandin & Associati, Milan	NA	2,050	5.1	13,500	2.3
STZ, Milan	NA	1,694	87.5	8,547	82.6
Adver Pubblicita e Marketing, Padua	NA	924	13.3	7,796	58.9
Pubbli Dan Wirz, Milan	MN	809	(10.8)	5,393	(10.8)
Pragmatica, Milan	MJ	1,527	17.5	3,517	17.5
BDDP/BSM, Milan	MJ	1,519	NA	34,639	NA

■ **Notes:** Gruppo Armando Testa this year incorporates all its subsidiaries, such as Armando Testa, New York and Barcelona, Media Italia Group, Telecontatto, Creativity and Ardo Film. Young & Rubicam Italia includes Wunderman, Cato-Johnson, Sudler & Hennessey and Burson-Marsteller. Publicis FCB/MAC, a merger of Publicis Italy, FCB Italy and MAC Comunicazione Integrata, includes Concept, Euro Advertising, Comunicazione Strategica, Euro MAC Ancona, Park, The Promotion Centre, Gesponsor, Art Design and IPR Italia. Italia/BBDO 40% owned by BBDO Worldwide.

Ivory Coast	***Exchange rates:***	***0.003780***	***0.003300***	***Central African Franc***	
Lintas:Abidjan, Abidjan	MJ	1,511	7.9	10,076	7.9
Jamaica	***Exchange rates:***	***0.175600***	***0.178300***	***Jamaican dollar***	
McCann-Erickson, Kingston	MJ	922	5.8	6,150	5.8
Lindo, Foote, Cone & Belding, Kingston	MN	528	35.9	3,523	35.9

Gross income and billings figures are U.S. dollars in thousands.
Compiled by Ilse Germak

Agency, city	Owner-ship	Gross income	% chg	Billings	% chg
Paisley Kelly/Bozell, Kingston	MN	491	NA	3,273	NA
CGR Communications, Kingston	NE	450	(55.5)	3,000	(55.5)

■ **Notes:** CGR Communications non equity affiliation with Saatchi & Saatchi Advertising. Paisley Kelly Bozell 25% owned by Bozell, Jacobs, Kenyon & Eckhardt. Gross income is AA estimate.

Japan		***Exchange rates: 0.007690/0.006699 Yen***			
Dentsu Inc., Tokyo	NA	1,229,446	39.4	9,449,857	39.8
Hakuhodo Inc., Tokyo	NA	522,193	36.2	3,939,137	36.0
Dai-Ichi Kikaku, Tokyo	NA	141,867	29.6	977,669	16.9
Daiko Advertising, Osaka	NA	139,666	30.4	1,126,731	28.1
Tokyu Agency, Tokyo	NA	134,636	28.4	1,115,241	34.9
Asatsu Inc., Tokyo	MN	104,992	43.1	755,312	38.3
I&S Corp., Tokyo	NA	96,745	47.0	691,039	27.8
Yomiko Advertising, Tokyo	NA	89,970	39.1	660,332	38.4
McCann-Erickson Japan, Tokyo	MJ	87,567	40.6	584,071	40.6
Asahi Advertising, Tokyo	NA	71,100	30.7	441,870	29.7
Nihon Keizaiku Advertising, Tokyo	NA	47,071	36.5	283,038	37.8
Chuo Senko Advertising, Tokyo	NA	47,024	25.7	345,789	28.5
Kotsusi Advertising, Tokyo	NA	40,831	34.3	419,856	34.7
Man-Nen-Sha Inc., Osaka	NA	36,366	25.5	492,876	19.3
Kyodo Advertising, Tokyo	NA	35,374	23.7	269,150	18.2
HDM KK Japan, Tokyo	MJ	33,209	28.6	251,030	29.4
J. Walter Thompson Co., Tokyo	MJ	33,134	13.0	221,005	13.0
Meitsu Inc., Tokyo	NA	30,960	21.4	193,519	21.4
Nihon Keisai Advertising, Tokyo	NA	29,614	36.5	211,537	36.5
Tokyu Agency Intl., Tokyo	MN	29,542	31.0	232,300	30.9
Shidaed Advertising, Tokyo	NA	17,718	15.0	138,420	16.1
Osaka Yomiuri, Osaka	NA	15,755	22.9	121,194	22.9
Nankaisuisho Inc., Tokyo/Osaka	MJ	15,188	24.3	117,211	27.9
Leo Burnett-Kyodo Co., Tokyo	MJ	14,790	140.5	98,604	140.5
Envy-Dalin, Tokyo	JV	12,589	26.1	83,965	26.1
Hakuhodo:Lintas, Tokyo	JV	10,515	16.8	70,137	16.8
Tsui Advertising, Tokyo	NA	6,321	33.3	51,623	31.0
Saatchi & Saatchi Advertising, Tokyo	MJ	5,348	15.0	35,651	15.0
Cosmo Advertising, Tokyo	NA	5,306	42.7	17,687	76.0
Medicus Intercon, Tokyo	MJ	5,302	22.4	23,446	28.1
Nihon Japan Ltd., Tokyo		4,634	25.2	44,058	38.3
Tokyo Senko Intl., Tokyo	NA	4,153	18.1	27,684	18.1
Backhaus/Japan, Tokyo	MJ	3,351	29.7	21,680	30.2
HDM DSH KK, Tokyo	MJ	2,781	65.0	15,651	56.7
Inter-Image, Tokyo	NE	2,473	55.1	20,401	45.0
Meitsu SJK&E, Tokyo	MN	1,849	22.5	12,320	22.5
BDM Needham Japan, Tokyo	MN	734	6.2	7,952	28.8
Daiko FCB Impact, Tokyo	JV	726	14.0	4,839	14.0

■ **Notes:** Dentsu Inc.'s major Japanese subsidiaries are: Dentsu PROX, Dentsu Printing, AD Dentsu Tokyo, Dentsu Cotec, Dentsu PR Center, Dentsu Graphics Osaka, Dentsu Research, Dentsu EYE, Dentsu Wunderman Direct, HDM K.K., HDM DSH K.K. Chuo Senko Advertising offices in Thailand, Hong Kong, Singapore and Malaysia. Kyodo Advertising 1988 gross income and billings are AA estimates. Tokyu Agency financial years runs April through March. Dai-Ichi Kikaku holds 2.44% of Omnicom, New York and 33.3% of Kresser Craig/DIK, Los Angeles. Daiko-FCB Impact 50/50 joint venture. McCann-Erickson Japan includes Hakuhodo and Cato Design. Inter-Image non equity affiliation with Bozell, Jacobs, Kenyon & Eckhardt. Tokyu Agency International 24% owned by D'Arcy Masius Benton & Bowles. Nambokusha 51% owned by Toyota Motor Corp.

Kenya		***Exchange rates: 0.053200/0.078300 Shilling***			
McCann-Erickson Kenya, Nairobi	MJ	958	(5.3)	6,388	(5.3)
Lebanon		***Exchange rates: 0.082530/0.008680 Lebanese Pound***			
Intermarkets, Beirut	NE	26	NA	171	NA
H&C Leo Burnett, Beirut	NE	1	(28.5)	8	(28.5)
Enterprise Middle East, Athens/Beirut	MJ	1	(68.1)	6	(68.1)

■ **Notes:** Intermarkets non equity affiliation with Saatchi & Saatchi Advertising, is headquartered in London but does business in Lebanon, Saudi Arabia, Bahrain, Egypt, Kuwait, Dubai and Jordan. H&C Leo Burnett non equity affiliation with Leo Burnett Co. Enterprise Middle East, majority owned by Leo Burnett Co. and headquartered in Athens, does busnss in the Middle East.

Malawi		***Exchange rates: 0.471000/0.196000 Kwacha***			
Graphic:Lintas Malawi, Blantyre	MN	136	229.8	907	229.8
Malaysia		***Exchange rates: 0.363500/0.403300 Malaysian dollar***			
AMC/Saatchi & Saatchi Advertising, Kuala Lumpur	MN	3,260	23.9	26,078	48.8
Ogilvy & Mather, Petaling Jaya	MN	3,226	(1.8)	21,515	(1.8)
Leo Burnett Co., Kuala Lumpur	MN	2,586	16.6	17,307	16.6
PTM Thompson, Kuala Lumpur	MN	2,237	(1.8)	14,923	(1.8)
McCann-Erickson Malaysia, Kuala Lumpur	MJ	2,062	13.6	13,866	13.6
Lintas:Malaysia, Kuala Lumpur	MJ	1,977	23.3	13,190	23.3
Ted Bates Malaysia, Kuala Lumpur	MN	1,920	58.1	13,045	107.7

Agency, city	Owner-ship	Gross income	% chg	Billings	% chg
HDM, Kuala Lumpur	MJ	1,649	70.4	11,122	72.4
AP:Foote, Cone & Belding, Kuala Lumpur	MN	1,411	23.1	9,411	23.1
Wings BBDO, Selangor	MJ	1,200	25.8	8,002	25.8
KHK Needham, Kuala Lumpur	MN	1,050	(23.5)	5,944	(50.9)
Bozell, Jacobs, Kenyon & Eckhardt, Selangor	MN	1,045	31.4	6,973	31.4
Ball WCRS Partnership, Kuala Lumpur	MJ	854	44.0	4,961	39.3
Grey Malaysia, Kuala Lumpur	MN	601	70.5	4,008	70.5
Chuo Senko Advertising, Kuala Lumpur	NA	365	63.0	2,100	61.0
Ramlan & Ouzy, Kuala Lumpur	NA	345	7.0	2,301	14.1
Francis Lim Zulkifli & Ayer, Kuala Lumpur	MN	281	(6.7)	1,723	(6.9)

■ **Notes:** McCann-Erickson Malaysia includes Mutiara. PTM Thompson 25% owned by J. Walter Thompson Co.

Mexico		***Exchange rates: 0.000430/0.000865 Peso***			
Publicidad Ferrer, Mexico City	NA	5,820	6.9	38,803	6.9
DMB&B, Mexico City	MJ	5,231	9.1	34,881	8.6
McCann-Erickson, Mexico City	MJ	5,069	2.0	33,813	2.0
Garcia Patto Intl., Mexico City	NA	4,193	22.4	27,950	22.5
Scali, McCabe, Sloves de Mexico, Mexico City	MJ	3,752	31.7	25,013	31.7
J. Walter Thompson de Mexico, Mexico City	MJ	3,162	3.5	21,087	3.5
Bozell, Jacobs, Kenyon & Eckhardt, Mexico City	MN	3,107	104.2	21,713	81.0
Leo Burnett S.A., Mexico City	MJ	2,968	4.7	19,790	4.7
Panamericana Ogilvy & Mather, Mexico City	MJ	2,796	15.5	18,651	20.7
Arellano/Ted Bates Publicidad, Mexico City	MN	2,400	(20.5)	16,000	(20.5)
Young & Rubicam, Mexico City	MJ	1,863	(0.4)	12,426	100.4
Foote, Cone & Belding, Mexico City	MJ	1,553	4.0	10,358	4.0
Paulino Romero y Asociados, Mexico City	NA	1,209	5.3	8,395	10.5
DDB Needham, Mexico City	MJ	1,113	(4.4)	8,371	5.4
Diesto, Merino/BBDO, Mexico City	MN	898	(34.7)	6,815	(31.3)
Lintas:Mexico, Mexico City	MJ	860	(14.4)	5,735	(14.4)
Grey Mexico, Mexico City	MJ	839	(12.8)	5,593	(12.8)
Montenegro-Saatchi & Saatchi, Mexico City	MJ	745	5.1	4,967	148.1

■ **Notes:** Arellano/Ted Bates 49% owned by Backer Spielvogel Bates. Gross income for both years AA estimates. Montenegro/Saatchi & Saatchi Compton non equity affiliation with Saatchi & Saatchi Advertising. Bozell, Jacobs, Kenyon & Eckhardt 49% owned by BJK&E. Diesto, Merino/BBDO 42% owned by BBDO Worldwide.

Namibia		***Exchange rates: 0.443100/0.406700 Rand***			
Lintas:Namibia, Windhoek	MJ	18	27.1	119	27.1
Netherlands		***Exchange rates: 0.511200/0.478600 Guilder***			
FHV/BBDO Group, Amstelveen	MJ	32,604	25.6	217,362	25.6
PMSvW/Young & Rubicam, Amsterdam	MJ	25,333	28.2	168,954	28.2
Ogilvy & Mather (Nederland), Amsterdam	MJ	20,131	11.2	133,659	10.7
PPGH/JWT Group, Amsterdam	MJ	18,614	49.4	124,158	49.4
Lintas:Nederland, Amsterdam	MJ	15,873	8.9	105,876	8.9
Prad Alliance, Amsterdam/Eindhoven	MJ	14,179	12.3	94,572	12.3
ARA BV, Rotterdam	MJ	13,931	80.7	92,871	80.7
Saatchi & Saatchi Advertising, Amsterdam	MJ	11,159	12.6	72,705	12.6
DMB&B, Amsterdam	MJ	10,455	10.4	69,723	10.4
McCann-Erickson Nederland, Amsterdam	MJ	9,331	7.7	62,238	7.7
TBWA Group, Amstelveen	MJ	8,537	62.2	57,254	63.0
Noordervliet & Winninghoff/Leo Burnett, Amsterdam	MJ	7,591	9.0	50,609	9.0
Goedeker Oerlemans/ftSCG, Amstelveen	MJ	7,361	353.7	48,053	392.5
DDB Needham, Amsterdam	MJ	7,283	26.6	48,575	26.9
Grey, Amsterdam	MJ	6,786	26.3	45,264	26.3
Allick/Bates, Amsterdam	MJ	5,377	6.1	36,327	13.4
HDM VWA, Rotterdam	MJ	5,368	20.7	35,784	20.6
Publicis-FCB, Amsterdam	MJ	5,265	3.7	35,120	3.7
De Bussy, Diemen	NA	4,501	29.5	30,007	29.5
Data Gold, Moordrecht	NA	4,378	17.7	29,190	17.7
H.V.R. Alliance, The Hague	MJ	4,215	7.3	28,116	7.3
Baas & Van Haastrecht, Rotterdam	NA	3,895	18.2	25,969	18.2
Lonting & van Etten, Eindhoven	NA	3,757	38.6	25,049	38.8
Blend Marketing Communications, The Hague	NA	3,755	16.3	25,049	16.3
O&M Direct, Amsterdam	MJ	3,269	24.6	21,803	24.6
GGK, Amsterdam	MJ	3,104	(4.6)	20,704	(4.6)
Kuiper & Schouten, Amsterdam	NA	2,937	33.3	19,579	33.3
ARVH, Zaandam	NA	2,914	24.9	19,426	24.9
Hannenel, Nieuwegein	NA	2,722	1.9	18,148	1.9
Schulte & Partners, Lochem	NA	2,505	16.3	16,614	15.7
Mundocom, Amsterdam	MJ	2,403	NA	16,026	NA
Klein WCRS & Partners, Amsterdam	MJ	2,300	14.4	15,336	14.4
Ayer Nederland, Deventer	MJ	2,147	(8.3)	14,320	9.8

Agency, city	Owner-ship	Gross income	% chg	Billings	% chg
Bozell Advertising, Amstelveen	MN	2,129	NA	12,021	NA
HLPB, Amsterdam	NA	2,070	3.0	13,802	3.0
Continental, The Hague	NA	1,534	6.8	10,224	6.8
Advertising Art Center, Amsterdam	MJ	1,534	NA	10,275	NA
Dorland, Amsterdam	ND	1,420	NA	9,473	NA
Lowe Nederland, Amsterdam	MJ	1,276	(27.5)	8,507	(27.5)
Smits & Palm Advertising, Amsterdam	NA	1,025	(4.3)	9,778	1.5
Publi-Design, Rotterdam	MJ	947	NA	6,315	NA
O&M Promotions, Amsterdam	MJ	926	1.0	6,175	1.0
Conquest Europe, Amsterdam	MJ	269	NA	4,429	NA

■ **Notes:** ARA 71% owned by BBDO Worldwide. FHV BBDO 51% owned by BBDO Worldwide. Bozell Advertising 26% owned by BJK&E. PMSvW Young & Rubicam includes Wunderman, Cato Johnson and Burson Marsteller. Publi-Design, Mundocom, Advertising Art Centre part of Publicis-FCB Communications. Grey figures are combined with Pasli & Grey. Ogilvy & Mather Nederland offices in Amsterdam, Rotterdam, Drachten and Eindhoven. Figures for De Bussy, Data Gold, Baas & Van Haastrecht, Lenting & Van Etten, Kuiper & Schouten, Hannenl, ARVH, HLPB and Continental were supplied by "Adformatie", a Dutch marketing publication.

New Zealand		***Exchange rates: 0.654800/0.576000 NZ dollar***			
Saatchi & Saatchi Advertising, Auckland/Wellington	MJ	10,117	88.6	67,444	177.9
Colenso Communications, Auckland	MN	9,430	(0.4)	47,149	(0.4)
DDB Needham, Auckland	MJ	6,221	32.3	29,466	(6.1)
DMB&B, Auckland	MJ	4,968	15.3	27,643	19.9
Rialto Advertising, Auckland	MN	4,895	16.3	24,473	16.3
Ogilvy & Mather (NZ), Wellington	MJ	4,512	10.1	22,561	10.1
Ted Bates (New Zealand), Wellington	MJ	4,326	2.8	21,628	(5.6)
Hutcheson Knowles Marinkovich, Auckland	MN	4,000	160.1	20,000	160.1
Dobbs-Wiggins McCann-Erickson, Auckland	MJ	3,508	(10.0)	23,395	(10.1)
Lintas:New Zealand, Auckland	MJ	2,438	(1.3)	16,262	(1.3)
Young & Rubicam Auckland, Auckland	MJ	2,380	18.1	15,873	18.1
Leo Burnett-New Zealand, Auckland	MJ	2,095	1.4	10,477	(23.9)
Mattingly, Auckland	MJ	1,509	NA	5,914	NA
MacHarman Ayer, Auckland	MJ	1,379	15.9	9,193	15.9
Mojo New Zealand, Auckland	MJ	1,196	822.6	7,970	431.0
Andrew & Partington Alliance, Auckland	MN	956	64.1	4,782	64.1
Ball WCRS Partnership, Auckland	MJ	820	65.4	3,242	17.9
Mainstream/FCB, Auckland	MN	743	(15.5)	4,954	(15.5)
Ward & Grey, Auckland	MN	436	(28.8)	2,923	(28.8)

■ **Notes:** Saatchi & Saatchi Advertising includes data for MacKay King Advertising. Hutcheson Knowles Marinkovich, Rialto Advertising and Colenso Communications all 47% owned by BBDO Worldwide. Mainstream/FCB 24.5% owned by Foote, Cone & Belding.

Nigeria		***Exchange rates: Naira***			
Insight Communications, Lagos	NE	3,274	89.5	16,370	89.5

■ **Notes:** Insight Communications non equity affiliation with Backer Spielvogel Bates.

Norway		***Exchange rates: 0.154000/0.144700 Kroner***			
Ted Bates A/S, Oslo	MJ	26,375	1.9	87,634	2.2
Scaneco-Young & Rubicam, Oslo	MJ	11,433	17.7	76,266	17.7
Ogilvy & Mather, Oslo	MJ	6,625	19.4	44,676	0.6
DMB&B, Oslo	MJ	6,530	72.2	23,866	31.1
Nordskar & Thorkildsen, Oslo	NA	4,322	33.3	13,090	23.1
Jenssen & Borkenhagen, Oslo	NA	4,272	25.5	30,323	38.5
Reklamens Hus/McCann, Oslo	MJ	2,684	(2.4)	17,902	(2.4)
Jensen Grey, Oslo	MN	1,986	40.3	13,250	40.3
Art & Copy/FCB, Oslo	MJ	1,979	(6.9)	13,202	(6.9)
Schjaerven/J. Walter Thompson A/S, Oslo	NE	1,635	(4.2)	10,909	(4.2)
Lintas:Norway, Oslo	MJ	1,485	(73.9)	9,903	(73.9)
Bj. Kverneland, Oslo	NA	1,392	(4.0)	7,011	(13.6)
Collage Advertising, Oslo	NE	1,231	15.5	8,208	15.5
Form & Fakta, Oslo	NA	952	7.9	2,772	5.8
Saatchi & Saatchi Advertising, Oslo	MJ	924	751.4	6,163	2,739.5
Kobs & Draft Bates Direct, Oslo	MJ	910	NA	6,078	NA

■ **Notes:** Ted Bates figures include offices in Bergen, Stavanger and Trondheim. Bates Direct Marketing, Creative Service, Smafunnskontak, BGL Reklamebyrau, Ted Bates Greenhouse and Ted Bates/Vestfold. Collage Advertising non equity affiliation with Bozell, Jacobs, Kenyon & Eckhardt. Gross income figures for both years AA estimates. Schjaerven/J. Walter Thompson non-equity affiliation with JWT.

Pakistan		***Exchange rates: 0.056500/0.058500 Rupee***			
R:Lintas, Karachi	NE	1,222	4.8	8,151	4.8
Prestige Communications, Karachi/Lahore	NA	479	21.3	3,192	21.3
G.H. Thaver, Karachi	NA	117	(24.0)	824	(25.8)

■ **Notes:** Prestige Communications 1988 gross income AA estimate. R:Lintas non equity affiliation.

Gross income and billings figures are U.S. dollars in thousands.
Compiled by Ilse Cermak

Agency, city	Owner-ship	Gross income	% chg	Billings	% chg
Panama	***Exchange rates: 1.000000/1.000000 U.S. dollar***				
McCann-Ericson de Panama, Panama City	MJ	362	(62.9)	2,417	(62.8)
APCU Panama, Panama City	MN	175	(36.3)	1,174	(35.9)

■ **Notes:** Campagnani, Aleman Publicidad, affiliated with Leo Burnett Co., did not submit figures.

Paraguay	***Exchange rates: 0.001460/0.001280 Guarani***				
AWT SA, Asuncion	MJ	132	63.8	882	63.8
McCann-Erickson Paraguay, Asuncion	MJ	47	92.0	317	92.0
Peru	***Exchange rates: 0.626300/0.056300 Inti***				
J. Walter Thompson Peruana, Lima	MJ	4,881	96.2	32,555	96.2
CNP & Grey, Lima	ND	3,966	375.9	26,451	375.9
McCann-Erickson Peru, Lima	MJ	2,756	68.5	18,382	68.5
MIG Publicidad, Lima	NE	405	NA	2,700	NA
Perdomo/Ted Bates Publicidad, Lima	NE	152	(23.5)	1,015	(23.5)
Publicistas Asociados, Lima	NE	0	(100.0)	0	(100.0)

■ **Notes:** MIG Publicidad minority owned by Saatchi & Saatchi Advertising. Publicistas Asociados non equity affiliation with BBDO Worldwide and Perdomo/Ted Bates Publicidad non equity affiliation.

Philippines	***Exchange rates: 0.047700/0.049100 Peso***				
McCann-Erickson, Manila	MJ	3,112	28.0	20,759	28.0
Ace/Saatchi & Saatchi, Manila	MJ	2,103	21.8	14,027	21.8
FAC/BBDO Worldwide, Manila	MN	1,614	7.8	10,761	7.9
Foote, Cone & Belding, Manila	MN	1,580	7.3	10,541	7.3
Hemisphere/Lee Burnett, Manila	MJ	1,466	23.6	9,786	23.6
HDM-Alcantara, Manila	MN	1,378	16.0	9,707	14.3
Lintas:Manila, Manila	MN	1,293	13.5	8,621	13.5
Gibes, Ogilvy & Mather, Manila	MN	1,117	89.1	7,452	89.1
Agpo & Grey, Manila	MN	609	80.1	4,060	80.1
Admakers, Quezon City	NA	456	21.4	3,038	39.0
AdPlanners/Bozell, Manila	NE	169	(13.1)	1,127	(13.1)

■ **Notes:** AdPlanners/Bozell non equity affiliation. Gross income figures for both years AA estimates. Foote, Cone & Belding 40% owned by FCB. Lintas:Manila 30% owned by Lintas. J. Walter Thompson Co. did not submit figures.

Portugal	***Exchange rates: 0.007030/0.006980 Escudo***				
McCann-Ericsson/Norma, Lisbon	MJ	7,109	61.0	47,416	61.0
J. Walter Thompson Publicidade, Lisbon	MJ	4,514	68.1	30,109	68.2
Lintas:Portugal, Lisbon	MJ	4,093	13.4	27,300	13.5
FCB Publicidade, Lisbon	MJ	3,848	77.6	25,667	77.6
Mabesa, Lisbon	MN	3,796	54.5	25,308	106.0
Ciesa-NCK, Lisbon	MJ	3,359	13.7	22,404	13.7
Team-Young & Rubicam, Lisbon	MN	3,224	NA	21,504	NA
Ogilvy & Mather Portugal, Lisbon	MJ	2,599	66.1	17,338	66.1
BSB & Beam, Lisbon	MJ	2,306	70.3	8,886	89.9
Publicis Lisboa, Lisbon	MJ	1,968	84.1	13,129	84.2
Bull Hendricks & Guerreiro, Lisbon	MJ	1,887	64.6	12,955	58.2
Contacto, Lisbon	MJ	1,337	59.4	10,526	75.1
Latina, Lisbon	NA	1,040	67.6	4,365	51.1
Marina Alliance, Lisbon	MJ	814	166.1	5,436	166.1
Sensus-Bozell Portugal, Porto/Lishon	MN	684	301.4	5,276	284.6
Centaur, Lisbon	MJ	612	108.6	25,667	77.6
Park Publicidade, Lisbon	MN	607	167.2	4,046	167.2

■ **Notes:** Sistema minority owned by Saatchi & Saatchi Advertising. Park Publicidade, Ciesa-NCK, FCB Publicidade, Comunicar and Publicis Lisboa are part of Publicis-FCB Communications.

Puerto Rico	***Exchange rates: 1.000000/1.000000 U.S. dollar***				
Noble/Kaikkal & Saatchi, San Juan	MJ	11,500	7.0	76,700	7.0
Marti, Flores, Prieto & Wachtel, San Juan	MN	7,631	26.4	50,900	30.5
Young & Rubicam Puerto Rico, San Juan	MJ	7,051	34.1	47,030	34.1
West Indies & Grey, San Juan	ND	4,422	10.5	29,492	10.5
FCB, Isla Verde	MJ	3,681	42.9	24,552	42.9
McCann-Erickson, San Juan	MJ	2,967	18.7	19,790	18.7
BBDO Puerto Rico, Hato Rey	MJ	2,850	19.3	17,400	8.1
Leo Burnett Inc., San Juan	MJ	2,614	4.9	17,428	4.9
De La Cruz & Goechel, Hato Rey	MN	1,906	16.9	12,715	16.9
CPV/BJK&E, Santurce	MJ	566	49.5	3,772	49.5

■ **Notes:** Young & Rubicam includes Burson-Marsteller. De la Cruz & Goachet 20% owned by J. Walter Thompson Co. Marti, Flores, Prieto & Wachtel 22.5% owned by JWT.

Saudi Arabia	***Exchange rates: 0.266700/0.266700 Riyal***				
Targets Advertising, Jeddah	NE	1,294	40.3	8,620	40.2
DMB&B, Jeddah	MJ	78	256.1	575	294.0

■ **Notes:** Targets Advertising non equity affiliation with Leo Burnett Co.

Agency, city	Owner-ship	Gross income	% chg	Billings	% chg
Singapore	***Exchange rates: 0.493600/0.469600 Singapore dollar***				
McCann-Erickson, Singapore	MJ	3,682	53.4	24,561	53.4
Leo Burnett Ltd., Singapore	MJ	2,384	13.0	15,894	13.0
Batey Ads, Singapore	NA	2,221	21.3	14,808	21.3
Saatchi & Saatchi Advertising, Singapore	MJ	2,063	65.8	13,472	73.9
J. Walter Thompson Singapore, Singapore	MJ	2,022	27.2	13,487	27.2
HDM Advertising, Singapore	ND	1,950	15.4	10,930	25.4
Bozell, Jacobs, Kenyon & Eckhardt, Singapore	MJ	1,536	25.8	10,242	25.8
Lintas:Singapore, Singapore	MJ	1,451	2.7	9,676	2.7
BBDO Advertising, Singapore	MJ	1,314	82.1	8,763	82.1
Ted Bates/Singapore, Singapore	MJ	1,264	25.5	7,898	30.1
Grey, Singapore	MN	1,247	7.6	8,318	7.6
Mojo Singapore, Singapore	MJ	1,217	60.4	8,114	60.4
Bali WCRS Partnership, Singapore	MJ	913	13.1	6,071	12.4
Spenser & Friends Advertising, Singapore	NE	814	57.7	5,430	54.2
Ketchum/Singapore, Singapore	MJ	755	140.7	4,466	175.5
DMB&B, Singapore	MJ	706	109.1	4,931	113.9
DDB Needham, Singapore	MN	435	80.7	2,090	78.0
Tropical Alliance, Singapore	MJ	370	1.1	2,468	1.1
Tom Tan Associates, Singapore	NA	351	15.6	2,491	15.6
Chuo Senko Advertising, Singapore	MJ	241	99.2	1,464	48.3

■ **Notes:** DDB Needham 25% owned by DDB Needham Worldwide. Spenser & Friends non equity affiliation with N W Ayer. Batey Ads includes offices in Hong Kong, Malaysia and Batey & Chan, Los Angeles, 82% owned by Batey. Ogilvy & Mather did not submit figures.

South Africa	***Exchange rates: 0.455100/0.481400 Rand***				
Grey Holdings, Johannesburg	MN	12,155	28.6	81,071	28.6
Lindsay Smithers-FCB, Johannesburg	MN	11,318	2.7	75,490	2.7
Young & Rubicam South Africa, Cape Town	MJ	10,159	14.2	67,751	14.2
McCann-Erickson DeVilliers, Johannesburg	MJ	7,807	29.1	52,073	29.2
Klerck & White, Johannesburg	NE	7,042	6.1	42,680	5.4
Lintas:South Africa, Johannesburg	MJ	5,268	19.2	35,140	19.2
J. Walter Thompson Co., Johannesburg	MN	4,755	14.5	31,719	14.5
Bernstein Loxton Golding & Klein, Johannesburg	NA	2,086	32.6	12,617	40.3
Partnership In Advertising, Johannesburg	MN	1,807	(3.6)	12,054	(3.6)
Headlines Advertising, Johannesburg	NA	608	97.3	3,686	97.3
Ogilvy & Mather Rightford, Cape Town	MN	40	53.6	242	53.6

■ **Notes:** Klerck & White non equity affiliation with Saatchi & Saatchi Advertising. Lindsay Smithers-FCB and Partnership Advertising, both 24% owned by Foote, Cone & Belding. J. Walter Thompson Co. 28.2% owned by JWT. Grey Holdings includes Grey Phillips, Bunton Mundel & Blake, Grey Perspectives and Bridge International. Ogilvy & Mather Rightford, 40% owned by O&M, includes Meridian, O&M Direct and Liaison PR.

South Korea	***Exchange rates: 0.001340/0.001200***				
Korea First Advertising, Seoul	NA	44,749	90.7	194,048	49.3
Oricom Co., Seoul	NA	32,490	72.4	136,977	49.7
Korad, Seoul	JV	14,373	61.4	62,710	44.4
LG Ad, Seoul	NE	12,288	72.1	126,885	48.5
Diamond Advertising, Seoul	MN	9,460	108.6	51,778	63.7
Nara Corp., Seoul	NE	5,467	90.4	36,466	90.4
Seoul Advertising, Seoul	NA	4,556	65.1	38,726	86.5
Daehong Advertising, Seoul	NE	1,836	(77.9)	20,113	(78.0)
Eastern Ad Co., Seoul	NE	1,009	39.7	6,727	39.7

■ **Notes:** Korea First Advertising non equity affiliation with Hakuhodo Inc., Tokyo. Also, Korea First signed affiliation agreement with BJK&E in March '89 and terminated its affiliation with Backer Spielvogel Bates. Korad joint venture with Ogilvy & Mather. Eastern Ad Co. non equity affiliation with N W Ayer. Nara Corp. non equity affiliation with J. Walter Thompson Co. Daehong non equity affiliation with Saatchi & Saatchi Advertising. 1988 figures for gross income and billings are for part of the year. Saatchi also has non equity agreement with Oricom. Diamond Ad 10% owned by Backer Spielvogel Bates. LG Ad non equity affiliation with BBDO Worldwide.

Spain	***Exchange rates: 0.008570/0.007855 Peseta***				
Grupo BSB, Madrid	MJ	29,481	29.8	206,563	36.0
McCann-Erickson Group, Madrid	MJ	23,068	34.4	153,861	34.4
J. Walter Thompson Co., Madrid	MJ	21,623	27.9	144,225	27.9
TAPSA/N W AYER, Madrid	MJ	17,557	47.2	117,109	36.4
Tandem/DDB Needham, Madrid	MJ	16,417	16.1	109,447	48.2
BBDO Espana, Barcelona	MJ	15,783	24.7	118,842	17.6
HDM Spain, Madrid/Barcelona	MJ	13,609	44.0	90,773	44.0
RCP/Saatchi & Saatchi, Barcelona	MJ	12,315	47.3	81,244	50.5
Young & Rubicam Espana, Madrid	MJ	12,044	85.6	80,332	85.6
Danis-Benton & Bowles, Barcelona/Madrid	MJ	11,719	23.8	83,508	32.6
Contrapunto, Madrid	MN	10,284	34.3	68,560	34.3
Arge, Madrid	MJ	6,813	(0.9)	45,444	(0.9)
Grey Espana, Madrid/Barcelona	MJ	6,470	43.2	43,157	43.2
MMLB, Barcelona	NA	6,211	29.6	44,571	29.0
BCK Alliance, Barcelona	MJ	5,168	29.0	34,451	29.0
FCB/Spain, Madrid	MJ	4,859	12.5	32,412	12.5
Leit Motiv/RSCG, Madrid	MJ	4,602	228.2	34,280	231.8
Leo Burnett S.A., Madrid	MJ	4,558	13.1	30,387	13.1
TBWA, Madrid/Barcelona	MJ	3,874	166.6	25,830	163.1
Ogilvy & Mather Direct, Madrid Barcelona	MJ	3,771	60.5	25,151	60.6
Lowe Dos Por Dos, Barcelona	MJ	2,957	NA	19,711	NA
MMLB/Opcion, Madrid	NA	2,400	42.7	14,569	28.8
Slogan S.A., Barcelona	NA	2,345	19.0	15,426	19.0
GGK, Madrid/Barcelona	MJ	2,247	75.3	15,007	73.1
BDDP/Solucion Diagonal, Madrid	MN	2,132	NA	14,176	NA
Bozell Espana, Madrid	MJ	1,900	405.7	10,000	408.6
Publicis, Madrid	MJ	1,412	19.4	11,840	24.5
Rilova, Zamorano, Rodriguez, Madrid	MJ	1,344	NA	8,886	NA
Conquest Europe, Madrid	MJ	905	NA	2,823	NA
Moline & Publicis, Barcelona	MJ	769	22.4	6,208	32.1
Kobs & Draft, Madrid	MJ	590	NA	3,930	NA
Lintas:Spain, Madrid	MJ	19	50.6	129	50.6

■ **Notes:** Bozell Espana gross income for both years AA estimates. Grupo BSB consist of Ted Bates Espana, Delvico Bates in Madrid/Barcelona and Grupo Alas with 17 regional offices. Contrapunto 27% owned by BBDO Worldwide. Young & Rubicam Espana includes Wunderman, Cato-Johnson and Burson-Marsteller. Arge and Moline & Publicis part of Publicis-FCB Communications. McCann-Erickson Group includes Clarin Publicidad. Slogan Publicidad gross income figures for both years are AA estimates. Rilova, Zamorano, Rodriguez 80% owned by Scali, McCabe, Sloves.

Sri Lanka	***Exchange rates: 0.039240/0.035000 Rupee***				
Grant, BJK&E (Lanka), Colombo	MN	1,020	26.7	3,335	19.1
Thompson Lanka, Colombo	MN	441	2.6	2,940	2.6
Minds Lanka, Colombo	MN	90	12.1	392	12.1

■ **Notes:** Minds Lanka and Grant, Bozell, Jacobs, Kenyon & Eckhardt 40% owned by BJK&E. Thompson Lanka 24.5 owned by J. Walter Thompson Co.

Sweden	***Exchange rates: 0.163000/0.154000 Kroner***				
Ted Bates AB, Stockholm	MJ	15,257	34.8	95,177	16.3
Swedish Communications, Stockholm	MJ	12,567	14.0	83,824	14.0
Young & Rubicam, Stockholm	MJ	8,391	23.2	55,970	23.2
McCann-Erickson Sweden, Stockholm	MJ	7,141	24.0	47,631	24.0
Intermarco-Farner, Stockholm	MJ	6,731	22.6	44,899	22.6
HLR/BBDO Reklambyra, Stockholm	MJ	4,715	26.3	31,449	26.5
Saatchi & Saatchi Laurent, Stockholm	MJ	4,401	NA	22,005	NA
Blomquist, Stockholm	NA	3,517	6.8	25,425	14.2
Ogilvy & Mather, Stockholm	MJ	3,431	58.9	22,882	56.9
DMB&B, Stockholm	MJ	3,096	16.6	30,993	9.8
Ehrenstrahle International, Stockholm	MJ	2,849	44.1	19,000	44.0
Stromgren Alliance, Stockholm	MJ	2,608	61.0	17,395	61.0
Welinder AB, Stockholm	NA	2,527	9.4	19,071	12.6
HDM MK, Stockholm	MJ	2,429	12.5	16,199	12.5
FCB Annonsbyra, Stockholm	MJ	2,283	19.5	15,226	19.5
J. Walter Thompson Co., Stockholm	MJ	1,956	(0.0)	13,048	(0.0)
RSCG Hawi, Stockholm	MJ	1,353	22.0	8,998	24.9
Falk & Pihl/DDB Needham, Stockholm	MJ	1,142	(45.7)	4,075	(72.1)
Affarsinformation, Stockholm	NE	1,141	NA	2,934	NA
Reklambyran Thor & Co., Stockholm	NA	701	42.2	4,629	42.5
Blanking, Stockholm	NE	582	(83.3)	4,130	(83.3)
Svensk Reklamtjaenst, Stockholm	NE	205	97.6	1,369	97.6

■ **Notes:** Blanking figures only cover 6 months of 1988. Svensk Reklamjaenst non equity affiliation with Bozell, Jacobs, Kenyon & Eckhardt. Gross income figures for both years AA estimates. Ehrenstrahle International 55% owned by BBDO Worldwide. Young & Rubicam includes Wunderman, Cato-Johnson and Burson-Marsteller. McCann-Erickson Sweden includes figures for Werne Stockholm and Malmoe. Intermarco-Farner part of Publicis-FCB Communications. AffarsInformation non equity affiliation with N W Ayer. Swedish Communications, a Grey agency with offices in Goteborg, Halmstad and Malmoe, includes Grey Stockholm, Observera, Claesson & Co.

Switzerland	***Exchange rates: 0.692100/0.648600 Franc***				
GGK, Basel/Zurich	MJ	14,339	59.3	96,063	60.1
Aebi, Suter, Gisler, Studer/BBDO, Zurich	MN	11,777	(1.0)	91,898	15.9
Adolf Wirz, Zurich	MJ	10,242	17.6	68,316	17.6
McCann-Erickson Switzerland, Geneva/Zurich	MJ	9,215	25.8	61,465	25.8
HDM Switzerland, Zurich	MJ	8,541	21.9	56,939	21.9
Advico-Young & Rubicam, Zurich	MJ	7,196	0.2	47,999	0.2
Farner-Publicis, Zurich	MJ	7,073	17.9	47,201	17.9
Lintas:Switzerland, Zurich	MJ	6,829	23.7	45,548	23.7
Leo Burnett Group, Zurich/Lausanne	MJ	5,377	8.4	35,846	8.4
Grey, Geneva	MN	5,121	214.3	34,158	214.3
Impuls, Zurich	NE	5,052	NA	34,051	NA
Ogilvy & Mather, Zurich	MJ	4,772	5.2	31,837	22.7

Gross income and billings figures are U.S. dollars in thousands.
Compiled by Ilse Cermak.

Agency, city	Ownership	Gross income	% chg	Billings	% chg
DDB Needham, Zurich	MJ	3,866	(16.4)	25,786	(22.0)
TBWA, Zurich	MJ	3,218	24.0	21,455	23.7
Bozell, Jacobs, Kenyon & Eckhardt, Geneva	NE	2,892	30.7	18,317	24.9
Saatchi & Saatchi International, Geneva	MJ	2,838	34.2	18,927	34.3
J. Walter Thompson Co., Zurich	MJ	2,479	(27.2)	16,023	(29.4)
BEP, Lausanne	MJ	2,305	14.3	15,365	17.3
Cash RSCG, Zurich	MJ	1,938	2.2	13,150	(7.6)
DMB&B, Zurich	MJ	1,412	29.8	11,108	53.1
Peter Berger, Zurich	NA	914	45.9	6,090	45.8
Conquest Europe, Zurich	MJ	258	NA	1,722	NA
Regivue Consulting, Seelisberg	NA	171	33.1	1,114	31.6

■ **Notes:** Leo Burnett Group consists of Marsden Hartmann & Leo Burnett and Win Werbeagentur. Impuls non equity affiliation with Saatchi & Saatchi Advertising. Bozell, Jacobs, Kenyon & Eckhardt non equity affiliation with BJK&E. Aebi, Suter, Gisler, Studer/BBDO 34% owned by BBDO. Advico Young & Rubicam includes Wunderman, Cato-Johnson and Burson-Marsteller. McCann-Erickson Switzerland includes figures for Unimedia. BEP and Farner-Publicis part of Publicis-FCB Communications.

Taiwan		***Exchange rates: 0.034800/0.030400 Taiwan dollar***			
United Advertising Co., Taipei	NA	6,840	20.6	43,848	29.5
McCann-Erickson Taiwan, Taipei	MJ	4,265	66.9	28,448	66.9
Ogilvy & Mather (Taiwan), Taipei	MJ	3,734	24.8	24,905	26.9
Hwa Wei & Grey, Taipei	MN	2,999	46.7	20,000	46.7
China Commercial Advertising, Taipei	NE	2,678	39.8	19,836	45.0
Saatchi & Saatchi Gaynor, Taipei	MJ	2,419	23.2	10,712	(18.2)
Leo Burnett Co., Taipei	MJ	2,255	64.7	15,034	64.7
Lintas:Taiwan, Taipei	MJ	1,900	68.2	12,674	68.2
Stentor/BBDO, Taipei	MN	1,714	27.3	14,000	27.3
Ball WCRS Partnership, Taipei	MJ	1,624	80.5	12,354	45.1
DDB Needham, Taipei	MJ	981	48.4	5,958	47.4
J. Walter Thompson Taiwan, Taipei	MJ	663	NA	4,419	NA
BSB Taiwan, Taipei	ND	121	NA	2,053	NA

■ **Notes:** Stentor/BBDO 20% owned by BBDO Worldwide. China Commercial Advertising non equity affiliation with Bozell, Jacobs, Kenyon & Eckhardt.

Thailand		***Exchange rates: 0.041740/0.042900 Baht***			
Lintas:Thailand, Bangkok	MJ	6,715	11.3	44,787	11.3
Ogilvy & Mather, Bangkok	MJ	4,008	16.4	27,588	38.1
Far East Advertising Co., Bangkok	MN	3,097	46.8	20,655	46.8
Spa Advertising, Bangkok	NA	2,504	42.7	12,605	13.3
Prakit & FCB, Bangkok	MN	2,254	40.4	15,026	40.4
McCann-Erickson Thailand, Bangkok	MJ	1,839	(5.8)	12,265	(5.8)
J. Walter Thompson Co., Bangkok	MJ	1,738	21.7	9,856	21.7
HDM, Bangkok	MJ	1,463	62.3	9,767	62.5
Synergie Communications, Bangkok	NE	1,268	16.9	5,207	30.2
DMB&B, Bangkok	MN	1,069	212.1	6,678	192.6
Leo Burnett Ltd., Bangkok	MJ	1,020	NA	6,798	NA
Amex & Grey, Bangkok	MN	857	(9.3)	5,719	(9.3)
Ball WCRS Partnership, Bangkok	MJ	463	(24.3)	3,089	(24.4)
Saatchi & Saatchi Advertising, Bangkok	MJ	417	59.9	2,922	79.6
Ogilvy & Mather Direct, Bangkok	MJ	416	47.1	2,776	47.1

■ **Notes:** Far East Advertising 20% owned by DDB Needham Worldwide. D'Arcy Masius Benton & Bowles 30% owned by DMB&B. Synergie Communications non equity affiliation with Bozell, Jacobs, Kenyon & Eckhardt. Leo Burnett formerly named Diethelm Advertising.

Trinidad		***Exchange rates: 0.258700/0.250000 Trinidad dollar***			
McCann-Erickson Trinidad, Port of Spain	MJ	2,102	9.1	14,019	9.1
Lonsdale/Saatchi & Saatchi, Port of Spain	MN	753	NA	5,002	NA
Hernandez/FCB, Port of Spain	MN	492	42.6	3,284	42.6
Turkey		***Exchange rates: 0.000800/0.001234 Lira***			
Guzel Sanatlar Reklamcilik, Istanbul	NE	4,633	12.0	30,890	12.0
Manajans/Thompson, Istanbul	MN	3,749	19.5	19,420	24.8
Pars/McCann-Erickson, Istanbul	MJ	2,562	5.3	17,323	6.7
Cenajans Reklamcilik, Istanbul	NE	2,560	18.0	27,140	53.9
Ajans Ada, Istanbul	NA	2,528	7.8	17,093	20.2
Moran Ogilvy & Mather, Istanbul	MN	2,321	7.6	14,444	11.7
Merkez Ajans, Istanbul	NA	1,775	84.4	8,927	75.0
Grafika:Lintas, Istanbul	MN	1,496	(8.8)	9,978	(8.8)
Fulmar Advertising, Istanbul	NA	1,008	42.1	4,421	43.3
Reklamevi Reklamcilik, Istanbul	NE	829	10.5	5,716	10.6
Yaratim/FCB, Istanbul	MN	724	2.4	4,832	2.0
Merkom/Leo Burnett, Istanbul	MN	708	16.1	4,720	15.9
Eksi Advertising, Istanbul	NA	670	19.4	4,464	19.4

Gross income and billings figures are U.S. dollars in thousands.
Compiled by Ilse Cermak.

Agency, city	Ownership	Gross income	% chg	Billings	% chg
Rota Advertising, Istanbul	NE	634	(20.0)	5,684	11.4
Ultra, Istanbul	NA	511	44.3	2,560	48.2
Repro Reklam Ajans, Istanbul	NA	420	(9.5)	3,584	6.6
Admar Reklam ve Pazarlama, Istanbul	NE	360	(15.7)	2,720	(31.1)
Parajans, Istanbul	NA	357	62.3	1,775	8.7
Birikim Reklamcilik, Istanbul	NA	280	(13.4)	1,869	(13.3)
E/K Ajans, Istanbul	NA	216	NA	1,442	NA
Ilancilik Reklam, Istanbul	NA	191	110.4	5,419	21.9
A&D International Advertising, Istanbul	NA	185	(3.5)	2,897	26.2

■ **Notes:** Guzel Sanatlar non equity affiliation with Saatchi & Saatchi Advertising. Reklamevi Reklamcilik non equity affiliation with TBWA. Cenajans non equity affiliation with Grey. Birikim gross income figures for both years AA estimates. Admar Reklam non equity affiliation with DDB Needham Worldwide. Rota Advertising non equity affiliation with Backer Spielvogel Bates.

Uruguay		***Exchange rates: 0.003300/0.005000 Peso***			
Corporacion/Thompson, Montevideo	NE	950	(8.5)	6,339	15.3
Impetu, Montevideo	NE	475	(34.0)	1,980	(34.0)
McCann-Erickson, Montevideo	MJ	360	14.8	2,399	14.8
Grey Uruguay, Montevideo	MN	317	8.3	2,113	8.3

■ **Notes:** Impetu non equity affiliation with BBDO Worldwide. Corporacion Thompson non equity affiliation with JWT.

Venezuela		***Exchange rates: 0.031300/0.038900 Bolivar***			
Corpa, Caracas	MN	5,758	20.8	38,409	20.8
J. Walter Thompson de Venezuela, Caracas	MJ	3,677	(1.7)	24,515	(1.7)
Leo Burnett-Venezuela, Caracas	MJ	2,833	30.2	18,890	30.2
JMC/Y&R Group, Caracas	MJ	2,506	25.1	16,707	25.1
ABC-McCann Publicidad, Caracas	MJ	2,376	11.4	15,845	11.4
FCB/Siboney/Blanco Uribe, Caracas	MJ	1,776	14.8	11,848	14.8
Fischer-Grey, Caracas	ND	1,547	222.3	10,318	222.3
AW/Saatchi & Saatchi Advertising, Caracas	MJ	1,365	50.2	9,099	50.2
Ghersy/Quintero & Ted Bates, Caracas	NE	961	9.8	6,417	10.0
Vapro Publicidad, Caracas	NE	563	20.7	3,756	20.7

■ **Notes:** Ghersy/Quintero & Ted Bates non equity affiliation with BSB. Vapro Publicidad non equity affiliation with Bozell, Jacobs, Kenyon & Eckhardt. Corpa 19.9% owned by Ogilvy & Mather. JMC/Young & Rubicam 19.9% owned by Y&R.

West Germany		***Exchange rates: 0.572200/0.539700 Deutschmark***			
Lintas:Germany, Hamburg	MJ	52,116	18.3	347,614	18.3
Team/BBDO Group, Duesseldorf	MJ	48,060	6.6	320,552	6.6
McCann-Erickson Germany, Frankfurt	MJ	44,682	16.9	298,030	16.9
Young & Rubicam, Frankfurt	MJ	44,070	54.5	294,014	54.5
Ogilvy & Mather Germany, Frankfurt	MJ	41,885	12.0	279,348	12.0
Grey, Duesseldorf	MJ	34,561	20.6	230,521	20.6
DMB&B, Frankfurt	MJ	32,968	37.8	290,038	62.0
Ted Bates Holding, Frankfurt	MJ	31,606	11.0	210,746	11.0
Saatchi & Saatchi Advertising, Frankfurt	MJ	28,927	44.5	195,886	46.5
Eggert Werbeagentur, Duesseldorf	MJ	25,752	32.3	171,774	32.3
J. Walter Thompson Co., Frankfurt	MJ	24,749	(1.4)	165,076	(1.4)
DDB Needham, Duesseldorf	MJ	22,821	14.7	163,080	24.9
Michael Conrad & Leo Burnett, Frankfurt	MJ	20,738	16.7	138,264	16.7
Scholz & Friends, Hamburg	MJ	19,741	20.7	131,672	20.7
Wilkens Ayer, Hamburg	MN	19,267	8.8	138,776	9.6
Lowe Luerzer, Frankfurt	MJ	16,031	11.6	106,876	11.6
TBWA, Frankfurt	MJ	15,612	25.8	104,135	25.8
Publicis Germany, Duesseldorf	MJ	13,821	8.3	92,181	8.3
Baums, Mang und Zimmermann, Duesseldorf	MN	13,229	19.6	88,233	19.8
Heye & Partner, Munich	MN	13,046	14.0	87,018	14.0
HDM Duesseldorf, Duesseldorf	MJ	12,703	15.9	84,686	15.4
Springer & Jacoby, Hamburg	NA	11,902	45.1	79,364	45.2
Service Plan, Munich	NA	10,986	13.1	73,278	13.1
Guenter Blaese, Stuttgart	NA	10,815	13.2	72,154	13.2
Hildmann Simon Rempen Schmitz, Duesseldorf	MJ	10,144	39.6	67,699	39.2
von Mannstein Gruppe, Solingen	NA	9,785	9.2	65,288	9.2
Spiess & Ermisch, Duesseldorf	NA	9,499	24.8	63,360	24.9
GGK Communications, Duesseldorf/Frankfurt	MJ	9,270	(32.1)	62,030	(32.0)
Economia, Hamburg	NA	9,270	15.3	61,855	15.3
Bessere Werbung, Duesseldorf	NA	8,984	8.8	59,967	8.8
Borsch, Siengel & Partner, Frankfurt	NA	8,926	37.8	59,566	38.0
MWI Markenwerbung, Hamburg	MJ	7,951	22.2	53,036	22.2
RSCG, Butler, Rang, Duesseldorf	MJ	7,610	8.3	54,588	18.5
Lueders, Cologne	NA	7,324	(3.8)	48,866	(3.7)
Wensauer & Partner, Ludwigsburg	NA	6,123	13.4	40,855	13.5
Ernst & Partner, Duesseldorf	NA	5,951	(13.2)	39,711	(13.1)

Agency, city	Ownership	Gross income	% chg	Billings	% chg
FCB Frankfurt, Frankfurt	MJ	4,793	(14.8)	31,971	(14.8)
G&H Alliance, Frankfurt	MJ	3,347	39.4	22,327	39.4
Wolff & Partner, Stuttgart	MJ	2,751	NA	18,417	NA
Schmittgall Werbeagentur, Stuttgart	NA	1,831	NA	12,588	NA
Bozell Werbeagentur, Duesseldorf	MJ	1,768	26.0	11,787	26.2
Wirz & Hafner, Frankfurt	MJ	1,528	34.8	10,190	34.8
FCB Hagenlucke Direct Marketing, Hamburg	MJ	917	NA	6,114	NA
Conquest Europe, Frankfurt	MJ	540	NA	3,601	NA

■ **Notes:** Ted Bates Holding includes Cerca Werbeagentur and Scholz & Friends. Figures for the latter are listed separately. Wolff & Partner, part of Kobs & Draft, is the German direct marketing arm of Backer Spielvogel Bates. Young & Rubicam includes Wunderman, Cato-Johnson, Sudler & Hennessey and Burson-Marsteller. Team BBDO Group figures cover Team/BBDO Duesseldorf, Hamburg, Berlin and Kronberg. Eiler & Riemel (45% equity); Imparc and Selection. Grey includes Consell and KM Wolff & Partner. McCann-Erickson Germany covers Universal Kommunikation, McCann-Erickson Intensiv, Art Work, Scope, Promotion und Healthcare. Eggert Werbeagentur majority owned by HDM. Ogilvy & Mather Group includes Schellenberg O&M, O&M Direkt, Dataconsult, O&M Medical and O&M Partner. Heye & Partner, Service Plan, Guenter Blaese, von Mannstein Gruppe, Spiess & Ermisch, Economia, Bessere Werbung, Borsch, Stengel & Partner, Lueders, Wensauer & Partner and Ernst & Partner 1988 figures are AA estimates.

Zambia		***Exchange rates: 0.140000/0.060000 Kwacha***			
Young & Rubicam (Zambia), Lusaka	MJ	518	201.9	3,455	194.8
Zimbabwe		***Exchange rates: 0.549500/0.350000 Zimbabwe dollar***			
Barker McCormac, Harare	NE	1,698	5.3	7,605	3.5
Michael Hogg/Young & Rubicam, Harare	MN	1,292	102.4	8,619	102.4
Lintas:Zimbabwe, Harare	MJ	639	72.7	4,265	72.7

■ **Notes:** Barker McCormac non equity affiliation with Saatchi & Saatchi Advertising.

General notes
Exchange rates: All figures in this report are historical, unless otherwise noted. Exchange rates are given in the country tables for 1988 and 1987 respectively. Although the questionnaire sent to agencies requested constant conversion of local currency to U.S. dollars using the 1988 exchange rate, ADVERTISING AGE editors decided to use historical figures rather than allow a weak dollar to unnecessarily inflate foreign agency income.
The exchange rate for Trinidad should have read .2587 instead of .0008, as erroneously listed in the questionnaire.
Abbreviations for equity holdings:
MJ—majority owned, 51% to 100%
MN—minority owned, 1% to 50%
NE—no equity—affiliation or association
NA—not applicable—locally owned
ND—not disclosed

Young & Rubicam does not report billings. Figures listed for Y&R throughout the charts are AA estimates.
Conquest Europe is part of WPP, London, a European network specifically created to handle the Alfa Romeo auto account, headquartered in Milan, Italy.

Saatchi leads top 11 mega-groups

Non-advertising units and efforts outside U.S. pace robust gains in agency billings

Saatchi & Saatchi PLC, London, continued its dominance of agency mega-groups in 1988, although in media-related business, it met stiffer competition from challenger Interpublic Group of Cos.

Saatchi, reporting overall gross income of $1.99 billion on billings of $13.5 billion, easily outdistanced New York-based Interpublic by a margin of $730 million in gross income and $5.1 billion in billings.

However, when extracting non-media activities from group volume, Interpublic narrowed the Saatchi lead to $214 million gross income and $1.7 billion in billings. Non-media in these groups often include consulting, design, graphics, market research, sales promotion, audio-visual, video communications groups and public relations. This segment's growth has been phenomenal. In 1988, the groups listed in the accompanying chart reached 18% growth in worldwide billings while improving non-advertising contributions by 102%.

Saatchi & Saatchi

This London-based agency group dominated all groups with worldwide gross income of $1.99 billion on billings of $13.5 billion, up 18% and 19%, respectively from 1987.

Saatchi's advertising results—based largely on contributions by its two advertising networks—Saatchi & Saatchi Advertising Worldwide, and Backer Spielvogel Bates Worldwide—were $1.5 billion in gross income, up 10.5%, on billings of $10.1 billion, up 11.8%. Saatchi's big growth area was in non-advertising subsidiaries, which accounted for gross income of $516 million worldwide on billings of $3.4 billion, both 47% above prior year figures.

Top execs: J.K. Gill, president; Maurice Saatchi, chmn. Directors—Charles Saatchi, D.S. Perring, Simon J. Mellor, V.E. Millar, J.T. Sinclair, A.K. Woods, T.K. Bannister, Roy Warman, V.E. Treves (non-exec).

Phone: 01-930-2161 London.

Interpublic

Interpublic Group of Cos., New York, reported gross income of $1.26 billion in 1988 on billings of $8.4 billion.

Of the $267 million increase in gross income for the year, 80% of that came from abroad. International billings were $5.3 billion, or 63% of total billings.

Contributing to that growth were its two large international agencies, McCann-Erickson Worldwide and Lintas:Worldwide. International results for those agencies increased about 30% in both gross income and billings; McCann accounted for 51% of the boost in international gross income, and Lintas the rest. For M-E, growth was not just a factor of favorable exchange rates, but sizable account gains reflected in a 9.2% growth in its workforce abroad in no new offices. Lintas expanded its workforce abroad by 21%.

On the domestic side, McCann-Erickson growth relied largely on the acquisition of Phillips-Ramsey and the U.S. operations of Geers Gross. Likewise, growth at Lintas:USA was aided by the acquisition of Fahlgren & Swink, which brought in $18.9 million in gross income and $126.2 million in billings. These totals were more than Lintas:USA (without F&S) gained as a whole between 1987 and 1988.

Top execs: Philip H. Geier Jr., chmn & ceo; Eugene P. Beard, exec vp-finance & operations, cfo.

Phone: (212) 399-8000.

WPP Group

WPP Group, London, showed that its business extends far beyond advertising as it reported gross income of $1.17 billion on billings of $7.8 billion, both increases of 31%.

Of total gross income, non-advertising units contributed $572.4 million, or 48.8% of the total, up from 42% in 1987. Non-advertising at WPP includes graphics and design, incentive and motivation groups, sales promotion, audio-visual, video communications, market research and public relations. The advertising sector increased only 3% in gross income.

Advertising operations in the U.S. center on J. Walter Thompson Co., with a 6% increase in U.S. gross income. LGFE Inc., whose billings dropped precipitously following the departure of two agency principals and other key people, plus several sizable accounts in 1988, dropped 23% in gross income. The big stateside income generators were the non-advertising units, Simmons Market Research Bureau, Hill & Knowlton and specialist communications companies.

JWT's international gross income of $301.9 million in 1988 accounted for virtually all the $318 million non-U.S. gross income for WPP advertising units. JWT's international gross income advanced 23%, compared with only 6% growth in the U.S.

Top execs: Martin Sorrell, group ceo; Robert Lerwill, group financial dir; Jeremy Bullmore, John Quelch, Stephen King, dirs (non-executive); Doug Cheesman, corp devel U.S.; Rupert Day, Mark Rosen, corp devel non-U.S.; Chris Schulten, deputy group financial dir; Marie Hoban, group financial controller; Peter Law-Gisiko, controller, Latin America/Asia Pacific/Europe; Lewis Trencher, controller U.S.; Robert Emmins, financial dir, Rasor Communications Ltd.; Daniel Tinkelman, financial dir, Rasor Communications Inc.

Employees: 11,335 in 289 offices worldwide; 4,359 in 114 offices in the U.S.

Phone: 01-408-2204 London.

Omnicom Group

Omnicom, New York, reported worldwide gross income of $985.8 million on billings of $7.1 billion, up 10.1% and 12.8%, respectively.

Omnicom's 1988 results are tilted toward U.S. contributions that included gross income of $585 million, up 6.5%, on billings of $4.3 billion, up 11.9%. International growth continues to outpace that of the U.S. as non-U.S. gross income grew 15.6% to $401 million on $2.7 billion in billings, up 14.8%.

The group consists of two large agency networks, BBDO Worldwide and DDB Needham Worldwide. BBDO is the larger of the two, recording worldwide billings in 1988 of $4.1 billion, compared with DDB Needham's $3 billion.

Top execs: Bruce Crawford, president-ceo; Fred Meyer, cfo.

Phone: (212) 415-3600.

Ogilvy Group

Ogilvy Group, New York, reported gross income of $865.4 million on billings of $5.7 billion in 1988, up 14% and 13%, respectively, from the prior year.

Like other groups, its growth came from abroad. International gross income was $472 million, up 20% from the prior year, while international billings grew 17% to $3 billion.

Part of the growth abroad represented a bookkeeping change by Ogilvy. For the first time, it folded into income the returns from its minority-owned agencies.

In the U.S., it reported gross income of $393.1 million, up 7.4%, on billings of $2.7 billion, up 8.9%. About 58% of the U.S. increase in billings came from Ogilvy & Mather Worldwide, the group's lead agency, while about 14% came from Scali, McCabe, Sloves.

The remainder was attributed to the group's specialty units, particularly PR, marketing and research units.

Workforce changes demonstrated the impact of international billings. Employment abroad advanced 3.8% to 6,225 in 275 offices, while in the U.S., employment fell 1.6% to 3,994 in 81 offices. The agency added 30 offices abroad and five in the U.S.

Top execs: Kenneth Roman, chairman-ceo; John Gill, treasurer.

Phone: (212) 907-3400.

Eurocom

Eurocom, Paris, reported worldwide gross income of $500 million on billings of $3.3 billion, up 19% and 21%, respectively, from 1987.

Eurocom, created out of the Univas agency network and its

Mega groups by worldwide gross income

Rank 1988	Rank 1987	Group	Gross income Worldwide 1988	Gross income Worldwide 1987	Gross income Worldwide % chg	Gross income U.S. 1988	Gross income U.S. 1987	Gross income U.S. % chg	Billings Worldwide 1988	Billings Worldwide 1987	Billings U.S. 1988	Billings U.S. 1987
1	1	Saatchi & Saatchi PLC	$1,990	$1,685	18.2	$921	$823	12.0	$13,529	$11,357	$6,316	$5,624
2	2	Interpublic Group of Cos.	1,260	993	26.9	464	390	18.9	8,402	6,623	3,095	2,603
3	4	WPP Group PLC	1,173	893	31.5	638	492	29.8	7,825	5,953	4,256	3,279
4	3	Omnicom Group	986	896	10.6	585	549	6.5	7,072	6,268	4,344	3,882
5	5	Ogilvy Group	865	759	14.0	393	366	7.4	5,703	5,041	2,702	2,482
6	6	Eurocom	500	420	19.0	27	25	9.3	3,343	2,763	212	183
7	7	WCRS Group	335	240	39.3	100	89	12.4	2,914	1,675	764	657
8	8	Lowe Howard-Spink & Bell	197	149	32.8	58	57	1.3	1,316	1,036	397	393
9	11	Bozell Inc.	194	NA	NA	165	NA	NA	1,347	NA	1,185	NA
10	10	GGK Holding AG	85	52	62.6	25	10	136.1	578	415	174	89
11	9	Lopex PLC*	68	54	26.4	10	8	14.3	452	359	64	56

Notes: Dollars are in millions. Only a groups' percentage ownership of agencies is included in its total. * Figures represent only advertising business, Alliance International.

LOPEX PLC

- Alliance International S.A.
  - LVH Alliance, Belgium
  - Alliance Oy, Finland
  - CFP Alliance, France
  - G&H Alliance, Germany
  - Prad Alliance, HVR Alliance, Holland
  - Arks Alliance, Young Alliance, Ireland
  - PubbliMarket Alliance, Italy
  - A&P Alliance, New Zealand
  - Timing Alliance, Portugal
  - Tropical Alliance, Singapore
  - BCK Alliance, Spain
  - Stromgren Alliance, Sweden
  - Alliance U.K. Ltd., U.K.
  - Warwick Alliance, U.S.

GGK HOLDING A.G.

- U.S. operations
  - Lois/GGK
    - Lois/GGK New York
    - Lois/GGK Chicago
    - Media Bang!
- Non-U.S. operations
  - GGK Amsterdam
  - GGK Basel
  - GGK Zurich
  - GGK Zollikon
  - GGK Dusseldorf
  - GGK Communications
  - GGK Frankfurt
  - GGK London
  - GGK Madrid
  - GGK Barcelona
  - GGK Milan
  - GGK Paris
  - W/GGK Sao Paulo
  - GGK Vienna
  - GGK Salzburg

THE OGILVY GROUP

- Ogilvy & Mather Worldwide
  - Ogilvy & Mather Advertising
  - Ogilvy & Mather Direct Response
    - A. Eicoff & Co.
    - Targeted Communications
    - Ogilvy & Mather Yellow Pages
  - Ogilvy Public Relations Group
    - Adams & Rinehart
    - Ogilvy & Mather Public Affairs
    - Charls E. Walker Associates
    - Ogilvy & Mather Public Relations
  - Specialized Services
    - Graphic Services
    - Silver Bullet Productions
    - Speech Dynamics
    - Sussman & Sugar
    - Rolf Werner Rosenthal
      - World Health Communications
- Scali, McCabe, Sloves
  - Fallon McElligott
  - Martin Agency
  - Stevens & Buchsbaum
  - Mort Goldberg Inc.
- SAGE Worldwide
  - Futures Group
  - SAGE Worldwide Retail
  - SAGE Worldwide Promotion
  - Promotional Campaigns
    - PMSI
    - Thomson-Leeds Co.
    - Alert Marketing
- Independent Associated Agencies
  - Cole & Weber
  - Euramerica International Advertising
- Research International Ltd.
  - Decisions Center
  - Cambridge Reports

lead agency Havas Conseil in Paris, has reached far beyond its initial French empire through its connection with HDM and WCRS/Belier.

Eurocom formed HDM (the "H" is for Havas) with Dentsu and Marsteller, the old Y&R shop, in 1986. It owns 100% of HDM Europe, 35% of HDM U.S., and 20% of HDM Asia. That percentage ownership brought its returns from HDM to $226.6 million gross income in 1988, up 42%, on billings of $1.6 billion, up 45%.

In its '87 linkup with WCRS/Belier Europe, it owns 100% of Europe operations, and 20% each of U.K., U.S. and Asian operations. Returns for its percentage ownership in 1988 were $141.5 million gross income on billings of $970.4 million, both up 17%.

The remaining 25% of its 1988 returns came from its various French agencies and networks blanketing the country.

Top execs: Pierre Dauzier, chm-ceo; Alain de Pouzilhac, Pierre de Plas, both senior exec vp-coo; Jacques Herail, exec vp; Jacques Landelle, exec vp; Philippe Vuitton, exec vp. Employees: 6,550.

Phone: 47 47 81 81 Paris

WCRS Group

WCRS Group, London, had worldwide gross income of $334.6 million on billings of $2.9 billion in 1988, up 39% and 74%, respectively.

The group is two-dimensional, dominated by WCRS Worldwide, the advertising operation, and Carat Espace, the European media-buying joint venture.

The rapid growth overall and wide differential between the rate of growth for gross income and billings is largely because of WCRS's acquisition of 50% of SGGMD, the French media-buying independent founded in 1969. The resulting joint venture, called Carat Espace, is the leading Pan-European media buying network.

Fifty percent of the media unit's returns, or gross income of $44.5 million on billings of $885 million (a 5% commission rate) were folded into WCRS in 1988, Carat Espace's inaugural year.

(Continued on Page 82)

OMNICOM

- BBDO Worldwide Inc.
  - BBDO New York division
  - BBDO Detroit div
  - BBDO Minneapolis div
  - BBDO Chicago div
  - BBDO LA & SF div
  - BBDO Atlanta div
  - Tycer Fultz Bellack.
  - International Agencies
- DDB Needham Worldwide
  - DDB Needham Chicago, Detroit, LA, NY, Wash.
- SF, Denver
  - DDB Needham Retail SF, Sacramento
  - Milici, Valenti, Park & Gabriel, Honolulu
  - international Agencies
- Diversified Agency Services
  - Baxter Gurian & Mazzei
  - Blair Advertising
  - Doremus & Co.
  - Fletcher Mayo Associates
  - Franklin Spier Inc.
  - Bernard Hodes Advertising
  - Ingalls, Quinn & Johnson
  - Caravetta, Allen Kimbrough
  - Lavey/Wolff/Swift
  - Rapp Collins Marcoa
  - R.C. Communications
  - Hannaford
  - Kallir, Philips, Ross
  - *Kresser Craig*
  - Frank J. Corbet
  - G M DuBois
  - Telerx Marketing
  - Porter Novelli
  - Omnicom Productions
  - International Creative Casting Inc.
  - Robles Communications
  - Weiss/Watson
- Tracy-Locke, Dallas, Denver, LA
  - Tracy-Locke-Atlanta
  - Altschiller Reitzfeld Davis/Tracy-Locke-New York

INTERPUBLIC GROUP OF COMPANIES

- Dailey & Associates
- Lintas:Worldwide
  - Lintas:New York
    - Lintas:MCM
    - Lintas:Vos Direct
    - Lintas:Latina
    - Lintas:Puerto Rico
- Lintas:Campbell-Ewald
  - Lintas:Ceco Communications
- Fahlgren & Swink
- Lintas:International
- Lowe Marschalk
- McCann-Erickson Worldwide
  - McCann-Erickson USA
    - McCann Promotion Services
    - McCann Direct

WPP GROUP PLC

- Strategic Marketing Services
  - Henley Centre for Forecasting
- Media Advertising
  - J. Walter Thompson Co.
  - Lord Geller Federico Einstein
  - Conquest Europe
- Public Relations
  - Hill & Knowlton
  - Carl Byoir
- Market Research
  - MRB Group
    - Simmons Market Research Bureau
    - Winona Market Research
    - British Market Research Bureau
    - Mass-Observation
    - MRB International
    - Basisresearch
    - Japan Market Research Bureau
- Non-Media Advertising
  - Graphics & Design
    - Business Design Group
    - OYA Group
    - Sampson/Tyrrell/JST Advertising
    - Sidjakov Berman Gomez
    - Stewart McColl Associates
    - VAP Group/Greaves Hall
    - Walker Group/CNI
  - Incentive & Motivation
    - Grass Roots Group
    - P&L International Vacationers
  - Sales Promotion
    - Einson Freeman
    - Mando Group
    - Scott Stern Associates
  - Audio Visual & Video Communications
    - MetroVideo/Mighty Movie Co.
- Specialist Communications
  - Anspach Grossman Portugal
  - Brouillard Communications
  - EWA
  - Entertainment Group
  - Harvard Group
  - HLS Corp.
  - J. Walter Thompson Direct
  - J. Walter Thompson Healthcare Group
  - Mendoza Dillon & Asociados
  - Pace Communications
  - Reese Communications/Targeting Systems
  - Thompson Recruitment Advertising
  - Tromson Monroe Advertising

WCRS GROUP

- WCRS Worldwide (Advertising)
  - U.S.A.
    - Della Femina McNamee WCRS
    - Heller Breene
    - Cohn & Wells
    - Robert A. Becker
  - U.K.
    - WCRS Advertising U.K.
      - WCRS Mathews Marcantonio
      - FCO
      - WCRS/dma
  - Europe
    - Belier WCRS France
    - Katte Empain Belier WCRS Belgium
    - Klein & Partners Netherlands
    - Belier WCRS Italia
  - Asia, Australia
    - The Ball WCRS Partnership (Australia, HK, Malaysia, NZ, Singapore, Taiwan, Thailand)
- WCRS Media Group
  - Carat Espace 50% (France, Spain, Germany, Italy, Benelux, UK)
  - Alan Pascoe & Associates, Pascoe Nally Intl
- Creamer Dickson International(PR)
  - Biss Lancaster (50%)-UK
  - Creamer Dickson Basford-US
  - Belier RP/Agenpress-Europe
  - Corporate Graphics-UK and US
  - Lay & Partners (60%)-UK

SAATCHI & SAATCHI CO. PLC

- Saatchi & Saatchi Communications
  - Advertising
    - Saatchi & Saatchi Advertising Worldwide
      - Saatchi & Saatchi Direct
      - Saatchi & Saatchi Promotions
      - Saatchi & Saatchi Business Communications
    - Backer Spielvogel Bates Worldwide
      - Kobs & Draft
    - AC&R
    - Campbell-Mithun-Esty
    - McCaffrey & McCall
    - Rumrill-Hoyt Rochester
    - Klemtner
    - Conill
    - KHBB
    - Hall/Harrison Cowley
    - Zenith
  - Public Relations
    - Rowland Worldwide
  - Design & Corporate Identity
    - Siegel & Gale Worldwide
  - Sales Promotion
    - Howard Marlboro
    - HP: ICM
- Saatchi & Saatchi Consulting
  - Strategic Services
  - Market Research
    - Yankelovich Clancy Shulman
    - National Research Group
  - External Information
    - Gartner Group
  - Information Services
    - Information Consulting Group (option to acquire)
    - Gamma (France)
  - Human Resources
    - Hay Group
      - Hay/Huggins
      - Hay Systems
      - MSL International
      - Moxon Dolphin & Kerby
      - McBer & Co.
      - Syllogistics Inc.
  - Technology Development
  - Logistics & Operations
    - Cleveland Consulting Associates
  - Marketing & Sales
    - Yankelovich Clancy Shulman
  - Management Development
    - McBer & Co.
  - Litigation Services
    - Litigation Sciences Inc.
    - Peterson & Co.
  - Transition Management
    - Corporate Planners & Coordinators Inc.

LOWE HOWARD-SPINK & BELL PLC

- Media Advertising
  - Lowe International
  - Allen Brady & Marsh
  - Lawrence Charles Free & Lawson
- Public Relations
  - Lowe Bell Communications
    - Good Relations
    - Lowe Bell Financial
    - GJW Government Relations
- Non-Media Advertising
  - Graphics & Design
    - GR Design
    - Brompton Design
    - Horseman & Cooke
    - Face Ronchetti
    - Face Photosetting
  - Sales Promotion
    - Brompton Promotions
    - Adplus
  - Direct Marketing
    - Brompton Direct
    - Brompton Hamilton Wright
  - Sponsorship
    - The Wight Co.
- Specialist Communications
  - NML Presentations
  - Effective Tele-Marketing
  - International Poster Management
- Consultancy
  - LBC Consultancy

(Continued from Page 69)

RANK 74

Wyse Advertising

Cleveland

GROSS INCOME: $ 16 MILLION

Income & volume

($ in millions)

U.S.	1988	1987	% chg
Gross income	15.7	12.3	27.9
Volume	105.8	93.2	13.5
U.S. volume stats	**1988**	**1987**	**% chg**
Media	63.5	58.5	8.6
Materials & services	12.0	11.4	5.2
Capitalized fees	30.3	23.4	29.7

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	9.8	7.9	23.5
Consumer magazine	19.5	18.0	8.5
Outdoor	0.6	0.7	(13.9)
Spot TV	8.1	8.2	(1.0)
Network TV	11.1	8.2	35.9
Radio	8.8	9.6	(7.6)
Other	0.3	4.3	(7.0)

Workforce & facilities

U.S.	1988	1987	% chg
Employees	231	185	24.9
Offices	2	2	NA

1988 billings by major office

Office, City	Billings
Wyse Advertising, New York	14.4
Wyse Advertising, Cleveland	91.4

Annual Review

In May, the shop bought North Coast Behavioral Research Group, specializing in consumer behavior, and moved Carl Camden, cofounder-ceo of the company to exec vp—director of Wyse's Marketing Decisions Group. In August, the agency opened Pinnacle Media as an independent broadcast media-buying service with Errol Dengler, Wyse vp-group media, as president. It gained the $4 million snack account from Drake Bakeries in 1988 and produced an $800,000 24-page color insert in *Forbes*' "Forbes 500" for Nestle Enterprises, the first such corporate advertising for that client. It is preparing a national image campaign for Uniroyal Goodrich as well. Allan D. Gardner, former exec vp at Canter Achenbaum Associates consulting firm, became president of the New York office, succeeding Lois Wyse who continues as president of the Cleveland-based parent company where her former husband, Marc Wyse, is chairman.

U.S. Accounts

Gained: BF Goodrich Co.; Drake Bakeries; Edward D. Jones & Co.; BP Exploration; SVD Enterprises; Samsonite Furniture; Those Characters from Cleveland; Uniroyal Goodrich Tire Co.

Lost: Celanese Fibers; Greenwood Mills; Gourmet Salads; Higbees Dept Store.

Officers

Marc A. Wyse, chmn; Lois Wyse, president; James B. Rucker Jr., vice chmn; Evelyn M. Reisz, secretary-treasurer.

Phone: (216) 696-2424.

RANK 1

Young & Rubicam

New York

GROSS INCOME: $ 758 MILLION ✓

Income & volume

($ in millions)

Worldwide	1988	1987	% chg
Gross income	757.6	735.5	3.0
Volume	5,390.3	4,905.7	9.9
U.S.	**1988**	**1987**	**% chg**
Gross income	372.8	385.8	(3.4)
Volume	2,791.8	2,573.0	8.5

Billings by media

($ in millions)

Media	1988	1987	% chg
Newspaper	107.6	100.6	7.0
Consumer magazine	248.5	174.4	42.5
Sunday magazines	0.4	0.0	NA
Business publications	62.6	0.0	NA
Medical journals	35.1	29.5	19.0
Farm publications	12.7	0.5	NA
Outdoor	31.8	14.8	114.9
Transit	6.7	5.9	14.3
Point of sale	0.0	1.2	NA
Spot TV	407.6	356.0	14.5
Network TV	625.4	636.0	(1.7)
Cable TV	60.6	61.0	(0.6)
Radio	82.6	96.9	(14.8)
Direct response	111.1	5.0	2,107.6

Workforce & facilities

U.S.	1988	1987	% chg
Employees	4,717	4,876	(3.3)
Offices	50	45	11.1

1988 billings by major office

Office, City	Billings
Cato Johnson/Y&R, New York	46.2
Chapman Stone & Adler, New York	51.7
Stone & Adler, Chicago	31.9

1988 billings by major office

Office, City	Billings
CMF&Z, Cedar Rapids, Iowa	79.2
HDM USA, Los Angeles	13.1
HDM USA, Los Angeles	80.8
HDM USA, New York	89.0
HDM USA, Chicago	45.8
Hutchins/Y&R, Rochester, N.Y.	52.5
Rogers Merchandising, Lombard, Ill.	46.4
Sive Associates, Cincinnati	29.6
Sudler & Hennessey, New York	137.2
Inlobase, Conway, Ark.	4.4
Wunderman Worldwide, New York	229.7
Wunderman Worldwide, Detroit	32.0
Young & Rubicam, New York	1,153.2
Young & Rubicam, Chicago	92.6
Young & Rubicam, Detroit	198.2
Young & Rubicam, San Francisco	84.5
Burson-Marsteller, New York	NA

Notes: Y&R includes only $57 million from HDM in its figures. The agency claimed only $689.3 million in Burson-Marsteller's worldwide billings of $109 billion. U.S. billings at B-M were estimated at $820 million, with Y&R claiming an estimated $517 million.

Annual Review

Y&R continued on a hot streak of new business in 1988, including winning the U.S. Army recruitment account ($50 million), Revlon ($30-$35 million), Holiday Inns media advertising and collateral account ($25 million), and American Home Products' Today contraceptive ($10 million). Overseas, it gained the $19 million U.K. National Employers Liaison account for volunteer military reserve and the $22.5 million House of Fraser account. Overall, the agency grew by $485 million in worldwide billings, representing 9.9% growth over 1987, but in actual terms, growth was much higher because 1987 figures did not exclude non-media-related capitalized billings from Burson-Marsteller as did 1988 returns. Figures were left historic in keeping with AA's treatment of other agencies. AA requested the media-only B-M figures which were supplied by Y&R. The growth of 3% in gross income worldwide between 1988 and 1987 would actually increase to 10.1% with the elimination of $47.5 million in B-M fees from Y&R's 1987 worldwide gross income. Since about 75% of B-M's business is in the U.S., the U.S. income total in 1988 would represent an increase of about 6% over 1987 after eliminating about $34 million in non-media B-M fees from gross income in that year. During the year, Y&R bought Arthur E. Wilk, the Chicago-based healthcare agency with $20 million in billings, sold its minority interest in Collett Dickenson Pearce's CISA, a European network formed by CDP, merged its Argentina office with another agency and bought two Spanish shops. It provided funding for Lord, Einstein & O'Neill Partners, the agency founded by two who broke away from LGFE Inc., a WPP Group agency. Late in 1988, Y&R announced it would convert its major U.S. operations to a limited partnership.

U.S. Accounts

Gained: Alabama Space & Rocket Center; Allergan; Burroughs-Wellcome; Convergent Technologies; DuPont Engineering Parts; DuPont Imaging; DuPont Packaging Prods; Hartmarx; Holiday Inns; Johnson & Johnson's PPC assignments; Marine Harvest; Michcon Gas Co.; Navistar; Revlon Aor; Sun Diamond; System Software; Whitehall Laboratories; WNET.

Lost: AAA-Michigan; G.F. Aor; Hertz; Johnson & Johnson's Stayfree brand assignments; Montgomery Ward; S.B. Thomas.

Foreign Accounts

Gained: Europe—UIP, Malibu, IDV, London—House of Fraser, Paris—Pernod Ricard, Reckitt & Colman, Wedgwood China, Madrid—Saimaza Coffee/General Foods, Zurich—Siber, Hegner Watches, Bosch White Goods. Brazil—Johnson & Johnson, Loctite. Chile—Johnson & Johnson. Mexico—Bayer. Puerto Rico—Frito-Lay. Canada—Labatt. Australia—Solomon's Carpets. New Zealand—Giant Supermarket.

Lost: Brazil—Vicuna, Imbrateur. Mexico—Uniroyal.

Officers

Alexander Kroll, chmn & ceo-Y&R; Peter Georgescu, exec vp, president-Y&R Adv; Harold Burson, chmn-Burson-Marsteller; James Dowling, exec vp, president-ceo, Burson-Marsteller; Lester Wunderman, exec vp, chmn-Wunderman Worldwide; R. John Cooper, exec vp, genl counsel-secretary, Y&R; Roger Craton, exec vp-cfo, Y&R; Joseph De Deo, exec vp, president-Y&R Europe; Roby Harrington, exec vp, chmn-US Natl Group; Arthur Klein, exec vp-Y&R, president-ceo, Y&R NY, president-Direct Marketing Group; John P. McGarry Jr., exec vp, chmn-client svcs worldwide, chmn-Y&R NY; James McCoubrey, exec vp, area dir-Canada, Australia, Africa.

Phone: (212) 210-3000.

Ball WCRS

(Continued from Page 79)

from the No. 8 position to less than one percentage point behind market leader National, a line from Matsushita Electric Industrial Co. in Japan, he added.

Other advertising has been equally creative. The "Summer" campaign for Crocodile Garments and "Olympic Summer" ads for Puma are rich in the distinctive pastel colors of Asia.

The Ball WCRS Partnership is a mouthful of a name woven around the extroverted personality of Michael Ball, 52, former vice-chairman of Ogilvy & Mather Worldwide, who understands the value of a strong brand name—in this case, his own surname.

It was not until Mike Chu merged his widely praised creative shop, Synergie, with Ball HK a year ago that the Hong Kong partnership between the Mikes began to work.

Mr. Chu said, "Many of our clients are expanding and going international because of 1997 [when the British hand back the colony to China]. We must go with them. We could well find ourselves, in 1997, in a key position on the doorstep to China."

The agency began in Hong Kong in January 1980 as Meridian, a second network for O&M designed by Mr. Ball to handle conflicts. In 1986 Mr. Ball resigned from O&M, bought majority control of the Meridian network of offices throughout Southeast Asia, and changed its name to the Ball Partnership. In 1987, Ball became a wholly owned part of WCRS. □

Mega-groups

(Continued from Page 81)

WCRS Worldwide reported worldwide gross income of $290.1 million on billings of $2 billion in 1989.

The U.S. contribution—mainly from Della Femina, McNamee WCRS—was $99.9 million gross income on billings of $764.2 million.

Top execs: Peter Scott, joint chmn-ceo; Robin Wight, joint chmn; Tim Breene, deputy chief exec; Charles Stern, group finance dir.

Phone: (01) 242-2800.

Lowe Howard-Spink & Bell

LH-S&B Ltd., London, reported worldwide billings growth of 27% to $1.32 billion in 1988 with estimated gross income of $197.5 million, up 30%.

Its U.S. properties contributed $397.4 million in billings, up only 1% from the prior year. Agencies included in the U.S. tally and their percentage ownership were Lowe Marschalk (30%), Laurence, Charles, Free & Lawson (100%) and Lowe Tucker Metcalf (15%).

The group's non-U.S. properties include agencies in Britain, Australia and Canada, and a European network. These international contributions expanded by 43% in 1988 to $919 million.

Mega groups minus non-media advertising

Rank 1988	Rank 1987	Group	Worldwide gross income 1988	Worldwide gross income 1987	Worldwide gross income % chg	Worldwide billings 1988	Worldwide billings 1987
1	1	Saatchi & Saatchi PLC	$1,474	$1,335	10.5	$10,087	$9,023
2	2	Interpublic Group of Cos.	1,260	993	26.9	8,402	6,623
3	3	Omnicom Group	963	872	10.4	6,918	6,125
4	4	Ogilvy Group	715	633	13.0	4,700	4,201
5	5	WPP Group PLC	613	520	17.7	4,213	3,481
6	6	Eurocom	500	420	19.0	3,343	2,763
7	7	WCRS Group	254	216	17.6	1,789	1,613
8	8	Lowe Howard-Spink & Bell	175	135	29.1	1,166	948
9	9	Bozell Inc.	173	NA	NA	1,207	NA
10	9	GGK Holding AG	85	59	43.4	578	415
11	10	Lopex PLC (Alliance Int'l)	68	54	26.4	952	359

Notes: Dollars are in millions.

BOZELL INC.

- BJK&E Inc.
  - Atlantic Division (New York, Atlanta, Detroit)
  - Midwest Division (Omaha, Minneapolis, Chicago)
  - Pacific Division (Los Angeles)
  - Southwest Division (Dallas)
  - Ellis Diaz/BJK&E
  - BJK&E PR
  - Robinson, Lake, Lerer & Montgomery (New York, Washington)
  - Specialized Services:
    - BJK&E Healthcare
    - BJK&E Yellow Pages (New York, Detroit, Dallas, Minneapolis, Chicago, Omaha, Los Angeles)
    - BJK&E Direct (New York, Dallas, Chicago)
    - CPS Group (New York, Dallas, Minneapolis)
- Poppe Tyson Inc. (New York, Union, N.J.)
  - U&S Graphics

Top execs: Frank Lowe, chmn; Les Delano, exec dir. Employees: 2,000 in 35 offices in 1988 worldwide; 684 in nine offices in the U.S.

Phone: 01-225-3433 London; (212) 708-8895 New York.

Bozell Inc.

This newly-formed group reported worldwide gross income of $194 million on billings of $1.3 billion in 1988. Aside from the Bozell, Jacobs, Kenyon & Eckhardt family tree, the only other unit under the holding company umbrella is Poppe Tyson.

Bozell Inc. was formed following BJK&E's buyback from Lorimar Corp., Poppe Tyson's former parent as well.

Top execs: Liener Temerlin, chmn; Charles D. Peebler, ceo.

Phone: (212) 206-5000.

GGK Holding A.G.

This Basel, Switzerland-based agency had worldwide gross income of $85 million on billings of $578.3 million in 1988, up 62.6% over prior year totals.

The U.S. contribution was $25 million in gross income on billings of $174 million. U.S. gross income, up by $15 million, represented 45% of the worldwide gross income growth of $33 million.

The surge in U.S. operating results came from a full-year inclusion of Lois/GGK New York (formerly Lois Pitts Gershon Pon), Lois/GGK Chicago (formerly HCF & Lois) and Media Bang! The U.S. shops were just organized this month into their own holding company, Lois/GGK. GGK's other shops are widely dispersed throughout Europe, but the Lois/GGK New York agency, with billings of $99.4 million, is the largest agency in the group.

Top exec: Paul Gredinger, owner.

Phone: 41 61 23 39 16 Basel.

Lopex PLC

Lopex PLC, London, which owns a majority position in Alliance International S.A., a Brussels-based agency worldwide network, reported growth of 26% in both worldwide gross income of $68 million and billings of $452 million for Alliance.

Since its formation six years ago, Alliance has grown by buying a majority interest in local shops. There are only four agencies in the network in which Alliance only owns a minority interest; one of the agencies is Warwick Advertising, New York.

The network is represented in 14 countries, usually by one agency per national market. Apart from Alliance, Lopex also is involved in marketing communications, research, public relations and sales promotion.

Top exec: Philip Kirby, development dir., Alliance; Tom O'Leary, group managing dir, Alliance.

Phone: 2 511 72 90 Brussels. □

Top 10 by print media

Rank	Agency	Media billings 1988	Media billings 1987	% chg	Total billings 1988	Media % total billings 1988
Newspapers						
1	J. Walter Thompson Co.	$194.0	$180.7	7.4	$1,787.9	12.0
2	Bernard Hodes Group	176.5	156.4	12.8	204.4	97.9
3	Nationwide Advertising Service	153.9	133.6	15.2	185.4	97.9
4	Lintas:Worldwide	115.4	NA	NA	1,219.2	11.7
5	Young & Rubicam	104.4	97.5	7.0	2,111.9	5.4
6	Grey Advertising	99.6	110.2	(9.6)	1,520.3	6.8
7	Doremus & Co.	85.0	90.0	(5.6)	181.0	43.7
8	Leo Burnett Co.	82.5	78.7	4.9	1,765.0	5.3
9	Wells, Rich, Greene	80.2	99.5	(19.4)	833.9	10.5
10	Bozell, Jacobs, Kenyon & Eckhardt	77.4	118.2	(34.5)	1,090.0	6.7
Consumer magazine						
1	Young & Rubicam	$248.5	$174.4	42.5	$2,111.9	12.9
2	J. Walter Thompson Co.	225.0	188.0	19.7	1,787.9	13.9
3	Leo Burnett Co.	221.5	200.9	10.2	1,765.0	14.3
4	DDB Needham Worldwide	166.8	144.7	15.3	1,318.9	13.7
5	Grey Advertising	162.9	155.1	5.0	1,520.3	11.2
6	Bozell, Jacobs, Kenyon & Eckhardt	162.2	183.8	(11.8)	1,090.0	14.1
7	Lintas:Worldwide	162.2	NA	NA	1,219.2	16.4
8	Wells, Rich, Greene	160.5	130.0	23.5	833.9	21.0
9	Saatchi & Saatchi Advertising	149.8	157.3	(4.8)	1,740.1	8.9
10	McCann-Erickson Worldwide	144.8	118.8	21.9	1,314.0	13.4
Sunday magazine						
1	Lois/GGK New York	$10.00	NA	NA	$99.4	11.2
2	Laurence Charles Free & Lawson	5.38	5.39	(0.2)	302.0	1.8
3	TBWA Advertising	5.10	3.80	34.2	154.1	4.1
4	NW Ayer	3.71	6.24	(40.6)	946.7	0.4
5	Tatham-Laird & Kudner	3.68	4.69	(21.5)	217.0	1.5
6	Ross Roy Group	3.30	5.20	(36.5)	568.1	0.7
7	Bernstein-Rein Advertising	2.53	1.41	80.0	82.3	3.1
8	Tarlow Advertising	2.21	NA	NA	39.9	ERR
9	FCB-Publicis	2.17	1.43	52.4	1,617.8	0.2
10	Ammirati & Puris	2.10	NA	NA	210.0	1.2
Business publications						
1	Levine, Huntley, Schmidt & Beaver	$58.3	NA	NA	$216.4	32.1
2	Young & Rubicam	57.9	NA	NA	2,111.9	3.0
3	J. Walter Thompson Co.	52.7	51.1	3.1	1,787.9	3.3
4	Della Femina, McNamee WCRS	44.7	NA	NA	660.5	7.6
5	Doremus & Co.	43.0	54.0	(20.4)	181.0	22.1
6	FCB-Publicis	37.3	15.6	139.3	1,617.8	2.6
7	Ketchum Communications	36.9	27.9	32.0	726.0	6.0
8	Ogilvy & Mather Worldwide	35.0	12.0	191.7	1,558.4	2.4
9	McCann-Erickson Worldwide	33.1	27.2	21.7	1,314.0	3.1
10	HDM	16.1	16.4	(1.8)	228.9	7.8
Medical journals						
1	McCann-Erickson Worldwide	$60.0	$49.2	22.0	$1,314.0	5.6
2	Klemtner Advertising	46.8	33.4	40.1	90.2	66.9
3	William Douglas McAdams Inc.	43.0	45.5	(5.5)	107.0	42.6
4	Lavey/Wolff/Swift	42.0	36.0	16.7	84.5	58.2
5	Young & Rubicam	35.1	29.5	19.0	2,111.9	1.8
6	Dorritie & Lyons	29.4	24.5	20.0	50.0	65.3
7	FCB-Publicis	22.9	32.2	(28.7)	1,617.8	1.6
8	Kallir, Philips, Ross	22.1	16.8	31.0	163.2	17.8
9	William R. Biggs/Gilmore Associates	20.6	14.6	41.1	52.3	51.2
10	Barnum Communications	18.7	20.0	(6.7)	36.5	49.4

Notes: Dollars are in millions. Total agency billings and billings by media do NOT include the billings of subsidiary agencies ranked elsewhere in this issue.

AA chart: Kevin Brown

Top 10 by broadcast

Rank	Agency	Media billings 1988	Media billings 1987	% chg	Total billings 1988	Media % total billings 1988
Spot TV						
1	Young & Rubicam	$391.0	$340.8	14.7	$2,111.9	20.2
2	D'Arcy Masius Benton & Bowles	365.8	280.1	30.6	1,567.0	26.2
3	FCB-Publicis	327.0	354.0	(7.6)	1,617.8	23.1
4	J. Walter Thompson Co.	316.9	357.3	(11.3)	1,787.9	19.6
5	Grey Advertising	315.9	330.4	(4.4)	1,520.3	21.7
6	Saatchi & Saatchi Advertising	309.6	282.2	9.7	1,740.1	18.5
7	Campbell-Mithun-Esty	254.1	179.8	41.3	783.0	34.3
8	Backer Spielvogel Bates Worldwide	236.1	NA	NA	1,091.2	24.0
9	BBDO Worldwide	221.0	217.1	1.8	1,152.0	21.1
10	McCann-Erickson Worldwide	210.0	172.3	21.9	1,314.0	19.5
Network TV						
1	Leo Burnett Co.	$703.6	$585.7	20.1	$1,765.0	45.4
2	J. Walter Thompson Co.	699.4	516.8	35.3	1,787.9	43.2
3	Saatchi & Saatchi Advertising	698.4	636.4	9.7	1,740.1	41.7
4	Young & Rubicam	625.4	636.0	(1.7)	2,111.9	32.4
5	D'Arcy Masius Benton & Bowles	615.4	511.4	20.3	1,567.0	44.1
6	Backer Spielvogel Bates Worldwide	545.6	NA	NA	1,091.2	55.5
7	Grey Advertising	511.0	507.2	0.7	1,520.3	33.1
8	Ogilvy & Mather Worldwide	479.0	391.0	22.5	1,558.4	33.4
9	Lintas:Worldwide	466.2	NA	NA	1,219.2	47.1
10	FCB-Publicis	402.1	399.0	0.8	1,617.8	28.4
Cable TV						
1	Young & Rubicam	$60.6	$61.0	(0.6)	$2,111.9	3.1
2	Avrett, Free & Ginsberg	54.5	46.7	16.6	112.0	60.4
3	Grey Advertising	47.2	40.8	15.6	1,520.3	3.2
4	FCB-Publicis	43.5	34.8	25.0	1,617.8	3.1
5	Lintas:Worldwide	40.2	NA	NA	1,219.2	4.1
6	D'Arcy Masius Benton & Bowles	29.7	8.0	272.1	1,567.0	2.1
7	Backer Spielvogel Bates Worldwide	24.8	NA	NA	1,091.2	2.5
8	Bozell, Jacobs, Kenyon & Eckhardt	24.3	18.7	29.9	1,090.0	2.1
9	Leo Burnett Co.	23.8	19.1	24.3	1,765.0	1.3
10	McCann-Erickson; Ogilvy & Mather (tie)	21.0	NA	NA	NA	NA
Syndicated TV						
1	Leo Burnett Co.	$106.4	$89.7	18.6	$1,765.0	6.9
2	D'Arcy Masius Benton & Bowles	59.7	51.9	15.1	1,567.0	4.3
3	Jordan, McGrath, Case & Taylor	31.7	26.3	20.6	300.0	11.3
4	McCann-Erickson Worldwide	30.0	24.6	22.0	1,314.0	2.8
5	Wells, Rich, Greene	21.7	NA	NA	833.9	2.8
6	HutchesonShutze	8.8	6.3	38.9	33.3	36.3
7	Ross Roy Group	6.8	NA	NA	568.1	1.4
8	Calfatiello-Diehl & Associates	5.4	1.6	244.2	61.0	10.4
9	Burrell Advertising	4.2	NA	NA	65.7	7.4
10	BBDO Worldwide	4.2	NA	NA	1,152.0	0.4
Radio						
1	Ogilvy & Mather Worldwide	$96.0	$65.0	47.7	$1,558.4	6.7
2	DDB Needham Worldwide	90.1	52.0	73.3	1,318.9	7.4
3	McCann-Erickson Worldwide	89.5	73.4	21.9	1,314.0	8.3
4	Backer Spielvogel Bates Worldwide	89.3	NA	NA	1,091.2	9.1
5	FCB-Publicis	82.5	78.9	4.6	1,617.8	5.8
6	J. Walter Thompson Co.	81.0	87.8	(7.7)	1,787.9	5.0
7	D'Arcy Masius Benton & Bowles	74.1	63.8	16.0	1,567.0	5.3
8	Bozell, Jacobs, Kenyon & Eckhardt	72.3	96.6	(25.2)	1,090.0	6.3
9	Young & Rubicam	70.7	86.3	(18.1)	2,111.9	3.7
10	Grey Advertising	61.3	62.6	(2.1)	1,520.3	4.2

Notes: Dollars are in millions. Total agency billings and billings by media do NOT include the billings of subsidiary agencies ranked elsewhere in this issue.

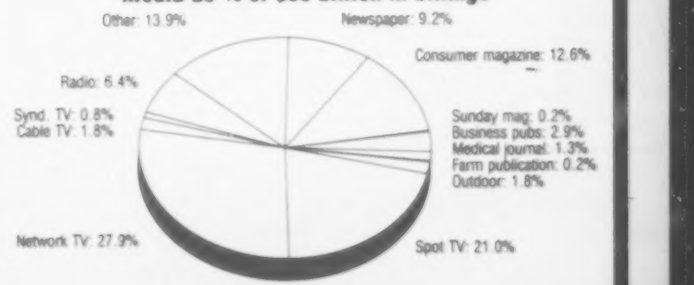
AA chart: Kevin Brown

U.S. media billings by category

Media	Top 25 agencies 1988 billings	Top 25 agencies as % of top 500	Top 100 agencies 1988 billings	Top 100 agencies as % of top 500	Top 500 agencies 1988 billings
Print					
Newspaper	$1,406	43.8	$2,403	74.7	$3,214
Consumer magazine	2,785	63.0	3,688	83.4	4,421
Sunday magazine	17	26.3	42	65.6	63
Business publications	351	35.0	624	62.0	1,005
Medical journal	118	25.0	310	65.7	472
Farm publication	1	2.2	34	54.1	62
Broadcast					
Spot TV	4,352	59.4	6,098	83.2	7,325
Network TV	8,192	84.1	9,340	95.8	9,742
Cable TV	377	61.0	556	90.3	617
Syndicated TV	229	77.6	271	91.8	295
Radio	1,220	54.4	1,740	77.6	2,241
Other					
Outdoor	382	81.4	518	82.7	626
Other*	2,744	56.3	3,724	76.4	4,871

Notes: Dollars are in millions. Information in this chart is compiled from media breakouts supplied by 465 of the top 500 agencies reporting $35 billion in media billings. *Other includes billings from free-standing inserts, transit ads, point of sale, direct response, sales promotion, special events and Yellow Pages. AA will publish a ranking of sales promotion agencies May 1, 1989 and a ranking of direct response agencies May 15, 1989.

AA chart: Kevin Brown

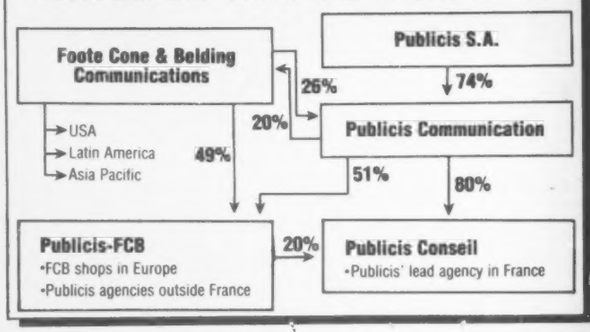


Top 100 by productivity

Rank	Agency	Employees/ $1 million billed 1988	1987	U.S. employees 1988	1987	U.S. billings 1988	1987
1	Towne Silverstein & Rotter	0.54	0.54	45	45	$83	$84
2	Admarketing Inc.	0.61	0.67	138	135	225	201
3	Avrett, Free & Ginsberg	0.63	0.66	70	60	112	90
4	Ally & Gargano	0.75	0.81	220	255	295	317
5	LGFE Inc.	0.75	1.47	129	325	172	221
6	Lavey/Wolff/Swift	0.85	1.00	72	72	85	72
7	Hal Riney & Partners	0.92	0.93	183	185	200	200
8	Jordan, McGrath, Case & Taylor	0.94	1.11	283	310	300	280
9	Lois/GGK New York	0.96	1.04	95	93	99	89
10	Fallon McElligott	0.99	1.17	130	127	131	108
11	Wells, Rich, Greene	0.99	1.05	829	805	834	765
12	McKinney & Silver	1.02	1.18	122	135	119	115
13	Rosenfeld, Sirowitz, Humphrey & Strauss	1.05	1.04	122	114	116	110
14	TBWA Advertising	1.07	1.02	165	128	154	126
15	Thomas G. Ferguson Associates	1.08	1.19	110	100	102	84
16	Laurence Charles Free & Lawson	1.11	1.07	334	322	302	302
17	Wunderman Worldwide	1.11	1.51	295	393	266	260
18	Rubin Postaer & Associates	1.15	1.20	148	151	129	125
19	CCG/TCA	1.15	1.06	126	71	110	67
20	Levine, Huntley, Schmidt & Beaver	1.16	1.24	250	225	216	182
21	Leo Burnett Co.	1.18	1.21	2,083	1,877	1,765	1,550
22	Warwick Advertising	1.19	1.35	190	190	160	141
23	HDM	1.21	1.80	277	371	229	206
24	Griffin Bacal	1.22	1.25	176	200	144	160
25	Ammirati & Puris	1.24	1.44	260	245	210	170
26	Saatchi & Saatchi Advertising	1.25	NA	2,767	NA	2,210	2,126
27	Scali McCabe Sloves	1.26	1.45	706	737	560	507
28	D'Arcy Masius Benton & Bowles	1.28	1.42	2,288	2,219	1,794	1,565
29	M.E.D. Communications	1.29	1.44	120	105	93	73
30	Tatham-Laird & Kudner	1.31	1.29	285	312	217	242
31	Kallir, Philips, Ross	1.32	1.49	215	185	163	124
32	AC&R Advertising	1.32	1.54	469	562	356	366
33	Grey Advertising	1.33		2,015	2,165	1,520	1,455
34	Lowe Marschalk	1.34		408	461	304	304
35	Medicus Intercon International	1.34		158	136	118	104
36	Chiat/Day	1.36		678	435	500	350
37	J. Walter Thompson Co.	1.36		2,427	2,506	1,788	1,619
38	GSDM	1.38		171	NA	124	103
39	Poppe Tyson	1.38	1.88	131	124	95	66
40	Henderson Advertising	1.38	1.43	104	101	75	71
41	Klemtner Advertising	1.39	1.57	125	110	90	70
42	Gardner Advertising Co.	1.39	1.39	147	147	106	106
43	Rapp Collins Marcoa	1.39	1.40	328	307	236	219
44	Backer Spielvogel Bates Worldwide	1.40	1.44	2,748	2,603	1,964	1,808
45	Sudler & Hennessey	1.41	1.46	193	191	137	131
46	Dailey & Associates	1.41	1.67	185	189	131	113
47	NW Ayer	1.41	1.37	1,337	1,206	947	878
48	Lintas:Worldwide	1.42	1.25	1,917	1,390	1,345	1,108
49	Vicom/FCB	1.44	1.35	115	101	80	75
50	McCann-Erickson Worldwide	1.44	1.66	1,889	1,789	1,314	1,078
51	Bloom Companies	1.44	1.51	263	265	183	176
52	McCaffrey & McCall	1.44	1.69	413	486	286	287
53	DDB Needham Worldwide	1.44	1.52	2,786	2,484	1,929	1,637
54	Gross Townsend Frank Hoffman	1.45	1.66	109	90	75	54
55	Ogilvy & Mather Worldwide	1.46	1.61	2,732	2,810	1,875	1,745
56	Hill, Holliday, Connors, Cosmopulos	1.46	1.60	421	391	287	245
57	Chapman Stone & Adler	1.47	1.70	123	127	84	75
58	William Douglas McAdams Inc.	1.49	1.58	159	159	107	101
59	BBDO Worldwide	1.49	1.56	3,598	3,512	2,414	2,245
60	Ross Roy Group	1.49	1.69	848	805	568	475
61	Della Femina, McNamee WCRS	1.50	1.60	991	947	660	590
62	Kobs & Draft Advertising	1.51	1.67	136	142	90	85
63	Bozell, Jacobs, Kenyon & Eckhardt	1.53	1.61	1,665	1,847	1,090	1,150
64	Campbell-Mithun-Esty	1.54	1.48	1,207	1,100	783	741
65	Tucker Wayne/Luckie & Co.	1.56	1.61	187	198	120	123
66	Geer, DuBois	1.58	1.48	190	170	120	115
67	Davis, Ball, Colombatto Advertising	1.58	1.52	215	204	136	134
68	Tracy-Locke	1.60	1.82	654	593	408	326
69	Richards Group	1.64	1.67	166	149	101	89
70	Earle Palmer Brown Cos.	1.65	1.87	446	466	271	249
71	Cole & Weber	1.67	1.69	156	147	93	87
72	Doremus & Co.	1.69	1.50	305	291	181	195
73	Cabot Communications	1.69	1.94	161	155	96	80
74	FCB-Publicis	1.69	1.78	3,081	2,888	1,826	1,619
75	Young & Rubicam	1.69	1.90	4,717	4,876	2,792	2,573
76	Martin Agency	1.73	1.72	195	176	113	103
77	Ogilvy & Mather Direct Response	1.73	1.90	471	495	272	260
78	Bayer Bess Vanderwarker	1.77	1.64	150	106	85	65
79	Eisaman, Johns & Laws	1.78	1.64	199	168	112	102
80	W.B. Doner & Co.	1.86	1.96	500	484	269	247
81	Ketchum Communications	1.87	1.90	1,360	1,157	726	610
82	Cramer-Krasselt Co.	1.88	1.87	181	158	97	85
83	Mojo U.S.A.	2.00	2.04	147	130	74	64
84	Nationwide Advertising Service	2.03	2.28	376	358	185	157
85	Bernard Hodes Group	2.05	2.22	419	401	204	180
86	Lewis, Gilman & Kynett	2.07	2.15	265	275	128	128
87	Ingalls, Quinn & Johnson	2.07	1.79	219	242	106	135
88	Weightman Group	2.07	2.15	210	201	101	93
89	Rumrill-Hoyt	2.12	2.20	160	150	76	68
90	Miller Advertising Agency	2.16	2.36	180	180	84	76
91	Wyse Advertising	2.18	1.98	231	185	106	93
92	Al Paul Lefton	2.19	2.54	149	180	68	71
93	Long, Haymes & Carr	2.21	2.47	185	150	84	61
94	Fahlgren & Swink	2.25	2.55	284	303	126	119
95	Evans Communications	2.26	2.25	336	342	148	152
96	Creswell, Munsell, Fultz & Zirbel	2.40	2.28	190	173	79	76
97	Venet Cos.	2.52	2.82	220	214	87	76
98	Telephone Marketing Programs	3.30	4.50	651	650	197	145
99	Direct Marketing Group	4.17	4.59	637	648	153	159
100	Keller-Crescent Co.	5.09	4.90	561	561	110	115

Note: Dollars are in millions. Employees per $1 million in billings is computed by dividing total U.S. employees by U.S. billings in millions of dollars.

Alliance of FCB-Publicis



Agencies bonding under alliance

A schematic can best illustrate the interlocking that bundled Foote Cone & Belding and Publicis Communication into an "alliance" to produce the 6th largest agency worldwide in 1988.

The merger created a venture in Europe that joined the various Continental units of both agencies into Publicis-FCB and involved an exchange of stock between FCB and Publicis Communications, the advertising arm of Publicis S.A.

Publicis S.A. is the evolution of business interests of Marcel Bleustein-Blanchet, who founded a Paris agency called Publicis in 1926. Besides its advertising interests, the corporate parent owns media properties and the Le Drugstore Publicis chain.

Within a year, Publicis-FCB will extend its ownership in the agency, Publicis Conseil, to 30%, reducing Publicis Communication's holdings to 70%.

Operationally, the two shared only two clients at the time of the union—Colgate-Palmolive and Nestle—but now handle clients jointly, including the recently won Philips-Whirlpool household appliance account in 10 countries.

Offices have been merged in Milan, Madrid, Brussels, Amsterdam, Eindhoven, London and Gothenburg, Sweden, while separate offices have been retained in other cities for various reasons.

Norman Brown, FCB chairman, and Maurice Levy, chairman of the Publicis S.A. executive committee, now sit on each other's boards.

The complexities of the alliance continue to swirl.

Publicis Communications recently bought into a media buying holding company in France and placed an FCB officer as its proxy on the board.

Y&R stays on top

(Continued from Page 2)

Towne Silverstein & Rotter, New York, the nation's 89th largest agency, took most-productive honors with a productivity level of 0.54. Keller-Crescent, Evansville, Ind., ranked No. 55 overall, was least productive among the 100 at 5.09.

But to its credit, TSR kept employment even with 1987 levels despite a drop of about $5 million in billings.

Ad productivity can improve through pink-slipping. Of the top 100, 36 agencies pared their staffs, seven remained even, and 57 added more people.

Agency brands

Leo Burnett, with brand billings of $1.77 billion, knocked Saatchi & Saatchi Advertising ($1.74 billion) out of the top spot as the leading U.S. "brand" name. The "brand" is arrived at by unbundling billings from subsidiaries and specialty units from the core agency. Over the years, this core—which still competes in the local market—has been hard to define because of the subsidiary tiering.

Saatchi had replaced J. Walter Thompson as the brand leader in 1987.

JWT finished No. 3 this year Burnett, the perennial No. 2 i and agency rankings, recorded a 13.9% growth in brand billings.

Y&R, for example, when reduced to its core agency of Y&R-named shops around the U.S., ranked No. 5 among agency brands with billings of $1.5 billion.

Sweet 16

The strong growth in billings assured continuity for the exclusive Billion Dollar Club, whose membership includes agencies with $1 billion in worldwide billings. The same 16 agencies again formed the elite club.

Closest candidate for membership is No. 17 Wells, Rich, Greene. WRG will need to grow about 20% over its 1988 billings of $835.9 million to attain this pantheon in 1989.

Not a bad goal for others to shoot at as well. □

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NEWSPAPER

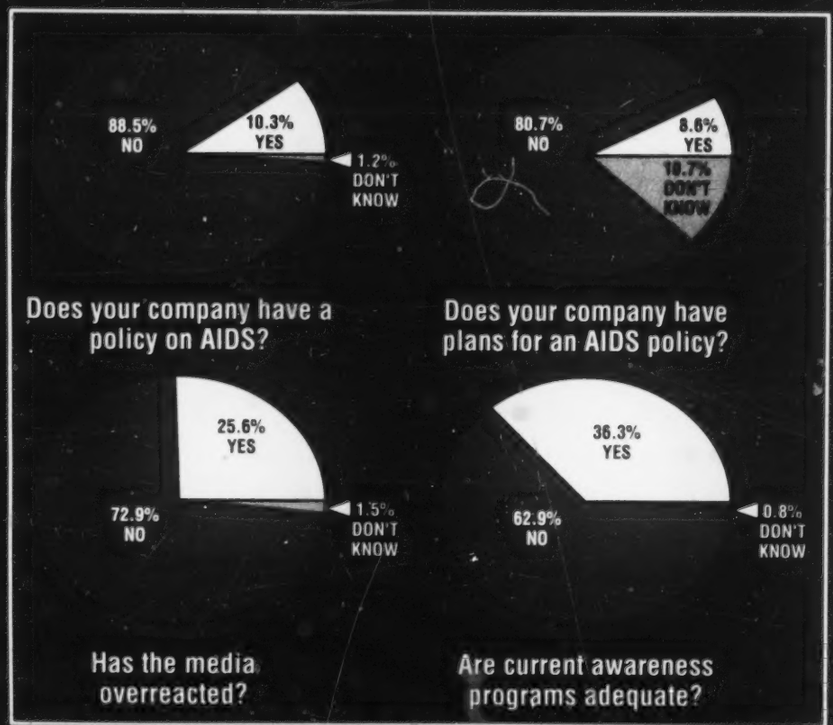
April 3, 1989

Advertising Age

Crain's International Newspaper of Marketing.

AIDS

AA survey shows workplace concern



By THOMAS J. TYRER

Advertising, marketing and media executives who've lost employees to acquired immune deficiency syndrome feel less threatened by the disease than those who haven't, an Advertising Age survey reveals.

In the first poll of AIDS attitudes and policies that concentrates on these fields, culled from Ad Age's subscriber list, 78% of executives who have had workers who died from AIDS said they would hire an "openly homosexual" candidate today, vs. 50% of those who haven't lost any employees to AIDS.

Of those executives surveyed, 9% said they'd lost at least one employee to AIDS.

The survey also found that, compared with executives who haven't lost an employee to the disease, those who have are more likely to:

- Hire someone from one of the AIDS "high-risk" groups.
- Allow an employee with AIDS to continue working.
- Believe an employee with AIDS won't cause co-workers to consider quitting their jobs.
- Believe AIDS *cannot* be transmitted through casual contact.

Still, despite warnings that companies without formal AIDS policies may be leaving

(Continued on Page 22)

AmEx card on the road downscale

By JUDITH GRAHAM

NEW YORK—The American Express card, long considered a symbol of affluence, is stepping into the world of fast-food chains and discount stores.

In a surprise move, the once upscale-only marketer is testing use of the card at a Domino's Pizza outlet in New York and is holding discussions with McDonald's Corp., Burger King Corp., Wendy's International, Pizza Hut and other vendors.

American Express Travel Related Services Co. executives said the company likely will start a test with a major fast-food chain this year.

AmEx's 200-member sales force is also trying to sell discount retailers such as Wal-Mart Stores, K mart Corp. and Target Stores on the card's advantages despite its high merchant charges.

While AmEx has been expanding beyond its traditional travel and entertainment base since the late 1970s, the move into mass-market outlets heralds a new phase of growth and competition with rivals Visa International and MasterCard International.

In essence, the upscale marketer is expanding downscale while trying to maintain its carefully cultivated prestige image.

"Our thinking is that wherever the cardmember wants to use the card, we want to be there, so long as it's legal," said John A. Crewe, VP-marketing, AmEx's Establishment Services Division.

Just last week, the company announced an agreement that

(Continued on Page 58)

Agencies ready for new inflation

An ADVERTISING AGE roundup

Bring on inflation.

Ad agencies likely will suffer less than other businesses if the rate of inflation escalates dramatically, as many economists expect. But that "inflation resistance" has come at a price.

Since the last double-digit inflation spiral in the late 1970s, when many shops actually benefited from media inflation, agencies have suffered from advertisers squeezing compensation, forcing leaner modes of operation.

But this time, they won't be able to fatten up under cover of media-cost inflation, which one agency executive admits was "a bonanza" in years past.

With advertisers already budgeting and compensating more conservatively, and agencies increasingly unsure about where their next billings increase will come from, there's renewed concern about the effects of an inflationary spiral.

"If consumer income does not go up very much and inflation does, then the consumer falls behind, purchasing power drops and advertising budgets come under pressure," said Edward

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Inside:

Orel Hershiser pitching PepsiCo—P. 2
Will Evian overtake Perrier?—P. 3
P&G expands presence in juices—P. 4
Q&A with FCB's Norman Brown—P. 12

Trio enters Hall

Bernstein, Goldstein, Kroc honored

By GARY LEVIN

NEW YORK—Sensing a return to the days of the traveling medicine salesman "and his entertaining troupe," Advertising Hall of Fame inductee Sidney R. Bernstein said the product is playing "second fiddle to the staging of the sales pitch" in today's advertising.

Mr. Bernstein, chairman of the executive committee at Crain Communications Inc. and one of three industry executives inducted into the Hall of Fame last week at a luncheon here, was introduced by Chuck Peebler as someone who, in his nearly 60 years at ADVERTISING AGE, helped bring the industry out of the days of "hucksterism" and into new levels of professionalism.

Mr. Peebler, ceo of Bozell, Jacobs, Kenyon & Eckhardt, was chairman of this year's council of judges.

"I am completely sold on the role of advertising in the American economy, and I believe that ADVERTISING AGE, in its small way, has contributed considerably toward making advertising more efficient and more effective —and more honest and socially accepted, too," Mr. Bernstein said as he accepted the award.

Robert V. Goldstein, VP-advertising at Procter & Gamble Co., and Ray A. Kroc, founder and chairman of McDonald's Corp., were honored posthumously *(see "Photo Review" on Page 54)*.

"Somehow it's fitting that Bob and Sid and Ray be inducted into the Hall of Fame together," said John G. Smale, P&G chairman-ceo, at the ceremony. "They come from different parts of the coun-

(Continued on Page 63)

Staff photo by Doug Goodman

AD AGE's Sid Bernstein accepts the award from Chuck Peebler (l.), chairman of the council of judges, and Howard Bell (c.), AAF president.

NEWSPAPER

April 3, 1989

Advertising Age®

Crain's International Newspaper of Marketing.

Coke changes tune

Herbert restores brand setup

By PATRICIA WINTERS

Coca-Cola USA is reversing the sweeping changes made in its marketing department last year.

More than 14 months after the changes, which took advertising responsibility away from brand managers, the leading soft-drink company is reverting to its former structure and is expected to name ad director Michael Beindorff to head it.

The changes are being interpreted as a honing of Coca-Cola's structure under Ira C. Herbert, who was appointed Coca-Cola USA president last fall and has been credited with breathing new life into the century-old company.

The moves don't affect Coca-Cola's agency lineup at Interpublic Group of Cos.

Coca-Cola declined to comment on the restructuring, but sources said Mr. Beindorff will head a marketing department reorganized to return ad responsibility to brand managers and group brand directors, formally stripped of those responsibilities last year (AA, Jan. 25, 1988).

Mr. Beindorff, the 37-year-old VP-advertising and associate director of marketing, will be given a new title, probably VP-marketing.

Executives close to the company said the move will effectively make Mr. Beindorff Coca-Cola USA's top marketing man and that the announcement is expected to be made soon, perhaps this week.

"It's a clear signal from Coke," said one source close to the company. "By reorganizing, Coke is leaving Mike Beindorff at the top. This is definitely a vote of confidence in him."

With last year's change, Coca-Cola created a separate advertising department under Mr. Beindorff that handled implementation and had primary contact with ad agencies. The brand managers were put in charge of strategy and development.

The change was described as giving equal weight to directors of advertising and marketing services.

Mr. Herbert, who's spent his career with Coca-Cola and became president after those changes were made, is said to prefer the traditional brand system.

"How can you have marketing and not have advertising? They go hand in hand," one source said. "The old way worked well for Coke for years. [They] tried the new way and liked the old way better."

Although Mr. Beindorff may not get the traditional top marketing title of senior VP-marketing, executives believe his new title "in effect" fills the post left vacant since April 1988 by former Senior VP-Marketing John C. Reid.

Coca-Cola had been searching for a replacement for Mr. Reid both inside and outside the company. Executives interpreted Mr. Beindorff's imminent title change as a signal that he's proved his

(Continued on Page 59)

Last Minute News

Burnett declines Maxwell House invitation

CHICAGO—Leo Burnett Co. will meet with General Foods USA executives on April 7 for a "neutral capabilities presentation" at the request of Philip Morris Cos., but it won't be pitching General Foods' $50 million Maxwell House account, agency insiders said. Philip Morris had asked Burnett to pitch the coffee business, but the agency declined because of the crush of new business and conflict concerns with existing clients. Burnett also is a major agency for Kraft, newly merged with General Foods.

Backer's Holmen will retire July 1

NEW YORK—G. Robert Holmen, 55, Backer Spielvogel Bates chairman-ceo, said he will retire effective July 1. His duties will be shared by Robert H. Lenz, 49, who takes the new post of chairman-executive creative director from president, and Constantine "Dean" Scaros, 43, who becomes president and managing director, from exec VP-director of account management. Carl Spielvogel, chairman-ceo of Backer Spielvogel Bates Worldwide, said further management changes at the agency are expected within the next 90 days.

New York Life formally taps Chiat/Day

NEW YORK—New York Life Insurance has officially named Chiat/-Day agency of record on its $20 million-to-$25 million account after approving the agency's trial creative work. The insurer asked Chiat/-

(Continued on Page 8)

Bozell lands $30M Long John Silver's

By GARY LEVIN and SCOTT HUME

Bozell, Jacobs, Kenyon & Eckhardt enters this week with a new fiscal year, a new name and a new $30 million account.

The $1.3 billion agency, rechristened Bozell, could celebrate with seafood from the Long John Silver's fast-food chain, reeled in by its Dallas office late last week.

The volatile assignment from Jerrico moved from the Richards Group after just seven months, and ends Bozell's two-year hunt for a major fast-food account.

Bozell was assigned both creative and media placement; Richards had handled broadcast creative and some media buying, while the rest of the buying was handled by MARC, Pittsburgh.

The win gives the agency a needed boost. Executives acknowledged New York-based Bozell's first year of independence has been tough, with client losses, decreased spending and a debt burden caused by its $133 million buyback from Lorimar Telepictures Corp.

RJR Nabisco and Unilever's Thomas J. Lipton Inc. pulled more than $20 million in business away from the agency last year, and the recent sale of Faberge to Unilever threatens to end another relationship, though the agency has had no indication of that happening.

Apparently Bozell, which has hungered for a fast-food account since it resigned $20 million in regional McDonald's Corp. co-op business two years ago, believed it might have bigger fish to fry than Jerrico.

Sources say Bozell initially wasn't interested when Jerrico contacted the shops that had been finalists during its review last year, when the business went to Richards. Bozell and Campbell-Mithun-Esty, Chicago, were the other finalists at that time.

Campbell-Mithun-Esty didn't pursue Jerrico this time because of a conflict with the Fuddrucker's account its New York office had just picked up (AA, Feb. 20).

These sources say Bozell

(Continued on Page 63)

Deflated 'Enquirer'

$400M sale price is more like $200M

By PATRICK REILLY

The auctioning of the *National Enquirer* may not be the media gold rush it's been hyped to be.

Executives close to the bidding for the family-owned weekly supermarket tabloid and its sister publication, *Weekly World News*, said their selling price will be in the $200 million to $250 million range, rather than the $400 million to $500 million price tag that's been reported.

"The $400 million being talked about is a crazy price," said an overseas-based bidder who asked not to be identified. "The real price will be closer to $200 million."

The winning bidder is expected to be announced in mid-April by the Blackstone Group, a private New York investment bank retained to assist in the sale. Blackstone Group, however, wouldn't confirm the date.

Blackstone is being assisted in the *Enquirer* sale by Veronis, Suhler & Associates, the New York investment banker that handled the $3 billion sale of Triangle Publications to Rupert Murdoch's News Corp. and other major media deals.

Both investment and publishing sources involved in the sale have said whatever price is paid, the new owners believe they can cut costs at both publications. Deceased owner Generoso Pope Jr., the man who bought the *Enquirer* in 1952 for $20,000, was known for paying some of the highest journalist salaries in the country and for caring little for cost when pursuing the *Enquirer's* trademark sensationalist and titillating stories.

Trustees for Mr. Pope's estate put the *Enquirer* and the smaller though equally brash *Weekly World News* up for sale in December. "It's now down to five serious, aggressive bidders," said an investment banker who's representing one suitor and who asked not to be identified.

They include U.K. media baron

(Continued on Page 61)

BDDP's bid for Boase 'inadequate'

By LAUREL WENTZ

LONDON—Paris-based BDDP Group made a formal bid for the U.K.'s Boase Massimi Pollitt last week and then launched a letter-writing campaign to BMP's clients and staff.

Sources say BDDP has a good chance of acquiring BMP—but not at the bid price of 300 pence per share, valuing the company at $175 million.

M. Boase

J. Boulet

Analysts predict BDDP will need to raise its bid to 340 pence or 350 pence per share to win over BMP shareholders, making the debt-financed deal extremely expensive.

On Friday, BMP's stock price closed at 310 pence, 10 pence above the offer price.

"What they're offering is inadequate, and they need to go up a lot further," said James Best, BMP's corporate finance director.

However, Robert Fleming Asset Management, a major BMP shareholder and a division of Robert Fleming & Co., the merchant bank advising BMP, sold some of its BMP stock at 300 pence on the day of the bid.

Brian Sturgess, an analyst at Barclays de Zoete Wedd, is advising clients to hold their BMP stock.

"We believe that price will determine the outcome of this bid," he said.

Some analysts are concerned that privately owned BDDP will have to use virtually all BMP's profits to service the debt if the bid succeeds. BMP is expected to make pretax profits of about $22 million for the fiscal year ended March 31.

Fallowbush, the company through which BDDP is making its bid, has a $135 million loan facility from U.K. bank Charterhouse, France's Caisse Nationale de Credit Agricole and the Industrial Bank of Japan.

There's an additional $25 million intermediate loan available, and existing BDDP shareholders are putting up $42 million of new equity.

BDDP accumulated a 10.5% stake in BMP before launching the bid, which was immediately rejected by BMP's board as "unwelcome, derisory and wholly unacceptable."

Ironically, BMP Chairman Martin Boase, who has com-

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Highlights

NEWS

4 Rice bran meets oat bran
With the oat bran trend reaching frenzied proportions, a new battle may be brewing as rice bran enters the ring.

6 Audi rebuilds
Burned by allegations of unintended acceleration, Audi gives the gas to an aggressive marketing campaign that may include lawsuits.

18 Making America better
Bloom Cos.' Tony Wainwright continues his series of interviews with America's top executives.

28 Time again for technology
Watchmakers Seiko and Citizen are turning back to an emphasis on technology, after three years of pushing lifestyles.

30 Ad deductibility safe—for now
House heavyweight Thomas Downey says Congress won't tinker with the tax deductibility of ad expenditures.

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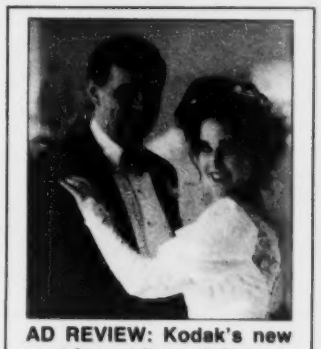

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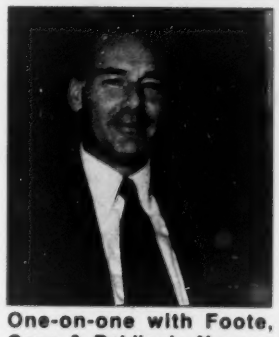

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Pitching ace

PepsiCo drafts Hershiser

By PATRICIA WINTERS

Orel Hershiser, the highest-paid player in Major League Baseball, will soon be pitching pizza and Pepsi.

In late spring, viewers will see the clean-cut, 31-year-old Los Angeles Dodgers star pitching PepsiCo's Pizza Hut in a national promotion called "Relief Pitcher."

In TV and print ads, he will promote the purchase of a plastic Pizza Hut pitcher that the restaurant will refill free with Pepsi-Cola for a limited time, sources say.

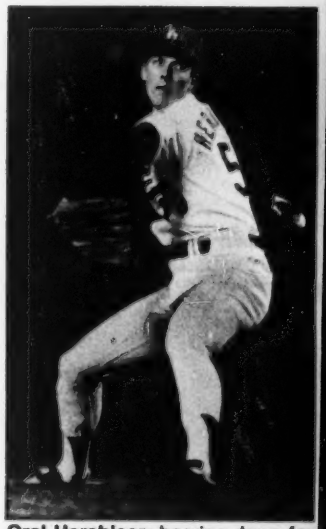
Pizza Hut runs a "pitcher" promotion annually, but getting a star like Mr. Hershiser is a major coup.

Both Pizza Hut and Pepsi declined comment on the promotion.

As baseball season opens this week, the star pitcher is emerging as the Majors' star pitchman with $1.5 million in endorsement fees so far.

Kirk Wood, exec VP at Leader Enterprises, Orlando, Fla., which represents Mr. Hershiser, said the 1988 World Series Most Valuable Player has been virtually deluged with offers since the Dodgers won the series.

Mr. Hershiser also likes to sign with products he actually uses, Mr. Wood said. "He has turned down a lot of opportunities; he wants to pick the right ones," Mr. Wood said. "Pepsi came to him early, and he is a big Pepsi drinker."



Orel Hershiser: bearing down for PepsiCo's Pizza Hut.

Mr. Hershiser also uses Johnson &

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AIDS SURVEY

AIDS-at-work issue grows

(Continued from Cover)

themselves in legal jeopardy, just 10% of those who responded to the survey said their companies have formal policies on dealing with AIDS.

Results of the AD AGE survey are based on 262 completed questionnaires from 2,000 mailed to senior executives from agencies, media companies and marketers nationwide.

The U.S. Centers for Disease Control, which reports that 62% of AIDS cases are transmitted through male homosexual or bisexual activity, estimates that 39,000 AIDS cases were diagnosed in the U.S. last year. The CDC projects that number will jump 39% to 54,000 in 1989 and hit 114,000 by 1992.

That means AIDS will become a bigger factor in the workplace.

"Workers and management alike will be susceptible to fear and panic," said Al Gini, an associate professor of philosophy at Loyola University's Institute of Industrial Relations

More about AIDS—Pages 36, 40.

in Chicago. Mr. Gini, who teaches business ethics, has lectured frequently on AIDS and helped develop the AD AGE survey.

The survey results suggest that employing a person with AIDS isn't the disruptive experience some believe it might be.

The risks of "contracting AIDS in the workplace are lower than the [health] risks you take driving to work," said Jerrold E. DeWitt, account supervisor at Taylor Brown Smith & Perrault, Houston.

"If you're not in the copy room having intercourse . . . or sharing a needle, I just don't think you're going to get it," said Mr. DeWitt, whose agency participated in the survey.

When asked whether they'd allow a worker who had tested positive for the AIDS virus, but showed no symptoms of the disease, to remain on the job, 91% of those who've employed a person with AIDS said yes, compared with 63% of those who hadn't.

If an employee exhibited AIDS symptoms, fewer respondents in both groups said they'd retain the employee, falling to 74% of those who'd lost an employee to AIDS and 47% of those who hadn't.

"Anyone who has AIDS, whether they are homosexual or not . . . should be treated equally, absolutely, until they are too ill to work," William Paul, publisher of Hawaii Press Newspapers said in a later phone interview.

In the survey, 83% of those who've employed a person with AIDS agree with current medical opinion that AIDS is transmitted in three ways: through sexual contact, exposure to infected blood or blood components, or prenatally from a mother to her unborn child.

By comparison, just 54% of those who haven't lost employees to AIDS agreed that AIDS is transmitted only in those ways.

A majority of the executives polled agreed that AIDS warrants greater attention and an increased public education effort.

"If you get by the first barrier, the recognition of some problem, that's a good step. But from there, what you have to do is hammer home a message," said Steve Gold, creative director at Fresh Perspectives, Armonk, N.Y.

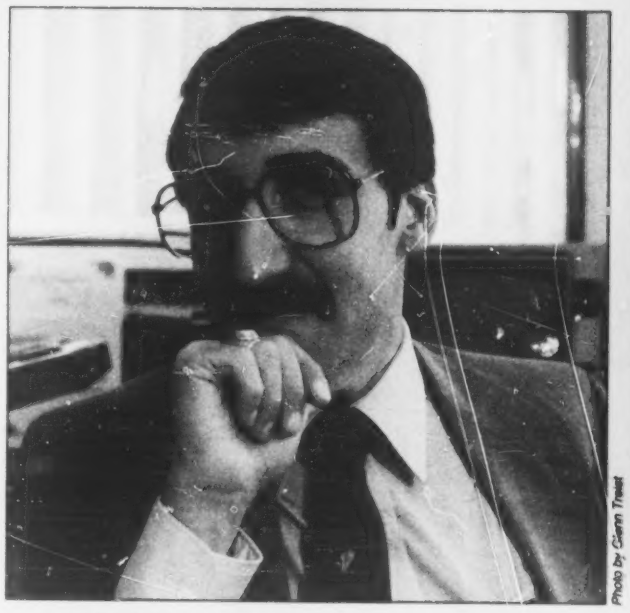

Photo by Glenn Treat

"Maybe what has been published is everything they know so far [about AIDS], but what about the unknowns?"

—Martin R. Ballard
Martin-Ballard Marketing

Photo by Richard Carson

"If you're not in the copy room having intercourse . . . or sharing a needle, I just don't think you're going to get it."

—Jerrold E. DeWitt
Taylor Brown Smith & Perrault

"I look at what Nancy Reagan did for drugs. If somebody of that stature picks a subject the [number] of people who rally behind you . . . is just phenomenal. That hasn't seemed to happen in this particular project," he said.

Just 13% of those executives who've lost an employee to AIDS believe the presence of an employee with AIDS at work might cause other employees to leave.

But 48% of those who haven't employed a person with AIDS said their co-workers might leave the company if a fellow employee got AIDS.

Some ad work can place workers at risk if a co-worker has AIDS, said Fresh Perspectives' Mr. Gold.

"Production people get cut on a weekly basis from razor blades, from knives, from all the mechanical paste-up equipment that's handled," he said. And whether "that risk is small, there still would be a concern that would be even worse than the risk. In the type of work that we do, that would be a problem."

Knowing the facts is crucial, said Juan Antonio Agostini, president-creative director of Taller Creativo, San Juan, Puerto Rico.

"People should be aware of what will put them at risk and of the protection they can provide themselves," Mr. Agostini said. "But they should also be aware that we've been subject to a great deal of exaggeration by hysterical people."

If an employee refuses to work with a person with AIDS after being given counseling and formal warnings, should that employee be fired?

Those who've lost an employee to AIDS are less tolerant of such workers: 39% said such employees should be fired, compared with 23% of those who haven't lost an employee to AIDS.

So far, 87,188 people have been diagnosed with AIDS since the disease first became prevalent in 1981. Of that total, 49,976, or 57%, have died. However, Chuck Falus, a CDC spokesman, said AIDS is "almost always" fatal. Between 1 million and 1.5 million people have the AIDS virus without knowing it, he said.

"There is a percentage of the population that's afraid and wants nothing to do with it," said David Perkins, advertising director of the *The Coffeyville* (Kan.) *Journal*. "There is also a percentage of the population . . . who don't trust what the government tells [them]," said Mr. Perkins, a survey respondent.

"There are 'certain ways' or 'only ways' that you can contract AIDS, according to what has been published," said Martin R. Ballard, president of Martin-Ballard Marketing, Hazel Park, Mich. "Whether that is absolute, I don't know. Maybe what has been published *is* everything they know so far, but what about the unknowns?"

One person who answered the survey, a copy chief for a major New York department store who asked not to be named, said she's seen eight co-workers die of AIDS during the past five years.

Though most respondents who've employed a person with AIDS saw little fear or irrational behavior among other employees, the copy chief said her healthy co-workers "acted differently" once the disease "hit home."

Those people "who know intellectually" that AIDS isn't transmitted through casual contact "emotionally don't trust" that information, she said.

When the last person at her company "was diagnosed with AIDS, it was as if he were moved to a leper colony," she said. "Out of sight, out of danger."

At Gannett Co., the AIDS policy is stated upfront. "Before an incidence of [AIDS] occurred in one of our workplaces, we wanted our employees to plainly understand what our position was, that we would not make accommodations for people who were concerned about working next to someone with AIDS because there is no evidence that transmittal in normal workplace conditions takes place," said Madelyn Jennings, senior VP-personnel.

Gannett supplies each of its affiliates with an educational videotape and pamphlet package. Personnel directors also are advised to bring in local AIDS experts to answer any employees' questions about the disease.

However, the idea of establishing a formal

(Continued on Page 27)

Education tools help companies cope

By ARSENIO OLOROSO JR.

CHICAGO—Tom Bramson, a copywriter at a medium-size ad agency here, has discovered he has AIDS.

Dazed and depressed by the news, he informs his boss, touching off a crisis. Co-workers are awkward around Mr. Bramson; some refuse to work with him.

One colleague resigns.

How will management halt rising panic over the agency's first case of AIDS?

More important, how will the company, as an employer, balance its obligations to Mr. Bramson against its responsibility to protect its other employees?

The stricken copywriter and his agency co-workers are fictional characters in a videotape produced by Dartnell Corp., a publisher of employee training manuals.

The Dartnell videotape, titled "One of Our Own," is the cornerstone of an AIDS employee-education package designed to help dissolve fear among workers while informing management of legal rights and responsibilities.

Businesses seeking answers to the dilemma of AIDS will increasingly rely on prepackaged educational materials such as the Dartnell video, while also consulting outside personnel experts.

"The small company does not have the resources to develop AIDS programs on its own," said Nicholas Geannopulos, exec VP at Dartnell. "But education is the only way to get people to deal with the issue until medicine finds a way to treat the disease."

The Dartnell AIDS package, which has been on the market about a year, also includes pamphlets with titles such as "What a Manager Should Know About AIDS in the Workplace," "Ten Myths About AIDS" and "When a Co-worker has AIDS."

Companies currently using the Dartnell package include Quaker Oats Co., Wilson Sporting Goods and Deere & Co.

Julie Hanson, manager of health services at Quaker, said the videotape and printed materials are part of the company's wellness program.

She explained that the company's approach to AIDS in the workplace is "the same as any catastrophic illness."

"A company, if it's going to do the job right, first has to have a policy on AIDS. That's foremost and vital in order to protect itself," Mr. Geannopulos said.

At the same time, "Employers want to know, 'How can this [AIDS] affect my business? What are my legal boundaries?' " said personnel consultant Michael Berke.

The basic advice Mr. Berke gives to his clients regarding a worker with AIDS is: "If an employee can do the work, then he is qualified to hold his job."

Mr. Oloroso is associate editor of Crain's Chicago Business.

AIDS SURVEY

Why formal AIDS policy is important

Only a handful of respondents to ADVERTISING AGE's survey on AIDS said their companies have developed policies for dealing with the disease or plan to adopt policies soon. That could be a mistake.

The survey indicated companies that have lost employees to AIDS are more likely to have formal policies than those that haven't—35% vs. 8%.

Slightly more than 8% of all those surveyed said their companies were planning a formal AIDS policy.

About half those who said their companies didn't have an AIDS policy said they believe their catastrophic insurance plans can cover AIDS-related costs.

Nearly 56% of all the respondents said they didn't believe a uniform AIDS policy was possible; they said people with AIDS should be handled on a case-by-case basis.

But that may not be enough. American Civil Liberties Union officials who handle AIDS discrimination cases indicated companies may be violating the civil rights of people with AIDS by not treating them the way both federal and state laws treat them —as handicapped people.

The ACLU, which has a heavy load of workplace-related AIDS cases, has been successful in getting AIDS victims reinstated in their jobs through negotiation with employers. But lawyers expect AIDS-related cases to start hitting the courts soon and agree that if a company has a formal AIDS policy, that will help clarify responsibilities in case of a lawsuit.

Having a specific program on AIDS also can help bring down insurance rates.

"If employers offer information on AIDS prevention, they can help themselves prevent AIDS insurance costs they might otherwise have to incur," said Suzanne Mulstein, director of policy development for the Blue Cross & Blue Shield Association. #

—Thomas J. Tyrer and Arsenio Oloroso Jr.

Survey

(Continued from Page 22)

AIDS policy seemed too restrictive to many AD AGE survey respondents who sought more flexibility in dealing with AIDS in the workplace.

About 36% of the respondents said a formal policy might be too restrictive, and 55% said each AIDS case is different and must be handled on an individual basis.

"Maybe someone could only work part time. We'd reduce their pay to part time and let them continue to work as long as they could," said Pat DuBoux, director of personnel administration at DDB Needham Worldwide, Chicago. "Or we'd allow them to *not* reduce their pay but take the rest of the time as medical leave."

Ms. DuBoux is working on an AIDS policy for the agency.

"Our policy will be more of a philosophy," she said, "and then as each situation comes up, we would figure out what would be the best thing to do." #

Kevin Brown did the survey work for this story.

How AIDS views differ in business world

The marketing, media and agency community seems less inclined than general businessmen to believe the AIDS threat has been blown out of proportion.

That emerges from the results of AIDS surveys by four Crain Communications Inc. publications—*Crain's Chicago Business*, *Crain's Cleveland Business*, *Crain's Detroit Business* and *Crain's New York Business*—and a similar ADVERTISING AGE survey.

The four city business magazines distributed a total of 4,000 surveys; 732 were returned completed.

About 35% of the business executives questioned by the city business weeklies said the media have given AIDS more coverage than necessary, compared with 26% of the executives surveyed by AA.

Marketing, media and advertising companies also hold a decided edge over the general business community in embracing formal AIDS policies.

While slightly more than 10% of AA's respondents said their companies have AIDS policies, 6.1% of those surveyed by the city business magazines said their companies did.

When asked whether they were afraid an employee with AIDS would increase the costs of their company's medical coverage, 57% of those representing general business said yes. About 47% of the executives surveyed by AA answered the same. #

—Thomas J. Tyrer

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Modern Healthcare focuses on healthcare's decision-makers. We're edited for and circulated to the financial, purchasing and operations executives who have the power to close the deal.
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*PERQ FOCUS Hospital Management Study, December 1988

DIRECT MARKETING

Red Letter cut from coupon war

By ALISON FAHEY

Red Letter is the latest casualty in the war between direct-mail couponing and free standing inserts.

Faced with fierce competition from deeply discounted FSIs and steep third-class postage rate hikes, the direct-mail couponing industry in 1988 saw its toughest year ever, industry experts say.

As a result, Red Letter, the nation's second-largest co-op direct-mail couponing company, is retreating.

"We've decided to cease being involved in publishing direct-mail co-ops," said Peter Kunz, senior VP of Metromail Corp., which owns Red Letter.

Mr. Kunz said that Metromail and parent R.R. Donnelley & Sons may execute co-op mailings in 1990. Such an agreement might involve licensing the Red Letter name.

Red Letter, which had been looking for a buyer, was in financial trouble, say industry sources, who noted thin envelopes in mailings and severe price slashing.

Mr. Kunz declined to elaborate on the decision to stop distribution or Red Letter's financial performance.

The decision to cancel this year's scheduled June mailing to 18 million households targeting young adults left RJR Nabisco in the lurch (AA, March 27).

"It's one of the most irresponsible decisions we've ever seen," said Terry Cunningham, media services manager at RJR Nabisco. "There's no comparable direct-mail vehicle that we can get into at this time."

RJR Nabisco said it's negotiating a settlement with Donnelley.

Red Letter's demise is a boost to industry leader Carol Wright, owned by Donnelley Marketing. (The two parent companies aren't related.)

Carol Wright already is picking up Red Letter's advertiser fallout. Lever Bros., the only other advertiser in Red Letter's canceled June mailing, found a category-exclusive slot in a Carol Wright package, said one Lever executive. Carol Wright was unable to accommodate RJR Nabisco because of a conflict (AA, March 27).

In the absence of Red Letter, Carol Wright is planning to hike prices.

"Our rates will increase, but we must remain competitive with FSIs. . . . That's where we have to do battle," said Dick Vincent, director of communications.

FSIs garnered 77.3% of the total 221.7 billion coupons distributed in 1988, compared with direct mail's 5% share, Manufacturers Coupon Control Center reported.

The average cost per thousand for an FSI is about $8 per page, almost double the cost 18 months ago.

To stay competitive, Carol Wright is reducing its base audience to 30 million from 35 million households; revamping its audience selection process that identifies "promotionally responsive" consumers (instead of "heavy users"); and redefining markets to include TV reach, not just newspaper metropolitan areas.

But as FSI prices creep back up, direct mailers see better times ahead in 1989.

News America Publishing's FSI division—which houses Quad Marketing and Product Movers, the No. 2 and No. 3 FSI companies in the $700 million-plus category—cut 20 insertion dates from its calendar to reduce oversupply, boost prices and increase profitability (AA, Dec. 12). #

Laurie Freeman in Washington contributed to this story.

HOW COUPONS ARE DISTRIBUTED

The percentage of coupons distributed by free standing inserts continues to climb at the expense of all other coupon media.

Medium	1985	1986	1987	1988
Free standing insert	59.9%	68.0%	72.7%	77.3%
Newspaper/ROP	12.2	7.4	5.9	5.4
Newspaper/Co-op	8.0	7.1	4.6	2.4
Direct mail	4.4	4.0	5.3	5.0
In/on pack	4.8	5.8	5.3	5.2
Magazines	8.6	6.5	3.7	2.4
Other	2.1	1.2	2.5	2.3

Source: Manufacturers Coupon Control Center

Watch

(Continued from Page 28)

of national magazines and in major-market newspapers introducing a new 12-year warranty program. HDM handles.

The theme "Craftsmanship so fine it's warrantied until the 21st century" will be used in future quality-oriented advertising, said Carol Shainswit, Citizen's director of advertising.

The new strategy reflects the winding down of the fashion watch craze, an HDM spokeswoman said.

The Citizen and Citizen Elegance lines get a separate print campaign from Young & Rubicam that also centers on the warranty.

The midprice marketer in May will also resurrect its TV campaign, "A Quarter to 9," for the Citizen lines. Levine, Huntley, Schmidt & Beaver created the original spot.

The :30 will carry a new tagline related to the warranty.

Timex Corp. is one watch marketer that's sticking with fashion.

"We believe the color plastic watch business has dropped significantly over the past 18 months. However, color in combination with some classic styling is still a viable contender in the 1989 marketplace," said Ron Sok, Timex advertising and public relations manager.

Timex this year is spending $2.5 million on its men's and women's fashion watches, the bulk of which is going into a spring print campaign.

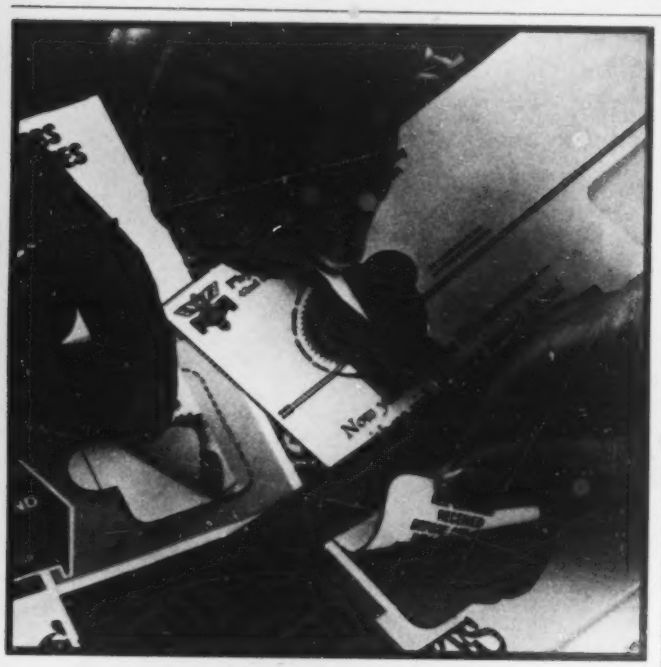
The company's women's fashion line, BBB, gets two new ads in May issues of such magazines as *New Woman* and *Elle*. The page ads, themed "Fresh classics" and "City slickers," were created in-house.

For its men's fashion watch line, Carriage Collection, Timex is touting fashion with a twist.

The ads will carry Timex's torture test TV theme, "It takes a licking and keeps on ticking." Fallon McElligott, Minneapolis, handles.

As evidence of its commitment to fashion, and in a continuing effort to shed its staid, drugstore-brand image, Timex is also increasing distribution of its fashion watches into upscale department stores, Mr. Sok said.

Timex is tops in the mass-market watch segment with about a 50% share. The company's 1988 sales passed $600 million. #



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For more openings — more response per thousand, put prospect's fingers in motion. Write for free "Busied Fingers" idea kit.

Making envelopes for America since 1886.

Please send me Tension's "Busied Fingers" idea kit.

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Advertising Age

Crain's International Newspaper of Marketing In Two Sections. Section 1.

Last Minute News

Olivetti moves to O&M in Europe

NEW YORK—Ogilvy Group said its agencies won a pan-European account worth $50 million to $55 million in annual billings, identified by sources as Olivetti, an Ivrea, Italy-based office products marketer. Ogilvy & Mather Worldwide will share the account with Scali, McCabe, Sloves. Scali will handle Olivetti in some countries to avoid a conflict with Compaq. Olivetti's current European agencies include McCann-Erickson Worldwide, O&M and WCRS/Belier. O&M and Scali declined comment. Separately, Ogilvy Group stock rose more than $2 a share April 7, closing at $35.25, following a speculative report April 5 in London's *Evening Standard* that said WPP Group would buy the company for $50 a share. More than 774,000 shares were traded last week, including 467,000 on April 7 alone.

Geier compensation tops $5.6M

NEW YORK—Salaries of several top agency executives rose at double-digit rates last year, according to proxy statements released late last week by some publicly held agency groups. Interpublic Group of Cos. Chairman Philip H. Geier Jr. earned cash compensation of $1.65 million, a 17.6% increase, and more than $4 million from

(Continued on Page 8)

Henkel drops McCann—P. 2
What's up at Burger King?—P. 2
Film ad war breaks out—P. 6

ABA panel backs FTC over states

By STEVEN W. COLFORD

WASHINGTON—A blue-ribbon committee said Friday that state officials should channel their regulatory zeal to practices "that harm consumers within a single state."

After a six-month study, the 18-member panel chosen by the American Bar Association concluded that the Federal Trade Commission is the proper regulator of national advertising.

The National Association of Attorneys General has made concerted moves against major national advertisers in recent years, validating its new activism as a byproduct of inertia by the Reagan administration FTC.

While acknowledging that state attorneys general may be well-intentioned, the ABA report said: "Uniform national standards, vigorously enforced and consistently interpreted, would be preferable."

"When a deceptive advertising campaign has substantial interstate effects," the report said, "the FTC presumptively should be the government enforcement agency."

Still, the ABA committee called for cooperation between the commission and the state attorneys general since "much state enforcement can be beneficial."

It even recommended that the FTC explain publicly, within the confines of its confidentiality limitations, when the federal agency opts not to challenge an advertisement.

"The advertising community and other enforcers would be educated and reassured by a better understanding of the FTC's reasoning," the report said.

The ABA undertook this 1988-89 study as a 20-year follow-up to its 1969 report, used by President Nixon to overhaul the FTC. This year's report was intended to help the new Bush administration examine—and possibly change—the role of the FTC with an eye toward the 21th century.

Miles W. Kirkpatrick, FTC chairman from 1970 to 1973, chaired the new panel.

Mr. Kirkpatrick admitted the report skirts the question of how state and federal regulators should both cooperate and stay out of each other's way. He said the committee "could give no examples of where states could go" in pursuing national advertising.

The report took perhaps its strongest position on the question of whether the FTC has sufficient resources to do its job. Reagan administration budget cuts have taken a heavy toll at the agency.

"FTC work years are 53% of what they were a decade ago," the report said. "The current staff level is cause for serious concern. We are also concerned that as the FTC has been reduced in size, it has become top-heavy. . . . We urge

(Continued on Page 68)

BURNOUT

How BBDO's Willi Schalk beat stress and saved his life

For more than 20 years, Willi Schalk, 49, president and chief operating officer of BBDO Worldwide, pursued a frenetic career, with a schedule that required offices and homes in New York and Duesseldorf. He succinctly stated his work ethic several years ago: "For me and my wife, it was clear that my job would be the first priority. I know it sounds brutal, but there is simply no other way." In the fall of 1987, a brush with a serious, life-crippling condition—caused by stress—forced him to find another way, to change his lifestyle dramatically. Here is his story as told to ADVERTISING AGE *International Editor Nancy Giges.*

"I must in retrospect say I still don't understand how I lived and worked and traveled for such a long period the way I did. People kept telling me, 'You're going to crack.' I didn't listen. I didn't pay attention. Others got sick, suffered from stress. Not me.

Whatever happens around you does not seem relevant unless you're directly affected. As far as health is concerned, the others are always the others. We say, 'I'm different.' But one day we'll have to pay tribute or change.

Change is almost routine in the advertising business. We're used to frequent changes and adjustments; we manage change quite successfully on the business side of our lives.

The much more difficult part seems to be the personal side. Once you have the attitude 'Job first,' as I did, you can get completely absorbed by the business and your role in it. And you begin to neglect the need for other activities, for the right balance between your job and your private life.

I didn't and don't see the risk so much on the mental side, since the advertising business is so stimulating that it keeps your mind in constant exercise. The big danger is on the physical side and, as I've learned, if you don't take care of yourself physically, you can get to a point where your total system will break down.

I was reluctant for quite a while to talk about my experience, and I'm still hesitant since it is a very personal, private matter. However, [after] being asked so many times, I finally agreed to 'speak out.'

I'm doing it for no other reason than to say to those people who warned me, 'You were right,' and, maybe, to a few others, 'Watch out, we're not immortal.' If we want to keep our business healthy, we have to stay healthy as individuals.

'Mens sana in corpore sano' is a citation from the ancient Romans, and they were, once more, right. I had to learn it the hard way: 'Mental fitness requires physical fitness.' And to realize this, I had to change.

Most of it had to do with me as a person. Some of it may be symptomatic to"

(Continued on Page 52)

Staff photo by Doug Goodman

BBDO's Willi Schalk faced a serious health crisis before he learned to balance the business side of his life with exercise and relaxation.

Burger King change coming fast

New marketing chief will decide on Ayer

By SCOTT HUME

Burger King Corp. has a new marketing chief, and franchisees and company insiders believe the fast-food chain will get a new marketing strategy—and possibly a new ad agency—as well.

Under Gary L. Langstaff, 40, named exec VP-marketing last week, Burger King is expected to return to the advertising aggressiveness it displayed in the early 1980s.

Many sources believe Mr. Langstaff will review the No. 2 burger chain's $150 million-plus national ad account to ensure the chain has an agency compatible with his own style. There's also speculation he won't implement a planned regional marketing strategy but will keep a centralized system intact.

Pillsbury drops Y&R—P. 65
Wendy's guarantees—P. 66
Pizza Inn repositioned—P. 67

A Burger King spokesman last week said the chain wouldn't make any decision on its agency until its restructuring is resolved. With that restructuring now accomplished, the matter of Ayer's future presumably has taken center stage.

Insiders say the agency decision will be made within the next few weeks and contend the replacement of 18-month incumbent N W Ayer, New York, is now more likely than ever.

The man Burger King Chairman Ian Martin and CEO Barry Gibbons brought in to reshape the chain's marketing and advertising direction "can hit the ground running," said an East Coast franchisee.

"The general reaction is that [Burger King parent Grand Metropolitan] couldn't have made a better choice [than Mr. Langstaff]," he said. "He knows the business very well—Hardee's is a tough chain."

Previously exec VP-marketing for Hardee's Food Systems, the No. 3 burger chain, Mr. Langstaff succeeds Don Dempsey, who moves to an unspecified "senior management position" in international operations.

The East Coast franchisee said he expects Mr. Langstaff to replace Ayer.

"I can't see why we should give them another shot," he said. "A year ago at this time we were talking about their new campaign and the prospects for a good 1988" that didn't materialize.

The latest Burger King TV spots from Ayer—including one featuring a "scratch-and-sniff" patch on a burger patty—don't carry the year-old "We do it like you'd do it" theme line. The Burger King spokesman

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GARY LANGSTAFF

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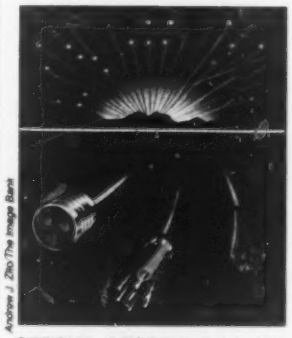

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Henkel dumps McCann in plan to align brands

By LAUREL WENTZ

LONDON—West German consumer products giant Henkel is dropping McCann-Erickson Worldwide from its international agency roster to take a more unified approach to Europe.

Following the $30 million loss in business, McCann "has had conversations with Unilever" about picking up cleaning products business internationally that had been blocked by Henkel assignments, a McCann source said. "There is nothing imminent, but there certainly have been conversations."

The Henkel business is being divided among its four remaining international agencies.

Lowe International here, owned 30% by Interpublic Group of Cos., is the big winner with more than $15 million in fabric softener and other business.

HDM picks up McCann's dishwashing detergent brands and TBWA and BBDO Worldwide will get smaller assignments.

McCann also handled automatic and hand-wash laundry detergent and household cleaner accounts in several countries for Henkel.

The former McCann brands will move into these agencies by yearend, said Klaus Morwind, the member of Henkel's operating management in charge of all the company's detergent business outside of Germany.

Henkel has been planning to cut its European roster possibly to three international agencies and to eventually eliminate local agencies (AA, Jan. 30).

The company's ad budget is about $230 million a year for detergent and household cleaners. Those products account for slightly more than 30% of the company's nearly $6 billion in sales. Henkel is a major competitor of Procter & Gamble Co. and Unilever in Europe.

Mr. Morwind said Henkel won't look at eliminating another interna-

(Continued on Page 68)

Saatchi sets May meeting of execs

By JON LAFAYETTE

NEW YORK—Saatchi & Saatchi Advertising Worldwide has called the first meeting of its ceos and creative directors, but the parent company's lagging profits won't be on the agenda.

About 100 executives are expected to attend the May 8-10 meeting here. The gathering's estimated cost is between $100,000 and $200,000.

"It's the first time we're acting as a grown-up network," said Alban Lloyd, chairman of Saatchi & Saatchi International.

Rather than discuss Saatchi & Saatchi Co.'s pretax profits drop this year, the meeting will concentrate on professional issues, said Milton O. Gossett, co-chairman-ceo, Saatchi & Saatchi Advertising Worldwide.

These issues include business development and creative excellence. Plans for the meeting began about nine months ago, he said.

The guest speaker at the meeting will be Procter & Gamble International President Edwin Artzt.

Saatchi agency managers also will meet with heads of some other Saatchi-owned companies, including its Rowland public relations unit and design specialist Siegel & Gale. The purpose is to stimulate cross-referrals within the group.

Backer Spielvogel Bates Worldwide, another Saatchi-owned agency, will hold its second worldwide management meeting here next month, too.

"I think [these meetings] are invaluable," said Carl Spielvogel, chairman-ceo of Backer. "When you've got a worldwide company and people are spread across 46 countries, it is important that you press the flesh at least once a year."

Euro, Pacific spending spree

Ad budgets for '89 lag in U.S.

By JULIE SKUR HILL

Searching for ad spending growth? Look overseas.

While the mature U.S. market anticipates low growth in '89, the European Community's 1992 plan and the development of Pacific consumer markets will fuel growth outside the U.S., according to ADVERTISING AGE's latest survey of ad spending trends around the world.

Overall, foreign spending is expected to jump 12% to $136 billion in 1989, said Robert Coen, senior VP-director of forecasting at McCann-Erickson Worldwide, New York. The U.S. will grew 6.1% to $125.6 billion (AA, Dec. 19).

Unlike Mr. Coen, who bases his figures on dollars and allows for inflation, AD AGE's reports are expressed in local currencies and exclude inflation.

As the European Community moves toward dropping remaining trade barriers among its members, the ad industries in Italy and Spain will continue their race to catch up with the rest of Europe.

"The one fact hanging over all Europe is 1992," Mr. Coen said.

Australia and Japan also are expected to be hot spots this year, while high inflation and unpredictable economies are likely to dampen spending growth in Mexico, Brazil and South Africa.

Europe

Europe's hottest growth will come in its warmer climates.

"Spain and Italy used to be the financial whipping posts of Europe —but not anymore," said Thomas Maxey, president-international at N W Ayer, New York.

Spain, where ad spending grew an incredible 20.9% in 1988, is expecting 15% growth this year, according to the Advertising Agencies Association, Madrid.

"There is no indication of a slowdown in private consumption, and marketers are keeping up a fast pace of new-product launches—so ad expenditures will grow as well," said Maria Angeles Gonzales, research director at J. Walter Thompson Spain.

Part of the growth in Spain will come from political advertising. In June, all Europeans will elect their countries' representatives to the European Parliament. And in September, regional elections will be held for the autonomous government of Galicia in northern Spain.

Also, Spain's general elections, now scheduled for 1990, may be moved up to late 1989, some sources say.

Predictions may be overly optimistic, however, because of increased labor conflicts and social tensions since the Dec. 14 general strike.

Also, a tough monetary policy, introduced by the government in February, may slow down the economy.

In Italy, the ad industry projects an 11% increase in spending this year, following 8% growth last year.

But McCann's Mr. Coen is more pessimistic. "I get the feeling that [Italy] has had two to three good years, and there's some fear that it's plateauing," he said.

In 1988, France grew 9.3%, and a 9% increase is expected for this year.

"More and more affordable means of advertising are now available," said Philippe Legendre, director of studies at the Association of Agencies in Counseling & Communication, Paris.

As a result, he said, "many more companies are now thinking about marketing, something they weren't doing a few years ago."

In the U.K., where 10% growth in 1988 surpassed all expectations, only a 4% increase is predicted for this year.

"It had been a marvelous year," said Mike Waterson, research director at the Advertising Association in London. "I wish I had been an owner of an advertising agency," he said.

"Consumer expenditure is booming at the same time corporate profit margins have been widening —two factors that combined to provide a tremendous increase in advertising," he added.

However, the boom will end shortly, Mr. Waterson said, "as a result of slowing consumer expenditure caused to some extent by jacking up of interest rates by the U.K. government."

The entry of satellite TV, including Rupert Murdoch's Sky Television, will "not yet take advertisers away from existing commercial channels," said Tim Cox, media director for BMP Davidson Pearce, but satellite networks will be "looking for new TV advertisers, particularly small spenders."

In West Germany, growth has been consistently low compared with the rest of Europe. The 2.5% growth seen last year is also expected in 1989.

Asia/Pacific

Australia, where growth had been in the doldrums for several years, has come on strong.

"In the wake of the October 1987 stock market crash, we all, includ-

(Continued on Page 55)

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Jeep ads hit high gear

By RAYMOND SERAFIN

HIGHLAND PARK, MICH.—Chrysler Motors is giving its biggest ad support ever to Jeep, backing up its $24 million gamble in expanding production capacity for Jeep vehicles.

The estimated $25 million second-quarter media blitz that broke April 2 includes 125 spots on network prime time and news, and heavy involvement in CBS-TV and Turner Broadcasting System telecasts of National Basketball Association playoffs.

Jeep and Eagle are the NBA's official vehicles.

Jeep also plans print ads, mostly spreads, in about 70 magazines and will run radio and outdoor ads in the 19 markets that account for 60% of Wrangler sales. The theme line remains "Only in a Jeep."

The move follows the investment Chrysler made in two plants that boosted capacity to 403,000 units, according to *Automotive News*. Chrysler built about 307,000 Jeep sports-utility and pickup trucks in 1988.

Jeep models, especially the Cherokee and Grand Wagoneer, are high-profit vehicles for Chrysler. Boosting sales is more important than ever for the No. 3 automaker, which last week joined the latest auto incentives fray by offering low- or no-interest financing on certain loans *(see related item on Page 65)*.

The cost of subsidizing low-interest loans is expected to cut deeply into second-quarter profits for all domestic automakers.

The increase in Jeep production capacity is risky because the U.S. automotive market has been weak, and that's what led to the new round of deep-discount incentives.

The Jeep media blitz was planned before the newest consumer incentives, said David Kerr, Jeep advertising manager for Chrysler's Jeep/Eagle division.

"The new 0.0% financing program strengthens our message even more," said Mr. Kerr, who added that previously executed commercials will be given new tags promoting the incentives.

Campbell-Mithun-Esty, Southfield, handles.

The Jeep brand should also get a boost from last month's introduction of Jeep apparel in 46 department stores across the country, under a licensing agreement with Murjani International (AA, Sept. 5).

The Jeep clothing will be in 150 stores by fall, said Bob Kirkwood, director of Jeep licensing at Chrysler.

He said Jeep and Murjani are still negotiating with manufacturers of items other than clothing to carry the Jeep brand.#

BBDO may leave S.F.

By GARY LEVIN

BBDO Worldwide could join the ranks of agencies pulling out of San Francisco.

"San Francisco is one office . . . being reviewed, as far as what the future should be," BBDO Chairman-CEO Allen Rosenshine said.

He said a decision on whether to shutter the office will be made in the next two months. The office has billings of about $12 million.

But the agency's West Coast chief is thinking positive.

"Allen and I have talked, and I think I can give him positive plans for San Francisco," said Gene Cameron, president-ceo of BBDO's Los Angeles and San Francisco offices. "I know I'm going to be given an opportunity to discuss it."

Mr. Cameron was planning to travel to New York this week, presumably to discuss the situation in the Bay area. The unit there now operates as a service office for Visa International, plus has some regional Dodge dealer business and a few commodity food assignments.

Last month, D'Arcy Masius Benton & Bowles left San Francisco after losing two top accounts (AA, March 20). The status of Lowe Marschalk's office, which billed $17.7 million in 1988, is also uncertain.

Managers of that agency, led by Senior VP-Creative Director John MacDaniels, are close to a deal to buy the office, agency officials confirmed.

If that deal fails, Lowe Marschalk parent Interpublic Group of Cos. will likely fold the office into McCann-Erickson Worldwide's office.#

Cleveland Horton in Los Angeles contributed to this story.

Film ad war erupts

Backs new lines from Polaroid, Kodak, Fuji

By ALISON FAHEY

A film advertising battle is breaking out among Eastman Kodak Co., Polaroid Corp. and Fuji Photo Film USA.

Major ad campaigns for new products from the three target the 35mm market, the fastest-growing segment of the $2 billion conventional-film category.

Polaroid's entry last week into the amateur conventional-film market (AA, March 13) in the U.S. will be backed by $30 million in advertising and promotion.

That move was preceded by Kodak's decision to boost its ad budget for Kodacolor Gold and Ektar films by more than 25%, to $50 million this year.

Fuji increased spending 65% for amateur film and camera advertising, to about $17 million.

On May 17, Polaroid breaks two 30-second commercials on network and spot TV for OneFilm, its new, single-speed conventional film designed to eliminate consumer confusion over multiple film speeds. The film comes in 35mm, 110, 126 and disc format.

The humorous spots, from BBDO Worldwide, New York, play on OneFilm's positioning by showing consumers befuddled over which film speed to buy. The tagline is "For beautiful pictures, the choice is easy."

OneFilm also has an aggressive promotion schedule lined up for the year, said Wayne Nanna, director of marketing-conventional film. Free standing inserts running on May 21 carry a 50¢ coupon for any OneFilm product; a second FSI is planned for mid-October.

Retailers have a choice of run-

(Continued on Page 66)

Print ads are included in the first advertising for Fuji from Hal Riney & Partners, New York.

TIME TO TRY SAFER SEX?

Then rediscover the *SatEvePost*—the safest, most trusted family magazine for all generations.

Did you catch this recent *Advertising Age* lead article? It exclaimed, "The 'New Puritanism,' an attitude of consumers that network TV has gotten too lenient in its treatment of sex and violence, is starting to hit advertiser, agency and network TV executives hard" (see inset).

Offensive sex and violence is a concern of all. Consider alternatives in response to consumer backlash and family outcry.

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An ad in the *Post* is a statement of corporate responsibility and responsiveness to an undeniable shift in what the American public is willing to accept. Place your ad while others scramble as TV producers and program execs try to react to the voice of the American family. The *Post* already contains family-oriented humor.

The *Post* doesn't accept cartoons or ads that are in conflict with good health for families with or without children.

Advertising Age

Advertisers 'up in arms'

NBC's Tartikoff reacts to mood

By WAYNE WALLEY

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SHOWS THEY HATE

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Perfectwedding
Married . . . With Children
Moonlighting
60 Minutes
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Night Court
Cheers
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Morton Downey Jr. Show
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Our predecessors, Benjamin Franklin, Cyrus Curtis, and Norman Rockwell, were not too far off in their philosophy from the present-day health activist *Post*. Franklin taught preventive medicine, Cyrus Curtis wouldn't take ads from "patent medicine men" of his day, and Norman Rockwell did more to show America the glories of honest-to-God family life than anyone in the country.

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'N.Y. Post' appoints Salembier president

By PATRICK REILLY

Valerie Salembier, the new president of the *New York Post*, spent the weekend shopping—in Paris.

On April 24, she will descend to the *Post*'s gritty South Street plant in lower Manhattan to take on a much tougher chore: salvaging what appears to be a faltering launch of the *Post*'s Sunday edition.

The Sunday *Post* has won the respect of local critics for its editorial product, but early results indicate it hasn't pulled the circulation numbers that former Publisher Peter Price predicted.

Mr. Price resigned abruptly last week to form a partnership with Univisa, a Los Angeles-based communications company.

V. Salembier

Post owner Peter Kalikow has appointed himself publisher. He named Ms. Salembier, 43, who's served six months as publisher of Rupert Murdoch's *TV Guide*, to take his title as president.

"The Sunday *Post* will be a big part of the challenge, but like any new-product introduction it will take time," Ms. Salembier said. "Just like *USA Today*, which was heavily promoted at the beginning and got a fast start, the Sunday *Post* will have to find its own growth rate. I am a believer in the Sunday *Post*."

Before *TV Guide*, where she counted as one among only a handful of women magazine publishers, Ms. Salembier served five years as senior VP-advertising at *USA Today*. She has also been associate publisher of *Ms.* and even spent one year as a publisher at Christopher Whittle's 13-30 Corp., a forerunner to his Whittle Communications.

The *Post*, with Ms. Salembier and Editor Jane Amsterdam, will be the country's only major metropolitan daily newspaper run by women.

The Sunday *Post* launched March 5, and *Post* executives said it sold at least 440,000 copies the first Sunday and about 400,000 the next. Execu-

(Continued on Page 68)

CORRECTIONS & CLARIFICATIONS

- Marc Advertising, Pittsburgh, continues to handle broadcast buying east of the Mississippi and print advertising for Jerrico's Long John Silver's restaurant chain, despite the assignment of broadcast creative and some media buying to Bozell, Dallas (AA, April 3, P. 1).
- The client for Zerex Antifreeze Coolant in "Global Gallery" (AA, April 3, P. 35) should be BASF Corp. Chemicals Division, Parsippany, N.J.
- In a ranking of Sunday newspaper circulation (AA, March 6, P. S-12), the *Atlanta Journal & Constitution* was incorrectly omitted. The Atlanta paper, with a Sunday circulation of 650,542, should occupy the 13th place on the list of 20. The paper has a combined daily circulation of 458,682.#

April 10, 1989

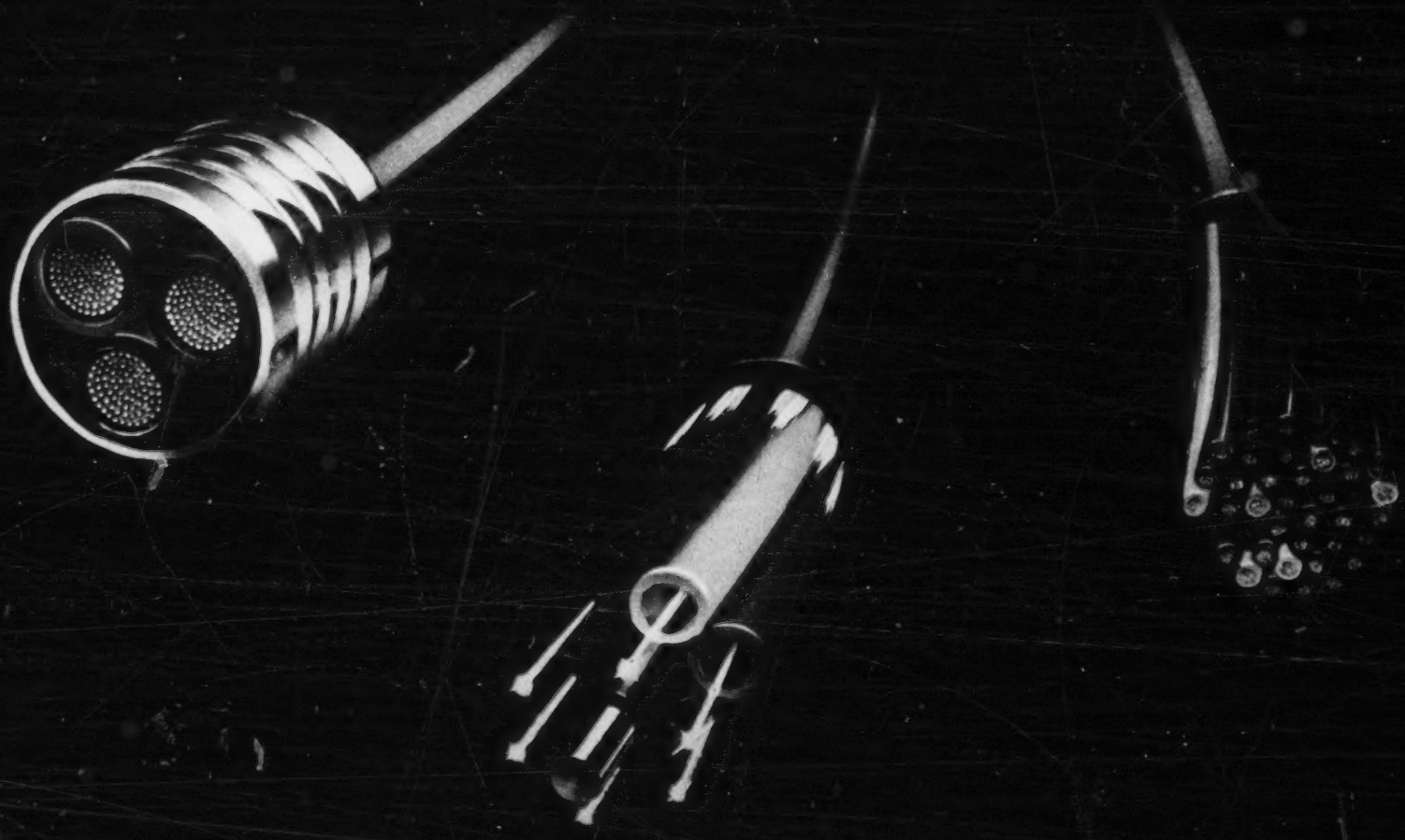
Advertising Age

Crain's International Newspaper of Marketing

Special Report

Cable TV

Wired for a new competitiveness



Mark Anderson

Wounded networks go for jugular

Cable execs admit attack could have been devasting if launched before they became entrenched

By Wayne Walley

Cable bashing is fast becoming the latest broadcast network fad.

Instead of challenging each other, as they did in the past, the Big 3 network presentations to advertisers and agencies are independently beginning to lash out at the fast-growing medium they once ignored.

"The network criticism makes us feel legitimate as competitors," says John Reardon, exec VP-sales of MTV Networks. "Today most of the agencies are savvy enough and taking this with a grain of salt. But if the networks would have done this three years ago, it could have been devastating."

ABC fired the first salvo in the new network war against cable TV last November when it unveiled a presentation titled "20 Questions Facing National TV Advertisers."

The idea, ABC says, was to remind media planners of broadcast network strengths against its growing competitors: cable TV and syndication.

Described as an "even-handed presentation" by those who have seen it, ABC merely tries to encourage planners to use other network dayparts as an alternative.

NBC, as the No. 1-rated network and about to start cable service Consumer News and Business Channel, has tried to stay out of the fray so far.

CBS, however, launched a more vicious attack on the medium a month later with its now famous "The Cable Fable," a study by David Poltrack, CBS senior VP-planning and research.

The CBS conclusion is forthright: "What cable promises, network delivers."

This, along with a storybook format the network produced as part of its presentation, irked the cable industry.

But cable sales executives dismissed both network presentations, claiming advertisers and agencies would not be swayed by a manipulation of numbers.

"We could all put up a set of numbers and all of us would be right," says Lloyd Werner, senior VP-sales & marketing, Group W Satellite Communications, which handles The Nashville Network.

"But when cable goes in a home, something happens. There are changes in viewing patterns and the advertisers are reacting to that," Mr. Werner says.

"It isn't a fad or something based on numbers. The broadcast networks, now and forever, will be the best way to reach a mass audience. But we offer more than tonnage. We sell a program environment with promotion opportunities and more. That's something broadcasters have not had to do," he says.

Robert Alter, president of the Cabletelevision Advertising Bureau, does not deny the positives of network TV emphasized by ABC and CBS, but he questions the network data, the network methods of presentation and the intent behind the network actions.

Instead of fighting each other, Mr. Alter says, ABC, CBS and NBC should join cable to fight against TV's real nemesis: sales promotion. "We need cooperation to get TV budgets growing."

Some agency executives were surprised by the sudden network challenge to cable, but others welcomed the new aggressiveness of ABC and CBS.

"The networks finally woke up, all of a sudden. They should have been doing this before," says Bart McHugh, senior VP-director of national radio/TV programming at DDB Needham Worldwide, New York.

"But what the networks need to do now is pay attention to programming. If they present something new and unique, people will watch. Look at the results of 'Lonesome Dove' on CBS. There are shows on network TV where there isn't an audience loss. The broadcasters have hurt themselves. It's not because of a loss to cable," he says.

"As far as [the presentations] having an effect on media buyers, it won't," says Paul Isacsson, exec VP, Young & Rubicam, New York. " 'The Cable Fable' was more offensive in its presentation, but it did raise some valuable points," he adds. "Both presentations were a good review."

The networks, in the meantime, are likely to continue bashing away.

Howard Stringer, president of the CBS Broadcast Group, in a speech to the Academy of Television Arts and Sciences in Los Angeles last month, emphasized the networks' 68% share of the viewing audience despite representing only 15% of the viewing options today.

"Wider choices are not necessarily better choices," he says. "Movie channels aside, the cable listings offer mostly what I like to think of as the three R's of cable—rock videos, reruns and 'restling. There's nothing wrong with that, except that it suggests that if cable television is the answer, then isn't the question, 'How do we make the most money from the fewest original programs?'

"No cable network with the exception of ESPN can match the demographic profile of the broadcast networks in prime time," he says.

ABC, CBS and NBC, in their reviews of the February ratings sweep for the press, also emphasized that

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INSIDE

FNN, CNBC mean business
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Cable nets turn publishers
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'No vacancy' sign hung out
P. S-31

New elite: Nick/Think/BET
Pgs. S-31, S-32

Cover graphics: Andrew J. Zbukvic/Image Bank

Fable's moral: Don't ignore nets

CBS punches hole in some beliefs

CBS has turned into a regular Aesop. The moral of "The Cable Fable," or so says CBS, is "When a lean giant lends an ear, he becomes a powerful partner."

The report, which rankled many in the cable industry when it was unveiled last December, was designed to answer two questions bothering CBS executives: To what degree are network television dollars being diverted to cable TV, and what is the rationale for this conversion?

The conclusion: Network TV dollars were being diverted to cable TV, but the reasoning was varied and vague.

CBS' "The Cable Fable" study concludes: "What cable promises, network delivers."

"More importantly, many of these reasons seemed to be based on false assumptions and none of them were supported by hard data," says David Poltrack, CBS senior VP-planning and research, in "The Fable" presentation.

Mr. Poltrack then summarizes the CBS findings.

- "Cable television audience growth has slowed as cable penetration growth has slowed.
- "Among the 141 cable-originated services included by Nielsen in its cable origination figure, the audience growth has been greater for the smaller local and regional services than for the national, measured cable networks.
- "National cable network audience growth has been fueled primarily by increased penetration. Ratings growth in subscriber homes has been modest. Individual cable network ratings remain low, averaging less than a 1.0.
- "With homes passed approaching the expected limit and remarketing efforts to date failing to convert a significant number of original cable rejectors, future audience growth based on increased penetration will not approach the growth rate of the past decade.
- "The cable viewer profile is quite different from the cable subscriber profile.
- "The viewer profile of the cable network audience in cable homes is inferior, in terms of upper socio-economic parameters, to the viewer profile of the broadcast networks in those homes.
- "Supplemental cable schedules may correct for network GRP [gross rating points] imbalance in cable versus non-cable homes; however, it adds an imbalance of its own due to the underdelivery in the country's critical top 25 markets.
- "And last, but certainly not least, in the fourth quarter of 1987, the cable supplemental schedules analyzed showed cable GRPs to largely add frequency against the portion of those homes, or target individuals, that are already reached most often by the base broadcast network schedules.

"A re-expression of the cable dollars in additional broadcast network weight coupled with a revision of the base network schedule improved reach in every case; and added frequency in the important middle, effective frequency range, of the frequency distribution curve."

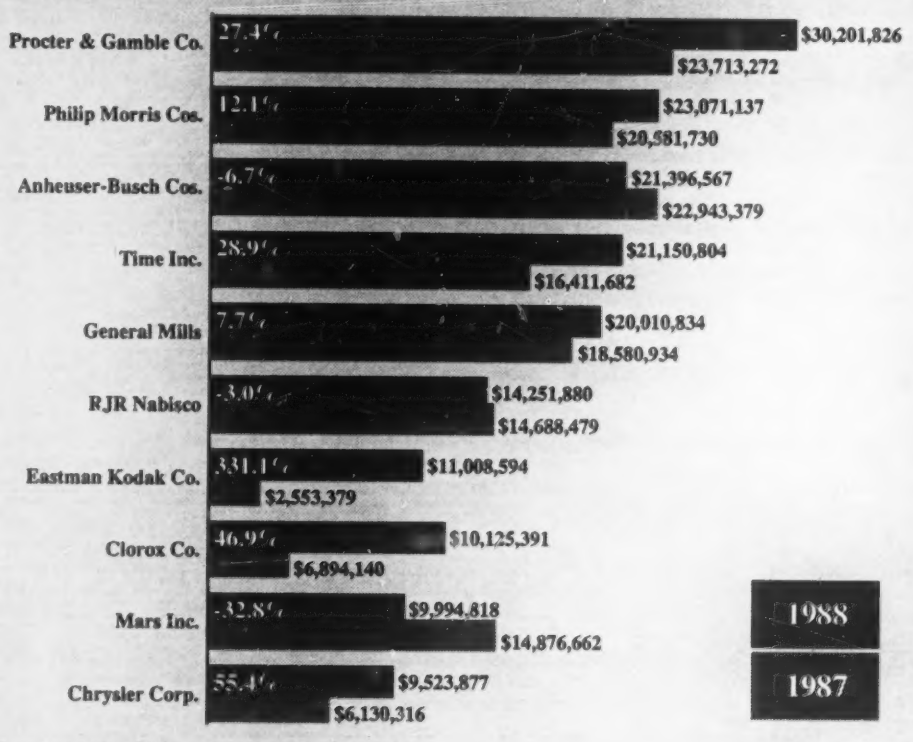
"The Cable Fable's" purpose is not to convince buyers that cable is without value, Mr. Poltrack says. "That is unrealistic and not true."

Its function is to convince buyers and planners to "examine all options" including broadcast network only, broadcast network plus cable, broadcast network plus national spot television, or national syndication, or all of the above before settling on a TV advertising strategy," Mr. Poltrack says.

—Wayne Walley

The top 10 advertisers on six major cable networks

This ranking of cable advertisers for 1988 adds newcomers Clorox, Chrysler and Eastman Kodak. They replace Coca-Cola, General Motors and Thompson Medical, which were among the top 10 cable advertisers in 1987. Percentages illustrated indicate change from 1987. The six networks included: CBN, CNN, ESPN, MTV, TBS and USA.



Source: Broadcast Advertisers Reports Advertising Age graph: John Hall

Networks

(Continued from Page S-1)

the total reach of network TV—95% of all TV viewers tune in to network TV at some time during the week—has not changed in the past 10 years despite smaller audience shares.

The networks also worry that too many buyers equate all cable attributes to individual networks.

Mr. Poltrack says in his "The Cable Fable" presentations, "Cable television has a role in many television advertising campaigns. Cable television provides an efficient, low-unit cost supplement to traditional over-the-air television advertising and it also offers some unique promotional and merchandising opportunities.

"However, in our analysis we found that many other virtues were being ascribed to cable television advertising, virtues that it does not possess," he says.

Most cable executives question the network motives behind the bashing of their medium and believe the presentations attack media-buyer strategies.

"Why throw the bomb at cable buyers? You don't tell advertisers and media buyers you made a mistake buying cable. It may have a boomerang effect," says Jack Bonanni, senior VP-ad sales, ESPN. "They had it their way for so long, [the attack] is late, unnecessary and smacks of spoiled children.

"TV, in general, is suffering from promotion taking money out of TV. We can all speak about strengths without knocking competitors. Cable TV is an excellent supplement," he says.

"It's safe to say the agency reaction has been mixed, says Richard Hammer, VP-advertising sales, The CBN Family Channel. "Those who want to believe nothing has changed support the network attitude. Those aware of the marketplace see the studies are full of errors and unsupported conclusions. That's the same dichotomy we face in the marketplace."

Donald B. Miller, chairman-ceo of Horizon Media, believes the network presentations will not change the plans of many agencies or advertisers.

"A lot of major advertisers have wanted leverage. That's what cable offers," he says. "Companies like Procter & Gamble have been very encouraging to cable. You won't find many people who say they will walk away from it."

The network reaction, albeit late to cable, is not unusual, Mr. Miller says. "This reaction is analogous to what happened with a number of businesses. Long after broadcast started, magazine groups battled each other as if broadcast did not exist when the battle was really TV vs. print."

The networks, however, believe there is a need to "re-express the value of network TV" and "point out the drawback of alternatives," says William Germano, director-marketing presentations, ABC Sales Development.

The "20 Questions" presentation has been well received, Mr. Germano says. "Most people are happy we're talking about it."

The combined size of the 18 cable networks' sales forces overshadows the three broadcast networks' combined sales force, Mr. Germano says.

"Cable got out there when we weren't out. They got out their side of the story. As a result cable networks are generating larger shares.

"Now it's time for our side of the story. Cable should be a part of the mix when necessary, but there is misuse of cable. Clients and planners may have moved to cable for the wrong reasons," Mr. Germano says.

The reason Anheuser-Busch Cos. uses cable: "We pay for what we get," says Tony Ponturo, director-media services for A-B.

"Cable is more established today and considered part of our national TV budget," Mr. Ponturo says. "We look at good programs and good efficiencies and a way to maximize our participation with merchandising or on-the-air billboards and such. We do not say, 'Let's put 5% or 10% or 15% in cable.' We're allowing the program [to stand on its own]."

"We went to cable by following the good programs. Whether or not cable is in 50% of the country doesn't matter that much," Mr. Ponturo says.

According to Nielsen Media Research, cable is in 49.5 million U.S. TV households, or 54.8% of the country. Ten years ago only 3.6 million, or 18.2% of U.S. households, received cable.

"There are now two television universes—cable and non-cable—with cable the larger," Mr. Alter told the Association of National Advertisers convention in February.

"While there is room for healthy competition among the various programming sources, all of us in television must understand the biggest competition we face is not from one another, but from promotion and other non-media expenditures that promise a quick fix. We must work together to maintain the confidence of advertisers in the effectiveness of television."

Cable networks, particularly The Nashville Network and MTV Networks, target promotional budgets and attempt to create marketing vehicles for advertisers instead of media buys.

"We make a conscious effort to tap into promotional budgets," says Mr. Reardon. "We have taken the lead in added value for advertisers."

"I don't worry about the research of 'The Cable Fable,' " says Mr. Werner. "I worry about a Coke machine showing up in 'Dallas.' CBS is talking about adding value to spots on network TV. We've been doing that on cable, but if the networks start doing it, it means cable will have to do more.

"The beneficiary of all this is the advertiser. TV eats up huge chunks of money but we're not offering enough," he says. "We will have to be more creative and innovative." □

The Cable Fable Label

Label it fable,
but the numbers are stable
We bring to the table
more than a fable

Networkus, fat from oligopoly,
would have liked a monopoly
But, as everyone knows,
cable erodes
And the giant was forced
to compete

At the beach
the joust began
The giant had reach
but hadn't a tan.

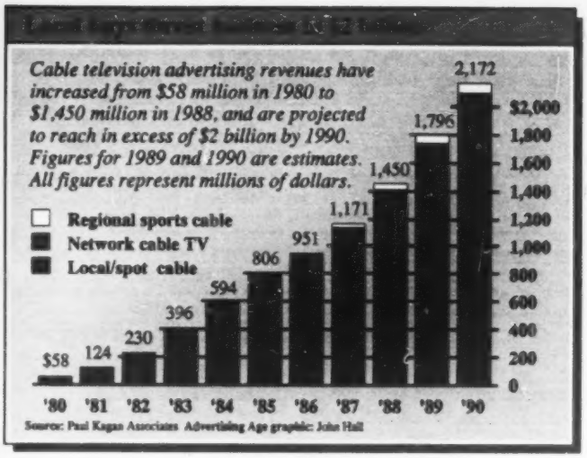
Cable was fast
and had the demos
The giant was slow
and had the limos

The giant's limos were fine,
but his CPMs were off target
Cable's CPMs were sublime,
and took much of the market

The giant's strength
started to decrease
So at great length
he spewed a release

The giant stated
that cable was a fable
Until it was negated
that fable was a label.

Ed De Nicola
National Sales Coordinator
A&E Cable Network



ABC only too happy to answer cable questions

Presentation paints net in favorable light, cites cable's flaws

If ABC is bashing cable, it is doing so with a rubber hammer. ABC executives say the network's "20 Questions Facing National TV Advertisers" presentation is not designed to bash cable but merely to point out network TV strengths.

One reason behind the softer touch may be the fact Capital Cities/ABC also owns 80% of ESPN, 38% of Arts & Entertainment and 33% of Lifetime. But executives at the three cable networks and ABC say Capital Cities allows each part of the company to operate independently.

"They are letting each division be competitive and it's good competition," says Jack Bonanni, senior VP-ad sales, ESPN.

Since last November, ABC sales executives have been competing with the "20 Questions" presentation, which they have shown to 2,000 people representing more than 50 client companies.

The following abbreviated excerpts cover ABC's responses to questions in the presentation that deal directly with cable TV.

Question 4: How does cable perform in key geography?

By indexing the prime-time household ratings for the top five adult cable networks by the standard five Nielsen territories, it becomes evident that four of these cable outlets underdeliver the Northeast and the Pacific. These regions not only represent 40% of the households in the U.S., but are generally more important marketing areas for most advertisers. The cable networks bulk up their audience delivery in the other three regions, particularly in the South.

Question 5: Are cable audiences more desirable?

On average, cable households are more upscale than the average U.S. household. But when cable households are separated by pay cable and basic cable status, it becomes apparent that only pay cable households are more upscale.

Basic cable households are no more upscale than the average household in the country.

Question 6: Does network TV deliver pay cable households?

In daytime, the three broadcast networks, in total, generate about the same rating in pay cable homes as they do in the average U.S. home.

In prime time the three networks typically attain ratings in pay cable homes that are only marginally below total U.S. ratings.

Question 7: Can network TV deliver narrow targets?

Selectivity within broadcast network program areas offers a similarly high concentration of target prospects.

The network news programs are delivering the select mass, that is, establishing high reach of narrow target not available via the cable networks.

Network TV programs with high proportions of consumer prospects insure select delivery in large enough numbers to make the advertising successful.

Question 10: Are the alternatives to network new, distinctive and exciting?

The bulk of cable programming fails to capitalize on the potential to air new and distinctive programming. As a result, many cable networks do not deliver select audiences.

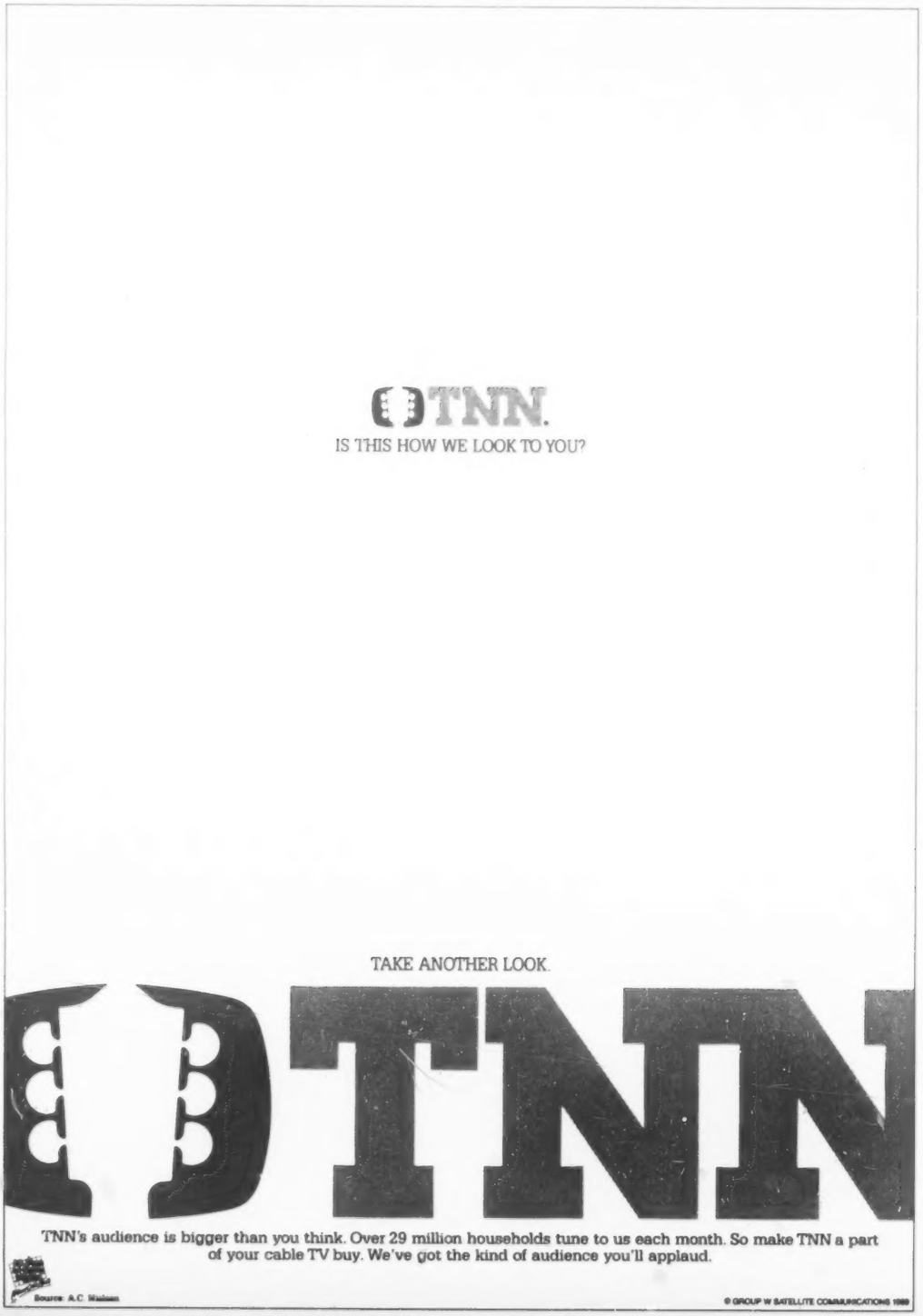
Question 11: Are cable network ratings increasing?

Overall cable ratings growth is primarily a function of an increased number of cable networks. The aggregate prime-time rating for 13 ad-supported basic cable networks measured by Nielsen during the 1984-1985 season was 5.6. Three years later, the aggregate cable rating of 21 basic cable networks grew to 8.4.

Question 14: Does cable add cost effective reach?

Incorporating cable can achieve a slightly higher net reach. But if it is acceptable to sacrifice the environment of broadcast network prime time for an increment of effective reach, this can usually be achieved with other network dayparts.

—*Wayne Walley*


TNN.
IS THIS HOW WE LOOK TO YOU?
TAKE ANOTHER LOOK.
TNN
TNN's audience is bigger than you think. Over 29 million households tune to us each month. So make TNN a part of your cable TV buy. We've got the kind of audience you'll applaud.
Source: A.C. Nielsen
© GROUP W SATELLITE COMMUNICATIONS 1989

FNN, CNBC set to battle for business

Some agency observers feel competing cable networks may have boxed themselves into too narrow a niche

By Mark Bittman

As both Financial News Network and NBC's soon-to-be-launched Consumer News and Business Channel veer away from "business-only" labels, some observers believe them to be on a near-collision course. And it is not clear whether there are enough viewers or advertising dollars to support both networks.

However, CNBC President Michael Eskridge says that in-house research indicates viewers still want more business and market-related programming. "I guess that at some point there will be a threat of saturation, but if we put our plan into effect that saturation won't bother us."

Mr. Eskridge joins FNN President David Meister and programmers at CNN, USA and other networks in the belief that any information affecting consumers' pocketbooks is welcomed by viewers. "There is no tightening up in terms of appetite for financial and business information," says Mr. Meister.

Saturation might be less of a worry if FNN and CNBC can appeal to advertisers outside the business community. FNN realized long ago that only so many subscriptions to the *Wall Street Journal* or investments in mutual funds could be sold. It has since sought—and landed—accounts such as Porsche-Audi, MasterCard, and BP America.

"Whenever you're dealing with a targeted editorial product you are by definition constrained," says Allen Banks, exec VP-media director for Saatchi & Saatchi Advertising. "There are opportunities for FNN to expand into other categories, like luxury cars, airline business for the business traveler and other high-ticket items. But those opportunities are limited."

"FNN is not a place for consumer advertising," says John Mandel, VP, director-national broadcast at Grey Advertising. "It's more like a trade magazine. They have chosen a narrow niche, and if they go after the CNBC audience they're liable to lose that niche, which is their strength."

CNBC has had the luxury of fine tuning its programming to attract advertisers before its scheduled launch date of April 17. Earlier this year, for example, it dropped plans for weekend sports coverage, deciding that market was saturated.

"CNBC is trying to look like a 24-hour 'Today' show," says Rich Forester, VP, director-broadcast at Ketchum Advertising. "And somebody like Bristol or Lever is libel to say, 'Oh, great, we can get them to do a health segment for us.' "

"If they're doing a show about buying a car, it would make sense to put tire advertising on there, or Sears Auto Center or a 10-minute oil change place," says Mr. Mandel. It is unlikely such buys would show up on FNN.

Mr. Forester and others believe the mere perception that CNBC is not a pure business channel will give the new network a competitive edge, even if its programming is similar to FNN's. "And don't overlook the credibility gained by CNBC because of NBC," he says.

Mr. Mandel, however, does not see FNN and CNBC battling to the death. "*Money* did not put *Fortune*

> ***"FNN is not a place for consumer ads. It's more like a trade magazine. If they go after the CNBC audience they're liable to lose their niche."***
>
> **John Mandel**
> **Grey Advertising**

out of business," he says.

It is difficult to pin down either network on programming. FNN has been shifting direction, trying to appeal to a wider spectrum of viewers—and advertisers. According to Mr. Meister, the moves have been successful.

FNN has attracted "scores of new advertisers" over the last few months, he says. The network is virtually assured of selling out all spot time in April, Mr. Meister adds.

Some question whether FNN's programming changes have gone far enough.

"Their programming needs to move beyond that geared to the pure financial community, the *Wall Street Journal* crowd," says Larry Gerbrandt, senior analyst and VP at Paul Kagan Associates. "CNBC is attempting to broaden the category, by going after the *Money* and *Consumer Reports* audience. It's much more middle class. Even with its new prime time programming, FNN is still geared to the executive."

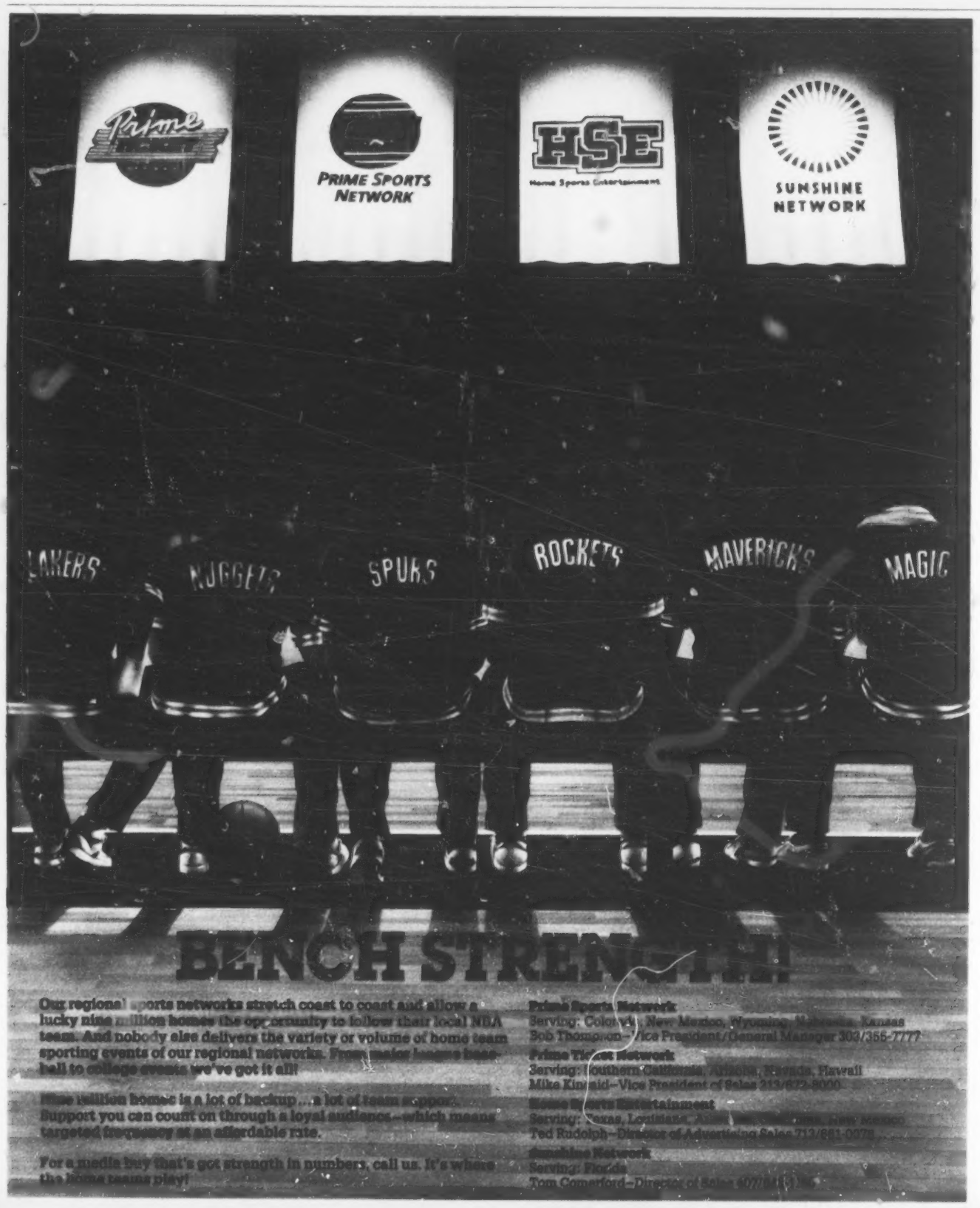
Mr. Meister disagrees, admitting that while "Our demographics are very much ahead of average household income, our audience is not elite."

To make business and financial news more palatable to a more general audience—although that information will be provided for those who need it—the current CNBC plan is to focus on news about spending money.

The thrust will be personal finances, real estate, healthcare, education. In short, programming will consist of items that typically are not presented on standard business programming, and that will appeal to a broader audience than those interested in the market's perfor-

(Continued on Page S-14)

Mark Bittman is a free-lance writer and a frequent contributor to Special Report.


Prime
PRIME SPORTS NETWORK
HSE
SUNSHINE NETWORK
LAKERS
NUGGETS
SPURS
ROCKETS
MAVERICKS
MAGIC
BENCH STRENGTH
Our regional sports networks stretch coast to coast and allow a lucky nine million homes the opportunity to follow their local NBA team. And nobody else delivers the variety or volume of home team sporting events of our regional networks. From major league baseball to college events we've got it all!
Nine million homes is a lot of backup...a lot of team support. Support you can count on through a loyal audience—which means targeted frequency at an affordable rate.
For a media buy that's got strength in numbers, call us. It's where the home teams play!
Prime Sports Network
Serving: Colorado, New Mexico, Wyoming, Nebraska, Kansas
Bob Thompson—Vice President/General Manager 303/355-7777
Prime Ticket Network
Serving: Southern California, Arizona, Nevada, Hawaii
Mike Kinsaid—Vice President of Sales 213/672-8000
Home Sports Entertainment
Serving: Texas, Louisiana, Arkansas, Oklahoma, New Mexico
Ted Rudolph—Director of Advertising Sales 713/681-0378
Sunshine Network
Serving: Florida
Tom Comerford—Director of Sales 407/[illegible]

'Any time, any place'

Turner launches pre-emptive strike in news war as CNBC tries to break through by making business fun

By Wayne Walley

Let the cable news wars begin.

With NBC's Consumer News and Business Channel launching April 17, Turner Broadcasting's CNN will go on the offensive with its most expensive ad campaign ever.

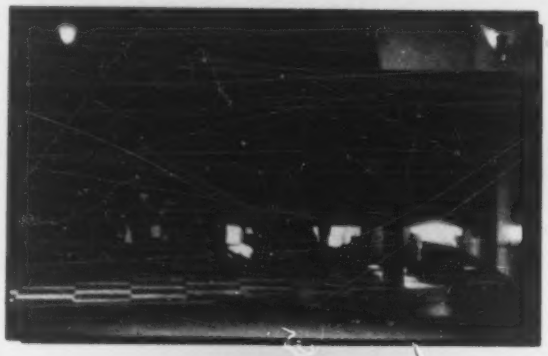
The cable channel plans to spend at least $2.3 million for a three-month combination print, radio, on-air and direct-mail effort beginning the third week in April. RET Advertising, an in-house division of Turner Broadcasting, is the agency handling the campaign.

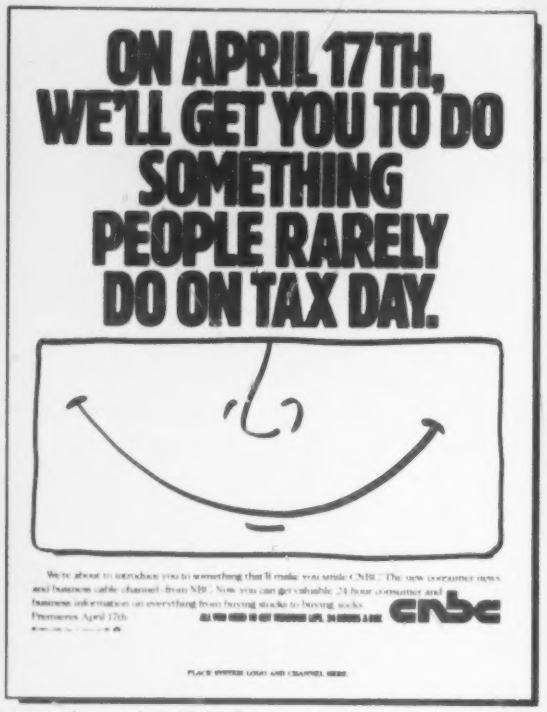
"The idea is to bring CNN to a new plateau," says Dave Williams, the cable network's new VP-marketing. "The goal is to make people more familiar with CNN and have them integrate us into the regular TV viewing habit as opposed to tuning in when a story breaks. We want to give them a reason to watch at any time of day."

Mr. Williams says the campaign's timing—so near CNBC's launch—is coincidental. But Turner Broadcasting Chairman Ted Turner often has voiced his opposition to NBC gaining a foothold in cable TV and this could be part of a subtle battle plan.

A less subtle element—the proposed acquisition of Financial News Network to complement CNN and battle CNBC—fell by the wayside when the TBS board of directors did not back the move.

CNN positions itself as the place for answers to the world's hard questions in new advertising.





CNBC agency's, Penchina, Selkowitz, uses a humorous ad touch to separate the new channel's business coverage from CNN and FNN.

CNBC starts out at a major disadvantage to CNN, reaching just 13 million TV households compared with CNN's 50 million subscribers.

In these days of filled channel capacity for a number of cable operators, the 13 million count for CNBC's launch is impressive, but a major stumbling block to the service's future growth is the perception that CNBC will merely double what CNN and the Financial News Network—with its 31 million subscribers—already deliver.

Both Tom Rogers, president of NBC Cable, the network division in charge of CNBC, and Michael Eskridge, president of CNBC, say the new entry will not cover the same ground.

They say FNN only scratches the surface of CNBC's target areas, and CNN focuses more on hard news while CNBC's programming will consist of more consumer-oriented features.

As the CNBC sales team continues to try to convince more cable operators to carry the service, Mr. Eskridge has hired New York-based Penchina, Selkowitz, now an independent subsidiary of D'Arcy Masius Benton & Bowles, New York, as its first agency.

Their charge: Create humorous spots that show the consumer CNBC is different from CNN and FNN.

"Our reputation is witty. We've done wild and crazy things," says Steven Penchina, the agency's chairman-creative director. "[Mr.] Eskridge said, 'Remember what you did with this, and this and this? Give me all that and more. That's the starting point.' They want to break the mold of business services."

The first stage of what the agency calls a multimillion-dollar campaign, started March 20 using TV spots for cross-channel promotions and ads in cable guides for systems carrying the channel.

Mr. Penchina expects the campaign to expand to outdoor, local magazines and possibly national spot TV once the service gains a foothold.

Each of the five initial TV spots focus on a different aspect of everyday life: shopping, buying stocks, office stress, financial advice and food.

Each shows how a consumer can get into trouble getting "expert" advice.

"The idea is to watch CNBC for the real expert advice," says Arthur Selkowitz, agency president.

"This is not a copy-cat channel. It has a pocketbook perspective of how to get more out of your money. A very much how-to informational service," he says.

CNN's three-month effort, according to Mr. Williams, is designed to remind viewers the news channel has the answers to today's questions.

In May, a topical radio campaign that ties into a "questions and answers" format will start with that night's CNN topics fax-delivered to each radio station.

"We know people tune in to us for breaking news stories, but we are also an informational resource covering everything from finance to fashion and health to Hollywood," Mr. Williams says.

"We need to make people more aware of it," he says. □

FNN, CNBC

(Continued from Page S-10)

mance, says Mr. Eskridge.

FNN, which has about 31 million subscribers—CNBC has 13 million at launch—concentrates on business news and the stock markets but has recently stressed its coverage of "the entire spectrum of personal money management," perhaps in response to perceived threats from CNBC and other consumer-oriented business cable programming.

Although FNN's ad revenues are up over last year, according to Mr. Meister, a slump in financial advertising is expected.

"Since a lot of financial advertising sells ongoing products—newsletters or investments—the growth is bound to slow," Mr. Meister says. "So about two years ago we decided to make the shift from the financial advertising community to more middle-of-the-road advertisers who were attracted by our audience."

We're focusing on lead business stories—matters that improve life in the financial sense, says Mr. Meister. Those FNN stories are the personality profiles that CNBC calls "a vital part of programming."

"One of the advantages of financial programming on cable," says Mr. Gerbrandt, "is that it tends to draw a unique segment: upscale, professional men and women who are busy, don't watch a lot of TV and are therefore hard for advertisers to reach."

As the networks jockey to distinguish themselves from each other—and, in the case of CNBC, from CNN—will viewers soon be finding too much financial news?

And will advertisers pick and choose until FNN and CNBC are forced to cut spot prices to the bone?

"We decided to make the shift from the financial advertising community to more middle-of-the-road advertisers."

David Meister, FNN

"I guess that at some point there will be a threat of saturation, but if we put our plan into effect that saturation won't bother us."

Michael Eskridge, CNBC

"At this point FNN's programming really cannot support much non-business advertising," says Mr. Forester, who currently buys "almost no" time on FNN and none on CNBC but believes that either could be a good buy.

"CNBC is more mass," says Mr. Mandel.

"FNN is a different world, since it's rare to have business-to-business budgets that are television. But that might change," he says.

In a head-to-head battle, it is not clear whether the established FNN or the GE-backed CNBC will dominate.

"The marketplace will quickly tell everyone whether it's too much," says Mr. Gerbrandt. "We'll know right away from ratings whether the advertisers will support it and consumers watch it."

Iris Shokoff, a Manhattan media buyer who runs a company under her name, believes advertisers will enjoy the increased competition. "Like magazines, CNBC and FNN will have to fight for market share. But since the demographics are so upscale on these networks, it will never be oversaturated from the advertisers' point of view. And if the networks price spots reasonably, they'll get their share of the market," she says.

"There may be enough to keep both networks happy, depending on what programming looks like," says Mr. Banks.

"But no one knows what the product is or how things will evolve. They may have objectives, but their focus may well change because different needs may exist than the ones they perceive. We are dealing with networks that are really in their infancy." □

View from the hill:

Cable's top issues

As more and more congressmen's constituents have wired homes, legislators are listening with interest to the topics of dispute within the industry; here are four that head the list

Nervous constituents fear rate hikes

By Steven W. Colford

The most sensitive issue for the cable industry—at least as far as its customers are concerned—is rates, says John Wolfe, director, public information, National Cable Television Association.

The cable industry and certain lawmakers disagree over what has happened to consumer cable rates since deregulation.

There's been no groundswell of support to re-regulate, Mr. Wolfe says. "Cable still is the best consumer buy. Increases help create new services."

But some legislators think rate hikes just go toward improving cable operators' bottom lines.

Sen. Howard Metzenbaum (D., Ohio), for example, is expected to re-introduce legislation to re-regulate cable rates. The chairman of the Senate Antitrust subcommittee would give more regulatory authority to local municipal governments.

In the House, Rep. Edward Markey (D., Mass.), chairman of the House Telecommunications subcommittee, is expected to conduct oversight hearings this year to review the state of the cable industry since its 1984 deregulation.

Vertical integration's lightening rod

The proposed Time Inc.-Warner Communications merger has not gone unnoticed on Capitol Hill, and considerable congressional review of it is expected.

Substantial network TV review also is guaranteed, as the Big 3 seek to stave off vertical integration of TV programming and distribution.

The three networks are seeking to loosen 1980 Department of Justice orders limiting them to produce no more than five hours of prime-time programming. The networks say government approval of the Time-Warner deal would leave the resulting entertainment company a prime example of a vertically integrated giant, possessing unlimited programming ability as well as a major distribution system to display that programming.

Rep. Jack Brooks (D., Texas) already has chaired hearings on the merger.

Sen. Metzenbaum's quick response to the proposed—and later abandoned—Turner Broadcasting Co. bid to gain control of Financial News Network indicates the scrutiny the Time-Warner deal will receive. It also illustrates increased congressional concern that power is concentrating in fewer cable TV players' hands. Sen. Metzenbaum sent a letter to the Justice Department, stating that Turner's acquisition of FNN would have encouraged approval of the Time-Warner merger.

"Time-Warner will serve as a lightning rod, and all media will end up being looked at," Mr. Wolfe says.

"But we think that vertical integration has definite benefits. If operators weren't able to invest in programming, such channels as Nickelodeon or C-Span wouldn't exist," he says.

Hold the phone

In the long run, perhaps the most pressing issue for the cable industry will be the threatened invasion of the telephone companies.

The Federal Communications Commission has indicated a willingness to listen to arguments in favor of allowing phone companies to provide cable service in their phone service areas.

The cable industry desperately wants to keep the phone companies from providing programming. Phone companies currently can build cable systems, but cannot be involved in programming.

The National Cable Television Association argues the phone companies have a history of anti-competitive behavior and that lifting the existing telephone company ban would expose consumers to a potential monopoly of their information services.

On Capitol Hill, there is some concern, especially by Sen. Metzenbaum that cable has benefited too much from its deregulation by Congress and the FCC.

The cable industry argues that phone companies could undercut existing cable prices and make up any lost revenue on higher phone rates.

The phone companies would hold one distinct advantage in lowering costs. Delivery of programming via phone lines would eliminate the costly necessity of digging up streets and lawns to lay new cable.

Must carry's newest forum

Broadcasters want to make certain that cable operators don't get too greedy with the channel selector.

The broadcasters want some assurance that local over-the-air outlets will have channel space on local cable systems; cable operators do not want to be locked into any deal that might sacrifice cable channels for broadcast.

Two previous attempts to resolve the must-carry dispute were tossed out by the courts—once on the basis of being unconstitutional, the other after it was decided that the Federal Communications Commission had not demonstrated a compelling need.

The cable industry is working out some sort of must-carry agreement that cable operators, broadcasters and public TV find acceptable.

Negotiators for the cable and broadcast industries continue to meet, hoping to reach an agreement before the FCC or Congress resolves the issue for them.

"This certainly is a high priority for us, but not an issue of contention," Mr. Wolfe says. "We'll sit down and work out a rule with broadcasters that will be put into law. We think that in all likelihood this issue should be resolved through continuing discussions. In the meantime, almost without exception, cable operators continue to carry signals of local broadcasters."

But Congress apparently is not too certain. Rep. John Bryant (D., Texas) already has introduced the "Cable subscriber protection act of 1989." The legislation would make compliance with new must-carry rules a factor in approving licenses.

A national problem

Local cable's weak link remains a paltry $29 million in national ad revenue by marketers; lack of audience data, high costs and logistic fuel the problem

By Curt Schleier

See national spots walk

Why don't national spots run to cable television?

Is the cable industry at the elementary school level in meeting the needs of national and regional advertisers that want to use local cable?

Yes. But there is also a widespread consensus that the industry is moving closer to graduation day, although that day is st.. a few years away.

National and local spot ad revenue for cable systems hit $363 million in 1988, according to Paul Kagan Associates. Of that total, only $29 million—less than 8%—was generated by national advertisers.

That is infinitesimal compared with the estimated $7 billion spent on local broadcast spots. However, $29 million still is close to 10 times more than the $3 million national advertisers spent on local cable spots in 1985.

Ad agency media executives contend they place spot advertising despite numerous obstacles. "The problem I see with national spot cable are logistical, back-office related, not strategic," says David Verklin, senior VP-media, Hal Riney & Partners, San Francisco.

"We try not to let the difficulty in trafficking and making the actual buy dissuade us from buying," says Tom Winner, exec VP-media director of William Esty Co., New York. "We just hire more people, take more time. We're more than willing to do that."

Agency media executives encounter four significant problems when considering spot cable: Lack of reliable local audience data, generally higher costs than comparable spots at broadcast stations, major markets that still do not have the cable penetration advertisers require, and significant procedural problems in placing spot advertising.

The cable industry recognizes the problems. "These are the things the cable industry has been working on to improve and correct," says Robert Alter, president of the Cable Advertising Bureau.

"We're effective as a local medium. . . . As we move out from the purely local market and present cable as a medium for regional and national advertisers, the rules change. We're starting to adapt," he says. "That's the goal we're working toward."

Mr. Alter points to research as the most complex problem. The industry claims that diaries originally were designed for one-TV homes with four or five choices on the dial. Today, with multiple sets and 36-plus channels, diaries "penalize cable by 50%," he says.

Even Sara Erichson, marketing coordinator for Nielsen Homevideo Index, concedes that diaries tend to "understate cable viewing."

The household meters Nielsen has in 17—soon to be 21—major markets provide local overnight figures, but do not currently report cable results separately. Local cable systems are lumped together in a category called "All Other," which includes stations from neighboring markets with broadcast signals that reach that Area of Dominant Interest.

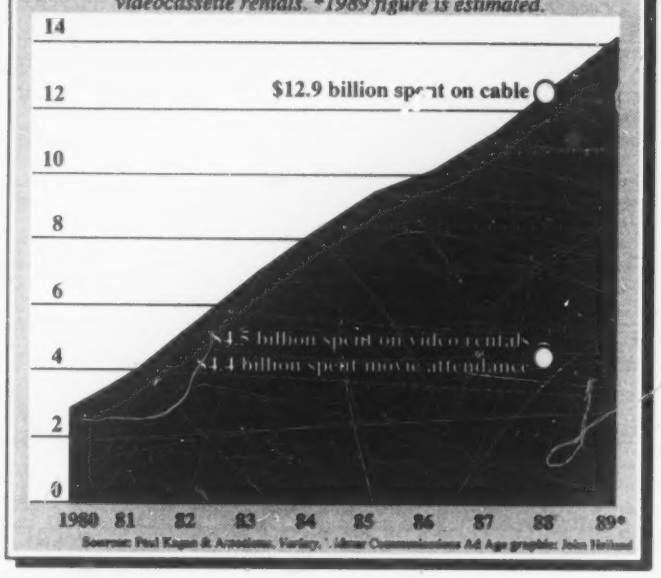
Because network cable programming is usually carried on more than one system in larger markets, it becomes difficult to rate a particular cable program locally, according to a Nielsen spokeswoman. Overnight ratings thus are limited to local stations. Locally originated cable programming can be listed with the broadcast stations, but must score at least a 2.5 cumulative rating in the area.

For an added $25 a day subscribers receive a breakout of the "All Other" category. But even that minimal fee can become expensive for agencies seeking multiple-market breakouts.

Curt Schleier is a free-lance writer and a frequent contributor to Special Report.

Cable bigger than the box office

*Spending on cable programming shown in billions of dollars. In 1988 Americans spent more than 2 1/2 times as much on cable programming ($12.9 billion) than on movie attendance or videocassette rentals. *1989 figure is estimated.*



Sources: Paul Kagan & Associates, Variety, Adweek Communications Ad Age graphic: John Holland

Nielsen offers another service called Cable Audience Profile. It uses local diary information and national people-meter ratings to create an index of local cable viewing habits that can be compared with national levels. If the "Larry King Show" scores a 125 index in Hartford/New Haven, it means that viewing levels there are 25% higher than the national level.

Nielsen provides an index for 640 systems and 120 interconnects. But Larry Gerbrandt, VP, senior analyst at Kagan, says CAP's effectiveness is limited "because it is issued only twice a year, and isn't really a rating."

A simple answer is not apparent. CAB has a committee on local audience measurement. "We're reaching in every direction we can to get local measurements and techniques," Mr. Alter says.

In the interim, Loretta Volpe, senior VP-media programming and marketing services for Griffin Bacal, New York, sums up the consensus: "You don't really know what you're getting."

"It's a pain in the neck. We end up guessing," says Mr. Winner. "We have to interpolate from national information, guesstimate and end up buying on little more than gut feelings. But, if you feel the medium has some intrinsic value, you take a chance."

Even if research was readily available, cost would remain a major concern. Media executives say that the cost of covering an area of dominant influence with spot cable often is 50% higher than buying a broadcast spot in the same market during a highly rated show like "Wheel of Fortune."

When buyers want ad time in multiple markets, the disparity becomes even more obvious.

"Once you've hit somewhere between eight and 20 markets—and that number is more like eight than 20—it's more efficient to buy [cable] network even though you may be wasting a substantial portion of the buy," says Jack Myers, president of Jack Myers Marketing Communications.

"One of the realities of the cable business is that it is an extremely strong local retailing medium," he adds. "Because of its advantages in this area, cable companies can charge a premium to local retailers. So there's no reason for the local system to give up inventory to national advertisers, particularly if it means lowering costs."

Concerning the issue of accessibility, the cable industry makes both the point that national penetration—currently 54.8%—continues to grow. But they maintain penetration is not the only issue. Cable households are more upscale than the broadcast TV population, according to the CAB, and the cable population can more readily be sliced up demographically and geographically.

Both are important points, says Ms. Volpe, adding that local cable becomes more of a factor as marketers look to segment markets.

Another media executive, who asked not to be named, says if cost were not a factor he would use cable as a kind of visual direct mail, placing spots by ZIP code, not by ADI. "Right now, that's kind of Star Wars thinking and is probably at least five years away."

"The reality is that it costs the agency just as much money to place a $100 order as it does to place a $100,000 order," he says. "When cable guys get up to speed and come up with some kind of computerized availability system, this will take off."

The situation is getting better. "It couldn't get any worse," says Mr. Winner.

"Two years ago, it was virtually impossible to do business with local cable. Nothing worked. It just wasn't worth the effort. But that has changed," he says.

The number of interconnects—where two or more cable systems in a market link themselves together to offer ad inventory—has grown rapidly to more than 90.

Several national reps, such as National Cable Advertising and the CNI division of Rainbow Advertising, also have emerged. Bob Fennimore, CNI president-chief operating officer, has put in a Jefferson Pilot software billing system, which many advertising agencies use and facilitates billing procedures. NCA has developed a data base called CableTrack for every cable system in the country that inserts commercials, says Bob Williams, president and founder.

"The cable industry was really started by technicians," says an industry observer. "They intended to make their money on subscriber revenues. Selling spots was the furthest thing from their mind."

Since then minds have changed.

As proof, Mr. Fennimore says in the first quarter of 1988—just after Rainbow purchased CNI—the company monitored its delivery of commercials; it was 72%. Now it is 96%.

Quantifying improved delivery rates like that will help cable take a few more crucial steps before national spots run. □

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Pay-per-view reserves front-row seat in programming game

Once heralded in '85 as cable's ace in the hole, PPV needed better technology and is finally making in-roads

By Scott Donaton

The fledgling pay-per-view industry, trumpeted in 1985 as a massive new source of revenue for the cable industry, is beginning to live up to its promise.

Thanks to new, simple-to-use ordering procedures and high-quality event programming, more cable operators are offering PPV to subscribers and consumers are buying it, which could assure PPV's future.

The cable-delivered medium's growth may come at the expense of the home video retailing business, which could get squeezed between pay-per-view's increasing clout and movie studios' need for more revenue. PPV also may come back to bite the medium that has fed it, competing with basic and pay cable—along with the Big 3 networks—for top sporting events, music concerts and other original programming.

PPV currently is available in only 9.3 million homes, or 18.8% of the nation's 49.5 million cable households, according to Paul Kagan Associates. However, that figure should rise to more than 46 million by 1997. Kagan predicts revenues will escalate to more than $4 billion within eight years, up from an estimated $348 million in 1989.

A key ingredient in the PPV evolution is original programming. Its early reliance on boxing and wrestling in addition to movies fueled criticism that PPV would always suffer from limited programming. Expansion into other areas, such as Olympic programming, mega-concerts and series made for PPV are silencing the naysayers.

PPV executives believe they will soon have the financial resources to compete with basic services, pay cable channels and the Big Three networks for programming rights.

"The Tyson/Spinks fight on pay-per-view brought in $21 million in revenue from a small universe [600,000 homes ordered the heavyweight bout at $35 each]," says Hal Krisbergh, president of Cable Video Store, the third-largest PPV network with more than 2 million homes accessed. "By comparison, the Super Bowl on NBC generated $18 million for the NFL. Can you imagine if the [PPV] universe were larger?

"Pay-per-view today can compete for any major sporting event that exists," he says. "How far off is the Super Bowl? The World Series?"

Some industry observers believe major sporting events will not be able to ignore PPV in the future because of the revenue potential; others say the professional sports leagues will not consider PPV for fear of alienating fans unable to see an event historically available to viewers for free.

PPV insiders refer to the recent deal between NBC and Cablevision to place an unspecified number of hours of the 1992 Summer Olympic events on PPV as a harbinger of future growth.

Other recent PPV programming leaps include a mega-concert featuring Frank Sinatra, Liza Minnelli and Sammy Davis Jr.; expanded sports coverage, including auto racing and baseball in San Diego; a new deal between Request Television and DIR Broadcasting to produce and distribute a monthly series of rock concerts—the first regularly scheduled PPV network series.

"PPV hasn't had an effect in the sense you can measure in terms of unit sales from suppliers to retailers."

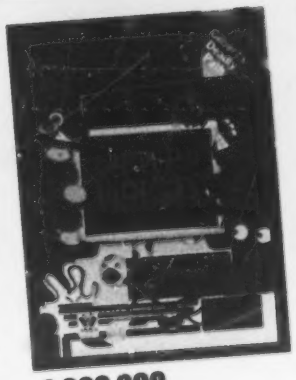
John Gaffney
Video Business

"It's in the interest of all parties to have the studios receive another ancillary revenue stream."

Jeffrey Reiss
Request Television

LARGE

5,500,000



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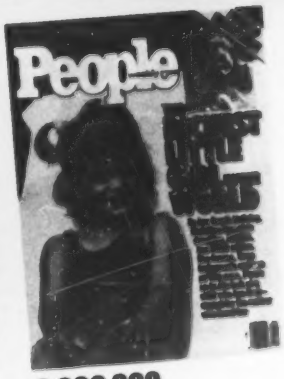

3,000,000

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Circulation: Rate Base

PPV's next step is to find its own niche in the movie distribution chain. That means dealing with such hot topics as whether the 30 to 60 day advantage home video now enjoys over PPV in terms of movie distribution should be narrowed and whether to adopt anti-copying technology to prevent consumers from taping PPV movies.

Many pay-per-view executives say they are experimenting with anti-copying but will discontinue it if buy rates dip as a result. As for the window controversy, most believe the studios either will eliminate or reverse the window in pay-per-view's favor as the industry grows.

"As pay-per-view gets more powerful, it will have more leverage with the studios," says Jim Boyle, director of programming publicity for the National Cable Television Association.

The studios will need the money from pay-per-view in the 1990s, says Jeffrey Reiss, president of Request Television, the No. 2 PPV network with 4.5 million homes accessed and two channels. Movie producers "are going to have to resist pressure from home video retailers," he adds.

"It's in the interest of all parties to have the studios receive another ancillary revenue stream. It's essential to the continued health of Hollywood. Without it, they cannot cover the rising costs of production."

Home video sources insist that PPV has not yet affected their business adversely. "It hasn't had an effect in the sense you can measure in terms of unit sales from suppliers to retailers," says John Gaffney, editor of *Video Business*. "It might affect rental activity."

Home video rentals usually stall about 30 or 60 days after release, about the time they hit PPV distribution.

"But how much of that is due to pay-per-view and how much is due to the fact that the hot rental period is just about over?" Mr. Gaffney says.

"So far, in the markets we're in, we haven't seen any measurable effect," says Vans Stevenson, director-PR for Erol's, the nation's largest independent home video retailer with 190 stores. "[VCRs] are in 77 million TV households, pay-per-view is in 9 million. I don't think it will ever be the threat that some people think it will be."

Mr. Reiss insists pay-per-view can coexist peacefully and profitably with pay cable and home video.

"It's the age old story of the entrenched media trying to forestall the day when the new media gathers a larger share of market," he says. "But in no way will either home video or pay TV be seriously damaged. I think the rivalry is overblown."

The history of movie distribution indicates that all involved players will survive, says Mr. Stevenson.

Pay cable executives say the same scenario will emerge in their business. "I don't think there's been significant competition [between pay-per-view and pay cable]," says Thayer Bigelow, president of HBO, the largest pay cable service. "I think we can coexist. We already coexist with VCRs quite nicely."

James Heyworth, former HBO president and current president of Viewer's Choice, the largest PPV network with two channels and nearly 5 million homes, agrees. "I tend to think pay-per-view is an additive," he says. "It is another consumer choice that tends to broaden the audience rather than cannibalizing either subscription pay or home video." □

Impulse eases growing pains

Pay-per-view has not yet paid its dues. Although most industry insiders expect it eventually to play a major role in the media mix, it will be some time before it has the clout to challenge for more top-flight original programming and battle home video.

"[PPV] is just coming out of its early childhood. It's not yet even a robust adolescent," says Jeffrey Reiss, president of Request Television, PPV's second largest network. "The cable industry just last year began to adopt automated ordering technology," he says. "Until that system is fully in place and cable operators are using it on a regular basis, the business isn't taking off in the big way everybody expected it to."

PPV TV was launched nationally amid much fanfare in late 1985 as the cable industry's savior in the battle with VCRs and videocassettes.

But the low number of homes equipped to receive PPV services and low buy rates—the percentage of those homes that place a PPV order—seemed destined to doom the industry before it ever got off the ground.

Consumers are attracted to PPV because it can instantly deliver new movies or exclusive special events directly into their living room.

But when PPV was introduced, the ordering procedure was costly for cable operators and time-consuming for viewers. To order a movie or event, the consumer had to place a phone call to the cable company and order the movie using identification and account code numbers.

But the new technologies just being adopted should make the service more user-friendly and increase consumer acceptance and orders.

"Until [automated ordering] is fully in place . . . the business isn't taking off in the big way everybody expected it to."

Jeffrey Reiss
Request Television

Under the old system, buy rates for PPV were only 5% to 10% per month, according to Hal Krisbergh, president of Cable Video Store, the third-largest PPV network. That meant on the average, less than one out of every 10 PPV households ordered at least one movie or event each month.

Continuous technological advances since 1985 have helped alter the medium's potential for the better.

The introduction of an Audio Response Unit enabled computers to process calls to the cable company. Although the system was better for the cable operators, the consumer still had to make a phone call and punch in an account number and the movie or event to be viewed.

Next came Automatic Number Identification in which a phone call to a computer automatically traces the phone number, links it to an account and processes the order.

"Impulse" technology—the most recent ordering procedure—requires viewers to press two buttons on the cable box or remote control. This advancement has resulted in a tenfold increase in buy rates, says Mr. Krisbergh.

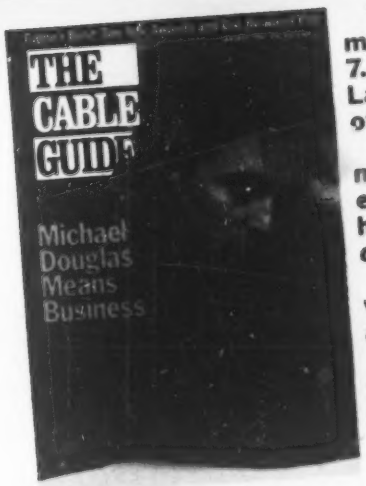
Using primitive technology, he says PPV revenues for cable operators totaled about 20¢ per home per month compared with about $25 per month from other basic and premium services combined.

Impulse technology saved pay-per-view, according to Mr. Krisbergh. "Revenues rose to $4 to $6 per home per month," he says.

Factors making PPV successful are "Consumer friendly order-entry systems, continued improvement in the quality of programming and continued improvement in the marketing and promotion of pay-per-view to the consumer," says James Heyworth, president of Viewer's Choice, the largest PPV network.

—Scott Donaton

X-LARGE



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One-stop shopping causes furor

Advertisers, cable operators clash on making ad time buys more efficient across multiple systems

By Jim Benson

A call for top multiple system operators to peddle their own systems, rather than continue to rely on interconnects, has come under sharp attack from the cable industry.

Leading MSOs "are missing out on an opportunity" to profit from the constant stream of mergers and acquisitions that have increased their clout, says George Hayes, senior VP-group media director for McCann-Erickson, New York.

The top 10 MSOs control about 45% of the market making them cable's equivalent of the Big 3 commercial TV networks.

"From an advertiser's standpoint," he says, "it is very difficult to buy cable locally. When consolidation takes place, it would be much more efficient for the MSO to go out and peddle its systems."

But cable industry officials dismiss Mr. Hayes' arguments as too simplistic and representing a basic misunderstanding by advertisers of how the cable business operates.

As an example, they cite Mr. Hayes' desire to buy the top 10 markets directly from an MSO such as Tele-Communications Inc. or the proposed Time-Warner cable system rather than dealing with each interconnect individually.

"If an advertiser wanted to buy in the top 10 markets [on an MSO], there is not one MSO that could deliver every market it wanted," says Ron Fischmann, VP-director of local advertising sales for the Cabletelevision Advertising Bureau.

TCI, for example, "probably has fewer systems in large markets than any other MSO," he says.

Advertisers could reap the benefits that Mr. Hayes seeks by zoning their buys on any of the 85 existing interconnects around the country, Mr. Fischmann says. The interconnects offer special rates that permit advertisers to zero in on the systems of their choice.

But there are serious flaws with the interconnects, and national advertisers are concerned about the placement of commercials, says Mr. Hayes. "I don't want poor quality car commercials running next to my spots."

Top MSOs have the clout and wherewithal to install the necessary equipment to monitor commercial placement, he says. Moreover, clients aiming for affluent consumers would have better results buying directly from MSOs since they have the most desirable cable systems in better neighborhoods, Mr. Hayes says.

Mr. Fischmann insists, however, that a buy on an MSO system does not guarantee the spots will reach demographically desirable viewers.

Mr. Hayes sees only benefits emerging from a national sales effort by larger MSOs.

MSOs generate enough advertising revenue to develop their own programming, and they would no longer be as dependent on cable networks for quality shows, he says.

The MSOs do not see it that way.

TCI, the nation's top MSO with nearly 6 million subscribers, has no intention of abandoning regional sales—at least not in the near future, says Ron Loose, TCI's manager-advertising & sales.

The No. 2-ranking MSO, Time Inc.'s American Television & Communications, will retain its divisional ad sales units even as its subscriber base—when combined with Warner Cable Communications—will reach nearly 5.4 million, the company says.

Sharon Armbrust, a senior analyst for Paul Kagan Associates, says the reluctance of the cable industry to have MSOs sell spots in the manner that advertisers desire is understandable. "They're still trying to put the interconnects together, not take them apart," she says.

The rift between advertisers and the cable industry over the MSO issue indicates more than miles separate Madison Avenue from Denver, home to most major MSOs.

Advertisers' alleged lack of knowledge about the inner workings of the cable industry comes at a time when system operators are changing their emphasis from building franchises to general business concerns of marketing, promotion and sales.

During this transition period, many of the smaller MSOs such as 58th-ranked Triax Communications, have made a business out of buying mom-and-pop operations for an average of about $2,200 per subscriber—prices range from $2,000 to $2,700 in top markets, according to Steve Effros, head of the Community Antenna Television Association, the group representing the small cable operators.

Ralph Morrow Jr. founded and built Catalina Cable TV, Catalina Island, Calif., in 1984. He runs his enterprise with five employees and 1,000 subscribers.

As a typical "mom and pop" system, Mr. Morrow often is contacted to sell his operation. The highest offer was $1.75 million or $1,750 per subscriber. But he says he is not ready to sell.

Concurrently, there has been consolidation on the upper end of the MSO scale, with the Time-Warner merger the most dramatic example.

The industry, Mr. Effros says, will be left with "five or 10" big MSOs controlling the wired homes. The top 10 MSOs reach more than 20.5 million out of a cable universe of 46.3 million, according to figures from Paul Kagan Associates.

Mr. Effros says the smaller independent cable operators will continue to thrive because "it's more efficient for small operators to start new builds than large companies."

Still, Mr. Hayes remains unconvinced, believing the future of cable advertising lies with the huge MSOs' ability to generate ratings and demographics. The cable industry's current stance on advertising "resembles the independent stations 25 years ago," he says. □

Jim Benson is a Los Angeles-based free-lance writer.

Turner continues turn at top

Top cable networks by gross advertising billings ($000,000)

Network	1989	1988	% change
1. Turner Broadcasting System	$244.1	$230.5	5.9%
2. ESPN	173.5	147.0	18.0
3. Cable News Network	164.5	143.0	15.0
4. USA Network	137.0	109.6	25.0
5. MTV Music Television	93.0	80.0	16.3
6. Lifetime	85.3	68.2	25.1
7. The Nashville Network	83.5	72.5	15.2
8. CBN	68.6	55.3	24.1
9. Nickelodeon	42.0	35.0	20.0
10. Turner Network Television	27.2	0.6	4,433.3

Note: All figures estimated. TBS estimates do not include Atlanta market billings, estimated at $21 million in 1989. CNN figure includes Headline News billings.

Source: Paul Kagan Associates

ESPN picks up programming tab

Programming expenses of top 10 cable networks ($000,000)

Network	1989	1988	% change
1. ESPN	$155.0	$140.0	10.7%
2. Cable News Network	125.0	115.0	8.7
3. Turner Broadcasting System	115.0	100.0	15.0
4. USA Network	113.0	86.0	31.4
5. The Nashville Network	63.0	51.0	23.5
6. Lifetime	56.5	41.0	37.8
7. MTV Music Television	55.0	42.5	29.4
8. Turner Network Television	51.0	10.0	410.0
9. CBN	42.6	33.0	29.1
10. Nickelodeon	40.0	35.0	14.3

Source: Paul Kagan Associates

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Top 25 multiple system operators

By total number of basic subscribers

Rank	Multiple system operator	Basic subscribers	Date
1	Tele-Communications Inc.	5,977,790	(12/88)
2	American Television & Communications Corp.	3,900,000	(12/88)
3	Continental Cablevision	2,302,000	(12/88)
4	Storer Cable Communications	1,516,623	(12/88)
5	Warner Cable Communications	1,488,720	(12/88)
6	Cox Cable Communications	1,465,245	(12/88)
7	Comcast	1,410,000	(12/88)
8	UA Cablesystems	1,339,729	(10/88)
9	United Cable	1,251,884	(12/88)
10	Cablevision Systems Corp.	1,140,014	(11/88)
11	Newhouse Broadcasting	1,123,634	(12/88)
12	Viacom Cable	1,114,500	(12/88)
13	Jones Intercable	1,090,731	(12/88)
14	Heritage Communications	1,078,085	(12/88)
15	Times Mirror Cable TV	992,000	(12/88)
16	Sammons Communications	853,868	(12/88)
17	Century Communications	774,439	(12/88)
18	Cooke Cablevision	692,790	(12/88)
19	Adelphia Communications	682,000	(12/88)
20	Paragon Communications	678,000	(12/88)
21	Falcon Cable TV	630,000	(12/88)
22	Cablevision Industries	600,870	(11/88)
23	TeleCable Corp.	560,000	(12/88)
24	Centel Cable	558,399	(11/88)
25	Rogers Cablesystems	529,708	(12/87)

Source: Cabletelevision Advertising Bureau.

Top 25 cable systems

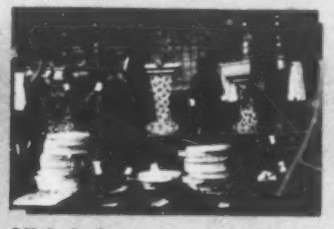
By total number of basic subscribers

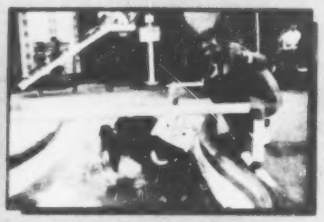
Rank	Location (operator)	Basic subscribers	Date
1	Woodbury (Long Island), N.Y. (Cablevision Systems)	311,107	(12/88)
2	San Diego (Cox Cable)	284,343	(3/88)
3	Manhattan, N.Y. (ATC)	245,000	(3/88)
4	San Antonio, Texas (Rogers Cablesystems)	221,894	(12/87)
5	East Orange, N.J. (Maclean Hunter)	203,117	(5/88)
6	Puget Sound, Wash. (Viacom)	203,000	(6/88)
7	Phoenix, Ariz. (Times Mirror)	200,000	(10/88)
8	Honolulu (ATC)	194,000	(3/88)
9	Houston (Warner)	189,104	(6/88)
10	Hartford/Plainville/Vernon, Conn. (United)	172,289	(5/88)
11	Chicago suburbs (Continental)	168,000	(4/88)
12	Wayne, N.J. (UA Cablesystems)	166,241	(6/88)
13	Louisville/Jeff County, Ky. (Storer)	163,722	(5/88)
14	Rochester, N.Y. (ATC)	163,000	(10/88)
15	Englewood, Colo. (United)	161,002	(5/88)
16	Cincinnati (Warner)	158,929	(5/88)
17	Hampton Roads, Va. (Cox Cable)	158,003	(3/88)
18	Fairfax, Va. (Media General)	157,000	(11/88)
19	Atlanta (Prime Cable)	153,557	(3/88)
20	Tulsa, Okla. (United)	153,454	(12/88)
21	Jacksonville, Fla. (Continental Cablevision)	153,000	(4/88)
22	Connecticut Complex (Cablevision Systems)	151,757	(12/88)
23	Cherry Hill, N.J. (NYT)	145,075	(7/87)
24	Orlando, Fla. (ATC)	143,500	(6/87)
25	San Jose/Campbell, Calif. (Heritage)	137,962	(8/88)

Source: Cabletelevision Advertising Bureau.

Cable cacophony grows louder

Advertising Age surveys Top 10 cable networks and finds that as programming budgets increase and original offerings replace early cable fodder, ad dollars follow





Nickelodeon

	($ in millions)
1989 estimated gross advertising revenues	$42.0
1988 gross advertising revenues	35.0
1987 gross advertising revenues	22.8
1989 estimated programming expenses	40.0
1988 programming expenses	35.0
1987 programming expenses	22.9

New shows for 1989: Nickelodeon Total Panic; Eureka's Castle; Hey Dude; On the Television; Think Fast
Percent of shows that are original programming: 50%

	($ in millions)
19.. timated gross advertising revenues	$27.2
1988 gross advertising revenues	0.6
1989 estimated programming expenses	51.0
1988 programming expenses	10.0

Rank	Top show	Cable TV HH (000)
1	**Movie: Gone With the Wind**	340
2	**Bugs Bunny & Pals**	300
3	**Movie: Nightbreaker (tie)**	290
	Bugs Bunny & Pals	290
4	**Bugs Bunny & Pals**	270

New shows and specials for 1989: Margaret Bourke-White; Gore Vidal's Billy the Kid; Hanna Barbera's 50th Anniversary Special; Deception (working title); The Nightmare Years; Butter Battle Book; Gary Cooper: American Life; American Legend; Cold Sassy Tree
One special per month in 1988, two specials per month in 1989
Percent of shows that are original programming: NA

CBN Family Channel

	($ in millions)
1989 estimated gross advertising revenues	$68.6
1988 gross advertising revenues	55.3
1987 gross advertising revenues	49.4
1989 estimated programming expenses	42.6
1988 programming expenses	33.0
1987 programming expenses	21.0

Rank	Top show	Cable TV HH (000)	Rating
1	**Gunsmoke**	1,400	2.5
2	**Wagon Train**	950	2.3
3	**Big Valley**	950	2.3
4	**Bonanza**	820	1.9
5	**Our House**	730	1.7

New shows and specials for 1989: Mother's Day; Father Still Knows Best; July 4th Special (not yet titled); Earthly Reasons; new episodes of Gerbert; also, 26 hours per week of children's programming via CBN and DIC
Percent of shows that are original programmi... 30% to 50% by 1991

Lifetime

	($ in millions)
1989 estimated gross advertising revenues	$85.3
1988 gross advertising revenues	68.2
1987 gross advertising revenues	44.1
1989 estimated programming expenses	56.5
1988 programming expenses	41.0
1987 programming expenses	27.8

Rank	Top show	Cable TV HH (000)	Rating
1	**Ryan's Four**	1,223	3.1
2	**Double Take**	1,140	2.9
3	**Lady Blue: The Pilot**	1,152	2.8
4	**Nurse (tie)**	1,090	2.7
	Double Take	1,060	2.7
	The Brady Girls Get Married	954	2.7

New shows for 1989: The Days and Nights of Molly Dodd; Esquire: About Men, For Women; Postpartum: Beyond the Blues; Against Her Will; Hush Little Baby: The Challenge of Child Care; What Every Baby Knows; Spenser for Hire; Food a la Floyd; Everyday Workout
Percent of shows that are original programming: 50%

TNN

	($ in millions)
1989 estimated gross advertising revenues	$83.5
1988 gross advertising revenues	72.5
1987 gross advertising revenues	49.0
1989 estimated programming expenses	63.0
1988 programming expenses	51.0
1987 programming expenses	35.0

Rank	Top show	Cable TV HH (000)	Rating
1	**Inside Winston Cup Racing**	1,200	2.7
2	**Bass Masters**	1,170	2.7
3	**Country Kitchen**	1,050	2.4
4	**Nashville Now**	920	2.1
5	**In-Fisherman, Angling Adventures**	900	2.1

New shows for 1989: Classic Rock with Wolfman Jack; Truckin' USA; Top Card
Specials: Nashville Beat; U.S. Olympic Festival '89 Opening Ceremonies; TNN Viewers' Choice Awards; Roy Clark's Friendship Tour: USSR; Marie Osmond at Church Street Station; Nashville Now; Funny Business with Charlie Chase; The Country Comedy Hour; Merle Haggard on Track; Celebrities Offstage; USO Celebrity Tour: Steven Warner and Holly Dunn; Ricky Skaggs; Loretta Lynn
Percent of shows that are original programming: 100%

Sources: Cable TV households and ratings: Nielsen; advertising revenues and programming expenses: Paul Kagan Associates.

USA Network

($ in millions)

1989 estimated gross advertising revenues	**$137.0**
1988 gross advertising revenues	**109.6**
1987 gross advertising revenues	**80.0**
1989 estimated programming expenses	**113.0**
1988 programming expenses	**86.0**
1987 programming expenses	**62.0**

Rank	Top show	Cable TV HH (000)	Rating
1	**Prime Time Wrestling**	1,330	3.0
2	**All-American Wrestling**	1,260	2.8
3	**Murder, She Wrote (tie)**	1,230	2.7
3	**She-Ra**	1,230	2.7
5	**Miami Vice**	1,160	2.5

New shows for 1989: The Forgotten; The Haunting of Sara Hardy; Camp Midnite; American Bandstand; The Hitchhiker; USA's Up All Night; My Sister Sam; The Ryder Cup; Murder She Wrote; Miami Vice
Percent of shows that are original programming: 40%

MTV:Music Television

($ in millions)

1989 estimated gross advertising revenues	**$93.0**
1988 gross advertising revenues	**80.0**
1987 gross advertising revenues	**77.3**
1989 estimated programming expenses	**55.0**
1988 programming expenses	**42.5**
1987 programming expenses	**42.1**

New shows for 1989: Rock 'n' Roll Soap Opera; Buzz; Prime Time Interactive Video Show; Just Say Julie
Percent of shows that are original programming: 12.5%

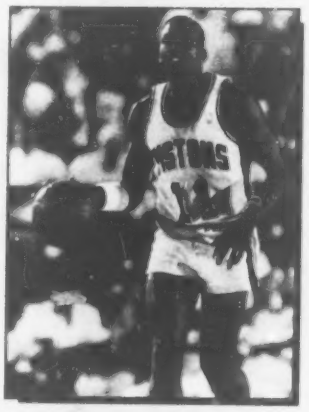
TBS

($ in millions)

1989 estimated gross advertising revenues	**$244.1**
1988 gross advertising revenues	**230.5**
1987 gross advertising revenues	**207.3**
1989 estimated programming expenses	**115.0**
1988 programming expenses	**100.0**
1987 programming expenses	**100.0**

Rank	Top show	Cable TV HH (000)	Rating
1	**NBA Playoffs, Detroit vs. Boston**	3,980	8.8
2	**NBA Playoffs, Detroit vs. Boston**	3,639	8.1
3	**NBA All-Star Saturday**	3,308	7.5
4	**NBA Playoffs, Detroit vs. Boston**	3,190	7.1
5	**NBA Playoffs, Boston vs. Atlanta**	3,082	6.8

New shows for 1989: Superstars and their Moms; Special Olympics; National Geographic/Audubon/Jacques Cousteau
Percent of shows that are original programming: 25%



ESPN

($ in millions)

1989 estimated gross advertising revenues	**$173.5**
1988 gross advertising revenues	**147.0**
1987 gross advertising revenues	**125.0**
1989 estimated programming expenses	**155.0**
1988 programming expenses	**140.0**
1987 programming expenses	**118.0**

Rank	Top show (All NFL football games)	Cable TV HH (000)	Rating
1	**(11/27), Giants at New Orleans**	5,300	10.6
2	**(12/18), Rams at San Francisco**	5,040	10.1
3	**(12/12), Steelers at Houston**	5,000	10.0
4	**(10/30), Redskins at Houston**	4,600	9.3
5	**(11/20) & (12/11) tie, Patriots/Miami**	4,400	8.8

New shows for 1989: Crooked Creek; Jim Hustons' Outdoors; Sportsman's Challenge; Home Run Derby; The Guinness Records World of Sports; Peak Performances; Houston Chronicle Indoor Games; Play Ball with Reggie Jackson; The Gamesman; Boating World; Thursday Night Thunder (motorsports); Hot Summer Nights (new segment, Day at the Beach)
Percent of shows that are original programming: 50.2%

CNN Headline News

($ in millions)

1989 estimated gross advertising revenues	**$164.5**
1988 gross advertising revenues	**143.0**
1987 gross advertising revenues	**110.0**
1989 estimated programming expenses	**125.0**
1988 programming expenses	**115.0**
1987 programming expenses	**105.0**

Rank	Top show	Cable TV HH (000)	Rating
1	**Post-Debate**	1,860	3.9
2	**Larry King Live**	1,540	3.0
3	**Live, Kennedy Space Center**	1,425	3.0
4	**News Update, 9 a.m.**	1,415	2.9
5	**Larry King Live**	1,327	2.8

New shows for 1989: NA
Percent of shows that are original programming: 100%

Sources: Cable TV households and ratings: Nielsen; advertising revenues and programming expenses: Paul Kagan Associates.

Cable networks turn publishers

Advertiser tie-ins, better contact with viewers for marketing, promotion efforts trigger a cottage industry

By Mark Watanabe

With wired-home penetration levels at an all-time high and still climbing, aggressive cable networks are digging a bigger niche.

Although the industry is far from tapped out in terms of attracting ad dollars and subscribers, the networks already are considering new sources of revenue. They have turned to publishing in their search, viewing it as a vehicle for providing not only new marketing and promotional avenues, but offering advertisers cross-media opportunities and providing viewers with more services and information.

Six national cable networks are planning or recently have made significant moves into the print arena.

"In some cases they're doing it to address some marketing needs," says William Ketcham, senior VP-network marketing at ESPN, which recently launched *TV Sports*. "In other cases they may be doing it as an extension of their business; in other cases it may be both."

According to David Lerner, VP-broadcast supervisor, FCB/Leber Katz Partners, these publications are coming out of vertically programmed networks.

"You're not seeing the broadband ones like Turner or USA doing something like this. [The new publications] are reaching a lifestyle segment," he says.

ESPN has captured attention with *TV Sports*, distributed through major metropolitan newspapers, and The Nashville Network is teaming with publishing giant Meredith Corp. to introduce *Country America* in October.

The Discovery Channel is building on its successful *TDC*, incorporating touches of *Smithsonian* and *National Geographic* into the publication. Arts & Entertainment also is transforming its *A&E Program Guide* in June, changing it from a simple digest-size program guide into a standard-size, four-color magazine.

Two networks are incorporating distribution twists into their publications. Movietime is hitting movie theaters around the country with copies of *Movies USA*. And MTV: Music Television is sending its new *MTV To Go* to members of its newly formed MTV Record Club.

Include other titles such as *C-SPAN Update* and *The Disney Channel Magazine*, and a new publishing category is emerging.

The attraction for TNN is in offering advertisers cross-media opportunities. In addition to the cable network and the magazine, TNN established a radio network in December with 35 stations. Through Meredith, TNN hopes to sell advertisers such as General Mills and General Motors Corp. on the advantages of multimedia buys.

"We can offer the advertiser the opportunity to reach the same person through three different media," says Lloyd Werner, senior VP-sales and marketing at TNN owner Group W Satellite Communications. "The assumption has to be made that advertisers on the network would be interested in print."

Cross-promotions have value as "an added perk . . . when they offer to toss in a full page somewhere," says Mr. Lerner. However, "when you're negotiating it's not going to be a major point. It's a nice thing to have but it's not going to make or break a deal."

Advertising currently is run at no cost in the *A&E Program Guide*. A&E offers advertisers a package that includes print space if they buy time on the network.

That policy will continue after the publication is reformulated. If the guide continues to grow, it may become an "advertiser-supported vehicle," says Ron Schneier, A&E director-research and consumer marketing.

MTV's *MTV To Go* is the result of a promotional scheme. The monthly publication, scheduled to be introduced in May, is a premium offered to those who join the newly launched MTV Record Club—a venture controlled by the Bertelsmann Marketing Group.

"One of the goals of MTV as a vehicle is to come up with a range of ways we can work with advertisers," says Harriet Seitler, VP-marketing, MTV. The record club, she says, will join on-air spots, contests and other promotions for advertisers to tap the young-adult market.

Mr. Schneier urges networks to approach the publishing business cautiously.

"If everyone gets in this game and all of a sudden you have 10 ad-supported networks with magazines, then, yes, it's going to get saturated," he says.

"No way is there room for everyone." □

Mark Watanabe is a Seattle-based free-lance writer.

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Can't tell the players without a guide

A&E

Arts & Entertainment's program guide will be revamped in June. It will adopt a four-color format, move up to 8½ by 11, and add more editorial coverage of programming.

"We've recognized in the past year that the need [to redesign] is much greater than we realized," says Ron Schneier, director-research and consumer marketing. A 1988 study showed readers wanted more information concerning A&E programming.

Editorial plans call for more detailed articles. The June issue, for instance, features a story on "All Creatures Great and Small," an A&E co-production scheduled for the month.

A&E plans to step up its marketing to reach 150,000 paid subscribers within two years, up from the current 20,000.

Subscription rates are $18 a year, but Mr. Schneier expects it to be reduced to possibly $14 during the subscription drive.

TNN

The idea behind The Nashville Network's publication, which will launch in October as *Country America*, started more than two years ago. Executives at Group W, which owns TNN, were seeking ways to expand their business at the same time that Meredith Corp. was considering a country-oriented magazine.

"Meredith saw the market as much bigger than we had thought," says Lloyd Werner, senior VP-sales and marketing, Group W Satellite Communications. "They saw the magazine as something that would be more style of life than just cable-programming oriented."

For Meredith, putting in the TNN program guide and including country music "broadened [the concept] just enough to make it exciting," says Danita Allen, editor of *Country America*.

Focus groups showed a substantial identification with a "country way of life"—country as a place in the mind as well as a point on the map. Stories will focus on lifestyle more than music and emphasize service and personalities. The magazine will include a 16-page TNN program guide.

Plans call for an initial circulation of 400,000 with a cover price of $1.95 and subscriptions at $14.97 for 10 issues. As managing partner, Meredith will sell ad space—$12,000 for a color page; $8,400 for b&w—and control editorial content.

DISCOVERY

The Discovery Channel's *TDC* has a distinctive magazine feel. Running about 70 pages per issue, the monthly four-color magazine carries art photos and features related to programming.

TDC plans to improve editorial coverage by adding pages and featuring noted authors. In addition, the network has hired a business manager to examine increasing the publication's paid circulation beyond the current 150,000.

The magazine started in 1986 as a network programming guide. *TDC* discovered a loyal readership willing to dish out $11.95 a year.

"The magazine helps pull people to Discovery," says Greg Moyer, senior VP-programming, The Discovery Channel.

TDC carries about 80 pages of ads a year—at $5,000 for a color page. Advertisers come from the network's on-air roster including Chrysler Corp., GTE Corp. and Eastman Kodak Co.

MOVIETIME

Movietime and Atlanta-based Enterex Industries, publisher of *Movies USA* share editorial content, promote each other and offer advertisers cooperative buys.

Movietime, focusing on the entertainment industry, is heading straight to the movie theater with *Movies USA*. The publication, introduced in March, is being distributed at theaters across the U.S., and offered free to moviegoers.

The magazine's initial press run was 1 million copies. Plans call for the publication to include a program guide for Movietime and for viewers to be offered subscriptions to the magazine.

ESPN

ESPN's monthly *TV Sports* was introduced in December and is distributed as a newspaper insert in 14 markets.

Circulation stands at 2.1 million and will remain at that level "until we really get it on its feet and it's embraced by the advertising community," says William Ketcham, senior VP-network marketing at ESPN.

The publication, a joint venture with Crosby Vandenburgh Group, Boston, hopes to attract TV sports viewers seeking a single source of listings. "The idea is to make the magazine the most convenient guide for the sports viewer to what's on television," says Mr. Ketcham. Also, short editorial features focus on personalities and events.

The 32-page magazine carries listings of sporting events carried by ESPN and the broadcast and other cable networks.

The magazine runs eight to 10 pages of advertising per issue—rates are $30,000 for a color page; $21,000 for b&w page.

Selling ads has been a bit of a tough sale. "We feel there's a lot of interest out there, but it just hasn't quite hit with advertisers," Mr. Ketcham says.

The magazine faces the same problem as other controlled circulation publications: skepticism over readership of a free magazine.

Mr. Ketcham believes a recent readership survey will win over advertisers. The magazine reportedly is projecting $5 million in ad revenue for the first year.

MTV

Executives at MTV Networks believe no existing record club really targets MTV's young-adult audience. This thinking provided the idea behind MTV Record Club, which began in March under the control of Bertelsmann Marketing Group.

"Over the history of MTV, we've really invested heavily in the MTV trademark as being the *Good Housekeeping* seal of approval for young adults," says Robert Friedman, MTV Networks' senior VP-marketing and promotions. "We asked ourselves, 'Doesn't it make sense to take this logo and put it on a record club?' "

Club members will receive *MTV To Go*, which will offer editorial features, MTV-related merchandise, records and CDs. The magazine is projected to have 10 pages of advertising.

Editorial will be tied closely with current MTV fare. For example, the magazine will carry a section called "Addicted to Style," patterned after an MTV show of the same name.

Mr. Friedman says MTV expects to have 1.5 million subscriptions after three years. Record Club subscribers currently pay $14.95 annually.

Johnson broadens the range for BET

Force behind cable's channel for blacks spending anew to attract more marketers

By Scott Donaton

Robert Johnson isn't hedging his BET. The founder-president of Black Entertainment Television is preparing to crack the ranks of the top five basic cable services.

Mr. Johnson, 42, wants "to build a business that would be the major distributor of black programming. I want BET to be the media that advertisers turn to for targeting black consumers."

Media directors agree the network has potential. But they also say BET must increase its stake in producing original programming that targets a greater range of black viewers.

Ten years ago, after a three-year sojourn as VP-government relations for the National Cable Television Association, Mr. Johnson recognized the opportunity to build a force in the underserved black media and launched BET. Although majority stockholder, Mr. Johnson's effort was backed by Tele-Communications Inc., Home Box Office and Great American Broadcasting.

Robert Johnson is building BET into a "voice for black America."

Profitable since 1985, but in need of resources to fund essential new programming, BET recently enlisted the aid of cable operators who agreed to a per-subscriber fee increase beginning every January for five years.

The monthly fee will increase to 5¢ in 1989, 6¢ in 1990, and continue to go up 1¢ per year to 10¢ in 1994, which could bring BET an additional $30 million-plus in revenue over five years.

Estimated BET revenues in 1988 reached $12 million, up from $9.1 million in 1987, according to Paul Kagan Associates. Mr. Johnson anticipates a 25% increase in 1989. "The additional revenue will go toward improving the quality of our programming," he says.

BET will devote $10 million to developing new shows this year, that figure will jump to $15 million in 1990, and yearly increases are expected to reach "upwards of $60 million by 1992," according to Mr. Johnson.

BET is building a $10 million studio in Washington, which will open this month, to produce and distribute new programming, Mr. Johnson says.

The network, which airs mostly music videos, movies and college sports, currently produces about 80% of its programs. "That's a good number but we've got to balance out what we do in music videos with what we do in other areas of programming," says Mr. Johnson.

Too many BET programs are targeted to young audiences, says Deborah Thomas, media director of Mingo Group, New York. The only shows targeting an older audience are the nightly news program and "Going Places," a new travelogue, she says.

The cable network has several new black-oriented shows in development or on the air, including: "Teen Summit," a talk show for teens; "Personal Diary," featuring interviews with black celebrities; "On Stage," a series of one-act plays on historical personalities; a stand-up comedy show, and several news and public-affairs programs.

"I see BET becoming a stronger medium if they can increase their penetration and improve their range of programming," says Ms. Thomas.

"It's a highly efficient way of reaching blacks."

BET, currently ranked 19th with 20.7 million subscribers according to the National Cable Television Association, is expecting at least two million new households each year, with a total of 30 million homes by 1993.

Mr. Johnson says BET's penetration into new markets slowed in recent years because some cable operators did not understand the network.

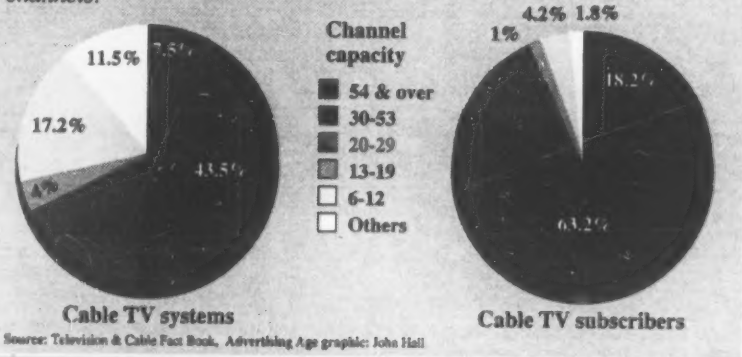
He expects continued wiring of urban areas —such as Baltimore, Chicago and New York— to partly fuel future growth.

"The most important thing BET has done is given greater emphasis to television as a tool

(Continued on Page S-32)

Systems channel energies to offer more to subscribers

The overwhelming majority of cable TV subscribers (63.2%) receive 30-53 cable channels; whereas 43.5% of cable systems provide 30-53 channels.



Source: Television & Cable Fact Book, Advertising Age graphic: John Hall

Systems hang out 'No vacancy' sign

More operators ask: 'Why should I carry you?'

By David Arnold

"NBC is saying that CNBC will be the last introduction of a major new cable network," says Bart McHugh, DDB Needham Worldwide VP-director of national radio & TV programming.

"I've heard that claim before, but the fact is a lot of systems are close to having to upgrade their equipment and that will increase the average number of channels you can get."

"The cable operator's initial reaction to any new service is there's no channel capacity," says Caroline Vanderlip, CNBC's VP for affiliate relations.

"But where there is a concept that they believe in, a concept that they think will actually broaden their base and enhance the value of cable, they'll take another look at their channel capacity," she says.

The pressure on existing channel capacity is apparent. Cable operators who want new networks such as CNBC may have to reduce or drop the travel channel, home shopping or FNN.

"TNT caused USA Network some problems," Mr. McHugh says, "and USA has lost a couple of systems. But that kind of competition will never end."

"The cable operator needs to make a judgment at that point about the demographics of his marketplace, the appeal of certain programming," Ms. Vanderlip says, "... and I would imagine it would be different in almost all systems." The competition for a niche is likely to heat up.

The cost of a new channel is almost prohibitive, says David Verklin, VP-media director, Hal Riney & Partners, Los Angeles. "It's getting economically more difficult to establish a new cable channel and the chances are getting slimmer because of

(Continued on Page 32)

David Arnold is an Oregon-based freelance writer.

Nostalgia with a twist

By Wayne Walley

"Our reruns are better than theirs."

This is the credo of Nick at Nite, the nighttime companion cable service to MTV Networks' Nickelodeon.

The funny part is a number of viewers, which the network dubs "The TV Generation," seem to agree. Armed with black-and-white series of yesteryear, mixed in with a few older comedies in color, the channel, programmed by Debby Beece, has become something of a cult favorite.

Since its launch in July 1985, Nick at Nite has steadily caught on and now reaches 45.5% of U.S. TV households. According to the channel, it earned a 0.5 rating during the first quarter this year, a 25% increase over the same time last year.

But the Nick at Nite lineup, originally syndication cast-offs such as "Mr. Ed," "The Donna Reed Show," "My Three Sons" and "Route 66," is not a new phenomenon. In the late 1970s many new independent over-the-air stations depended on older, often syndicated black-and-white shows to fill programming voids.

What is new is the way Nick at Nite treats its product.

"We treat the shows with reverence," says Debby Beece.

"The thing that's different for us is the environment and the positioning of the shows," says Ms. Beece, senior VP-programming for Nickelodeon/Nick at Nite. "We're not just throwing them up and slugging in commercials. We do stunts. We treat the shows with reverence. Viewers respond to that very emotionally," she says.

"Nick at Nite becomes a home base for people. When the pay services don't have a movie they want to watch or they don't like what's on the broadcast networks, they turn to us."

The channel, however, was not originally conceived as classic TV. Ms. Beece says the decision to program the older series was borne out of necessity, not creativity.

"We needed to do something fast to expand Nickelodeon to 24 hours," she says. "We had already stumbled across a way to treat classic programming ... when we put 'Lassie' on Nickelodeon. People said, 'You can't run that. It's been beaten to death. It's black-and-white.' We ran it and parents were watching it with their kids. We found a package of old shows and decided to try it."

"SCTV"—which helped develop a number of big names in comedy—remains a cult favorite on Nick at Nite.

Ms. Beece, who first joined Warner Amex Satellite Entertainment Co. 10 years ago, became the secretary to the programming director and eventually was promoted to other promotion and programming positions at Nickelodeon.

"The Nickelodeon staff, for the sake of expediency, took over on Nick at Nite and did the first batch of shows. I scheduled it, it took off, and they said, 'Let them do it.' That's how it happened," she says.

Today the Nick at Nite stable of series includes "The Ann Sothern Show," "Lancelot Link," "Smothers Brothers," "Car 54, Where Are You?" "Laugh-In," "Make Room For Daddy," "Saturday Night Live," "The Patty Duke Show" and "Second City Television Network" in addition to the aforementioned "Mr. Ed," "The Donna Reed Show" and "My Three Sons."

"We treat the shows reverentially, but with humor in our promotional packaging," Ms. Beece says.

"Everyone recognizes the shows. We grew up with them. The idea, then, is to have a whimsical look at life with a semi-nostalgic twist. That's the trademark of Nick of Nite."

In addition to running off-the-wall promotions—for example, one based on a fake survey showing a majority of viewers believe Steve Douglas, the patriarch of "My Three Sons," is their father—the network has created sponsored, show-specific skits such as a week-long series of commercials entitled, "How to be Donna Reed." The only problem for the network is that success breeds imitators and more competitors, making it more difficult to land the old series Ms. Beece wants.

"We made a conscious decision to go after TV comedies, and it's a limited pool to choose from. So we decided to have a 90-minute block of skit comedies. But we will premiere 'Green Acres' in the fall."

The next step, Ms. Beece says, will be to mix original programs in with the old to help rekindle interest.

The addition of "Looney Tunes" at 7:30 p.m. (ET), Ms. Beece says, has helped improve the performance of "Mr. Ed" at 8 p.m. and "The Patty Duke Show" at 8:30 p.m.

One of Nickelodeon's first attempts to do original programming, "On The Television," debuted April Fools Day and could become a regular series if it does well.

Other spoofs, including a take-off on tabloid shows titled "Pretty Shocking Mysteries," an untitled send-up of awards shows, two new game shows and a late-night entry, are being developed.

"The idea is to treat the world as insane. We don't try to make sense," Ms. Beece says. That may be just what the TV generation wants. □

Duvall finds the magic touch

Actress thinks big, builds major new programming venue for cable

By Janice Steinberg

Her voice, tinged with a Texas accent, is soft and almost childlike—and racing 50 miles a minute.

Shelley Duvall, actress-turned-cable maven, has a lot to talk about when the subject is the programming coming out of Think Entertainment. She founded the production company in January 1988, with backing from several major multiple system operators, including United Cable, Tele-Communications Inc., United Artists Communications and Newhouse Broadcasting.

She has made a name for herself as a pioneer of original cable programming. Her "Faerie Tale Theatre" and "Shelley Duvall's Tall Tales and Legends" are both award-winners. The company's first cable product, a horror series entitled "Nightmare Classics," is scheduled to premiere on Showtime in July.

Think also is developing a movie/series pilot for HBO, a series for Lifetime, two films for Disney, a children's series for Nickelodeon, and two movies for Ted Turner's new TNT. Ms. Duvall also is negotiating with HBO to produce a history series for children.

The interest in Think projects throughout the cable network universe is a tribute to Ms. Duvall's reputation. She says it also reflects a significant trend in the industry.

"As the economics of cable improve, you'll see more and more original programming," Ms. Duvall says.

"When you form a new channel, all you can afford is acquisitions—second or third runs of other programming," she says. "You can only survive for so long on reruns. I think the syndication market is feeling that. That's why they got into the business of putting some original programming on their stations."

Many cable channels have significantly increased their outlays for original programming, Ms. Duvall says. "Some channels are almost doubling the amounts they had to spend in the previous year," she says. "I think you're going to see that trend continuing, particularly over the next five years."

Shelley Duvall sees advertisers teaming up with individual series and programs at an earlier stage.

In addition to more original programming, Ms. Duvall believes advertisers will be teaming up with individual series and programs at an earlier stage, reflecting company interest in cable's ability to target audiences.

This does not pose a problem with creative control, she says, adding it represents advertisers' attempts to be more selective about programming that represents their products.

Pioneers from the network and syndication arenas are now coming to cable because they view it as a growth industry, says Ms. Duvall. For example, Lance Taylor joined Think as VP-creative affairs this March. Most recently VP of Coke Telecommunications, Mr. Taylor also held various positions at ABC.

Ms. Duvall also says cable offers opportunities to deal with one of Hollywood's biggest problems: how to produce programs more cost effectively. "There are many ways that have opened up, a lot because of cable, [such as] opportunities in Europe, foreign co-ventures and productions around the U.S."

One major opportunity that had died over the years, she says, is the opportunity to see an idea realized in a much shorter time span and with less aggravation on the creative side. "Cable offers much more creative freedom to producers for original programming." □

Janice Steinberg is a free-lance writer and a frequent contributor to Special Report.

'No vacancy'

(Continued from Page S-31)

the incredible cost to program, produce, sell and sustain a cable network," says Mr. Verklin.

"I think the cable operator is saying, 'Why should I carry your network?' " says Mr. Verklin.

Cable systems generally pay networks for programs, Mr. McHugh says. But as recently as seven years ago when cable began its push for penetration and subscribers, some networks gave away programming. Others such as Ted Turner's four networks sometimes reduce fees to customers adding a third or fourth Turner network, he says.

Recently new networks have offered cable operators rebates of up to 20% to sign on early. "They do that but they don't talk about it," Mr. McHugh says.

"Mainly it's because the operators haven't seen an idea they are really high on," says Mr. Verklin.

The Movietime Channel, launched only 20 months ago, reached 4 million subscribers by January '88, and now has 12 million subscribers.

According to Movietime VP-Sales, Bill Zaccheo, "What's happening is the cable operator is now looking at programming as a broadcaster does"—cable operators need an overall package for their audience. When a network offers something, the cable operator asks, 'What does this product do for me?' "

Sixty national and 30 regional cable networks are scrambling to offer programming for more than 8,000 systems. About 59% of the more than 50 million TV households linked to those cable systems carry 20 to 53 channels.

Roughly 20% are on systems offering fewer than 20 channels, and 7.5% are riding the wave of the future—large, updated systems capable of carrying up to 120 channels.

New franchise agreements in many markets call for upgrades to state-of-the-art fiber-optic lines that can carry more channels.

National Cable Television Association points out the cable industry spent $1.4 billion on fiber-optic upgrades in 1988, but networks and advertisers are concerned about how long it will take for older cable systems to catch up.

The questions are when will the new channels open up, and whose programming will win the bidding wars to fill them? "We've got weather covered, and a channel of entertainment, black TV, Spanish TV, pay-per-view, no commercial interruptions, all-movie channels. What's not covered?" Mr. McHugh asks.

"[Viewers are] learning to read the program guides. They know where the programs are on the dials. When they're flipping, they'll know where to find them. That's already happened."

Skeptics depict a more selective viewing public. They say it does not matter how many channels you run into a household.

"You can only watch one program at a time," says Mr. Verklin, who believes the next battle in cable will be for such interactive services as banking and grocery shopping from home.

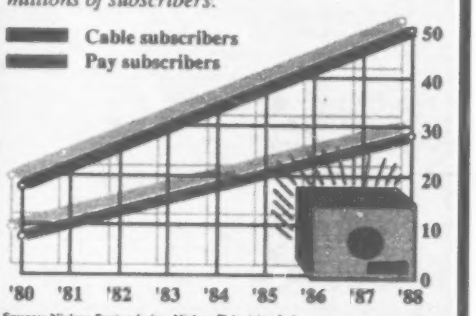
A major question in all of cable's technological and program growth remains how to get viewers' attention. Some networks worry that on-air promotions and viewing guides may not be enough.

"I don't know the answer," says Mr. Verklin. "But I don't sense the American consumer or the marketplace clamoring for more choices. It's going to take a blockbuster idea for the next CNN to be an advertising success."

"Anything can happen if the programs succeed," says Mr. McHugh. "Cable is program driven. That's what gets the audience, the ratings, and allows you to advertise." □

It's basic: Subscriptions soar

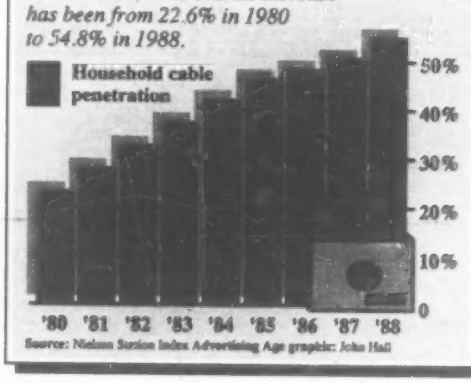
The number of cable subscribers increased to 49,538,000 in 1988 from 17,761,000 in 1980. Additionally, the number of pay subscribers has increased to 28,114,000 in 1988 from 7,599,000 in 1980. All figures below represent millions of subscribers.



Source: Nielsen Station Index, Nielsen Television Index
Advertising Age graphic: John Hall

Penetration pace picks up

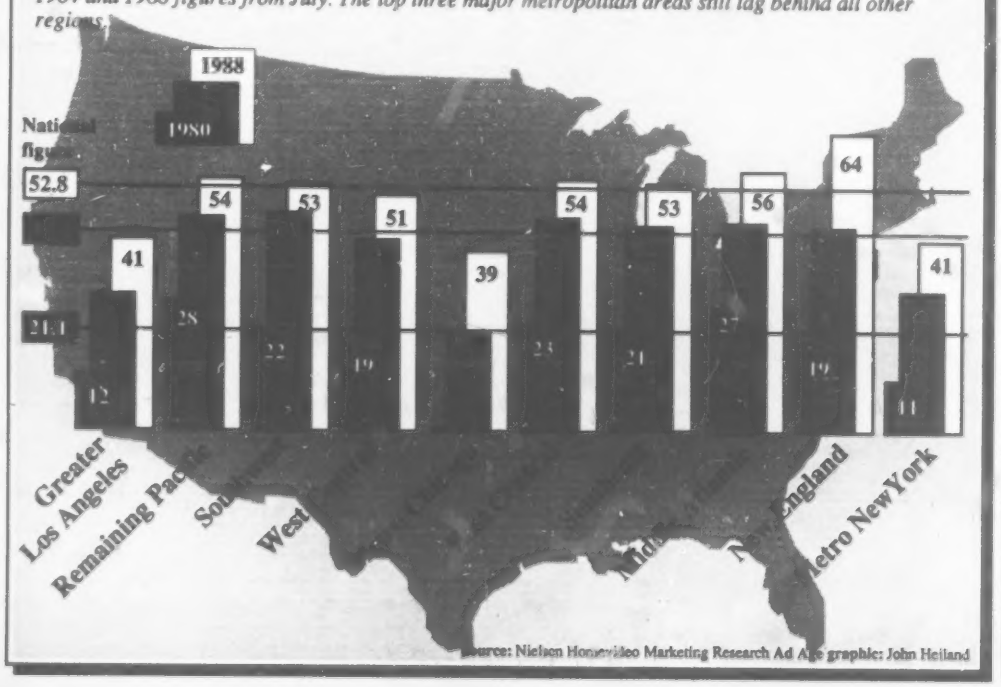
The rate of cable penetration growth has increased from 200,000 homes per month (Nov. '86-Nov.' 87) to 300,000 homes per month (Nov. '87-Nov. '88). The overall increase has been from 22.6% in 1980 to 54.8% in 1988.



Source: Nielsen Station Index Advertising Age graphic: John Hall

The great frontier: Big cities hold out

Penetration figures represent percent of TV households having cable. The 1980 figures are from May; 1984 and 1988 figures from July. The top three major metropolitan areas still lag behind all other regions.



Source: Nielsen Homevideo Marketing Research Ad Age graphic: John Heiland

BET

(Continued from Page S-31)

to reach black consumers," says Mr. Johnson.

The network approaches advertisers with a three-pronged pitch: Blacks watch more TV than any other group in the U.S.; blacks watch programming that features blacks in leading roles or reflects their cultural interests more than general interest programming; and that BET is the tool to reach black consumers.

Mr. Johnson has to deal with the power of urban contemporary radio in proving the last statement, however.

"Radio is still the primary media vehicle to reach blacks," says Ms. Thomas. "It is so target specific. I don't know if [BET] can surpass radio because of the local flexibility you have with black radio."

Key BET advertisers include: Amtrak, AT&T Co., Bristol-Myers, Campbell Soup Co., Coca-Cola Co., Ford Motor Co., General Foods, General Mills, General Motors Corp., Lever Bros., RJR/Nabisco Brands, Polaroid Corp., Procter & Gamble Co., Ralston Purina, Revlon Inc., Time Inc., United Airlines and Wm. Wrigley & Son.

Some advertisers now create spots aimed at the black market specifically for BET, Mr. Johnson says. "Essentially, we've laid the groundwork to become the information and entertainment voice for black America," Mr. Johnson says. "We are poised to become a major player in programming and marketing." □

Associate Editor Pat Gray Thomas coordinated this report on Cable TV.

Coming

On April 24, ADVERTISING AGE's Special Report will focus on **Retail Marketing.**

EC's 1992 plan fuels spending

(Continued from Page 4)

ing myself, forecast doom—and almost got boom," said Gawen Rudder, Mojo MDA Group's director of corporate affairs.

He attributed last year's growth to Australia's bicentennial celebrations and the Olympics.

Ad spending rose about 8% last year, and agency executives forecast a 12% increase for 1989.

Australia is "bouncing back as much of the Pacific will be growing at a rate that will eclipse much of everything else," said Norman Brown, chairman-ceo of Foote, Cone & Belding Communications, Chicago.

As Japanese consumer spending took off in 1988, so did ad spending, growing 12.3%. This year, growth is predicted to be 8.3%.

"I see no reason why the momentum that built up last year shouldn't continue. I think we will have a very good year indeed," said Katsuhiko Betsushima, strategic planning director at J. Walter Thompson Co. Japan.

Canada, South Africa

Canada, with "an economy unalterably tied to and geographically close to the U.S.," will see percentage gains resembling those in the U.S., Ayer's Mr. Maxey said. Canada experienced an estimated 5% growth in 1988 and expects 4% growth this year as more dollars shift toward sales promotion.

"Conventional media will have less growth in the short term. But in the long term, I believe the pendulum will swing back," said John Foss, president of the Association of Canadian Advertisers, Toronto.

In South Africa, after several years of declines, an estimated 11% growth in 1988 was welcome.

Peter de Klerk, executive director of the Association of Advertising Agencies, Johannesburg, said the boom was broadly based and mirrored the performance of the economy as a whole.

The group expects no real growth for this year.

Latin America

As usual, inflation and troubled economies cloud predictions for Brazil and Mexico.

Leda, the Brazilian unit of Nielsen Media Research Group, reported a 17% real increase in ad spending in 1988. Since Leda doesn't account for media discounts, other sources estimate a rise of as much as 10%.

Nevertheless, Brazil's predictions for this year are bleaker because of a new government-imposed wage and price freeze. While some sources said advertisers will increase spending to win over penny-pinching consumers, some advertisers have already halted spending for March and April.

Mexico is continuing its erratic ways.

"The Mexican Ad Agency Association's members' billings increased between 50% and 60% last year after inflation," said Ramon Calderon, association president and VP-financial director for J. Walter Thompson de Mexico.

"But many small advertisers stopped spending entirely during the second semester after the price/wage/parity freeze began to be felt. I'd say total ad spending growth in real terms was only 10% overall," he said.

This year, the freeze and the fall of the peso will hurt the Mexican ad industry, which expects a 20% drop in spending.#

AA's international network of correspondents contributed to this story.

Printers' art contest set

ARLINGTON, VA.—Entries are due by April 28 for the 1989 Printing Industries of America Graphic Arts Awards competition.

PIA President-CEO Ray Roper said printed material of any description, produced between March 1, 1988, and April 1, 1989, is eligible.

Entries will be judged on the basis of print quality, including technical excellence, design, art, typography and general layout.

Entry materials and additional details are available from Susan J. Wheeler, awards competition director, PIA, 1730 N. Lynn St., 22209. Phone: (703) 841-8192.#

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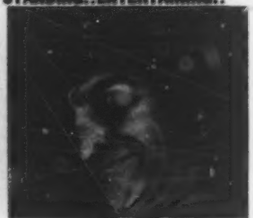

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—Dana Geiken, DMB & B

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—Merle Welch, Foote, Cone and Belding

We have become accustomed to the ease and reliability of receiving commercial spots via satellite. We are also impressed with the flexibility of the system in regard to getting refeeds and special feeds. We look forward to a long working relationship.

—Karl Hagnauer, KPLR

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—Robert Strutzel, WGN-TV

The quality and reliability of the hardware and software is outstanding. It's error free in its operation, and the speed with which we receive commercial feeds saves us make-goods and lost time.

—Jim Martin, WOAY-TV

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Advertising Age®

Crain's International Newspaper of Marketing In Two Sections. Section 1.

Last Minute News

Folgers consolidates at Ayer

CINCINNATI—Procter & Gamble consolidated its $65 million Folgers coffee account at N W Ayer, New York, moving the new Gourmet Supreme brand from Wells, Rich, Greene, New York. The product, now in test, could become an estimated $10 million account with a national rollout. Separately, General Foods could make a decision sometime this week on its $50 million-plus Maxwell House account review. General Foods agencies D'Arcy Masius Benton & Bowles, Grey Advertising, Young & Rubicam and incumbent Ogilvy & Mather, all New York, are pitching.

'TV Guide' considers agencies

RADNOR, PA.—*TV Guide* is talking to three agencies, including N W Ayer and Backer Spielvogel Bates, both New York, about a $10 million TV account for the weekly, sources said. Ayer already handles trade advertising; consumer ads have been done in-house and assigned on a project basis.

Sega plans new electronics line

SOUTH SAN FRANCISCO, CALIF.—Sega of America is completing an agency review for a new consumer electronics entertainment product line that will get ad support estimated at $10 million. The line will be separate from the videogame system currently marketed by Tonka. Sources said there are at least three agencies vying for the ac-

(Continued on Page 8)

Nissan purges ad department

By CLEVELAND HORTON

Following sweeping changes in its media plan, Nissan Motor Corp. USA has pushed its broom through the advertising department, bringing in almost all new faces.

The move seems to signify Nissan's frustration with slow-growing sales. Despite four new-model introductions this year and a dramatic shift out of print advertising, sales remain only slightly ahead of 1988.

Sales in the current year still lag behind 1987-model levels. Unsatisfactory results that year helped spur the switch of Nissan's $180 million account to Chiat/Day, Venice, Calif., from William Esty Co., Los Angeles, in mid-1987.

Joe Opre, national advertising manager, was moved out of the ad department late last week.

He will now concentrate on operations as special assistant to Bob Thomas, VP-general manager of the Nissan division.

Tom Hushek, former national business planning manager, is replacing Mr. Opre.

In other moves, John Rinek, national truck advertising manager, has been named to the new post of national creative manager.

He will now act as the daily liaison with Chiat/Day.

Terry Foutz, national car advertising manager, resigned to join Kresser-Craig/D.I.K., where he will work on the Daihatsu of America account.

Sources say Mr. Foutz's decision to leave Nissan was prompted by management's plan to curtail his responsibilities.

Nissan has eliminated the national car and truck manager positions.

John Nystrom, who continues in his post as director of marketing, said the changes were designed to "streamline the operation, [to] make it more focused and targeted."

Mr. Nystrom said, "It's a tough market. We need to do better planning."

Observers suggest Nissan is adopting a Ford Motor Co. philosophy,

(Continued on Page 85)

NCAA chief backs off on beer ad ban

By SCOTT DONATON

National Collegiate Athletic Association Executive Director Dick Schultz appears ready to drop his proposed ban of beer commercials in post-season tournament telecasts.

Mr. Schultz has been under increasing pressure from beer marketers and college athletic directors since he created an uproar last year by suggesting that beer spots—already limited to 90 seconds per hour on NCAA tournament telecasts—be banned from the next TV rights package (AA, Nov. 7, *et seq.*).

He said beer commercials clash with the NCAA's own anti-alcohol-abuse public service announcements.

But as the NCAA prepares to negotiate a new TV contract, Director of Communications Jim Marchiony is saying Mr. Schultz "never proposed it [a ban] in the first place."

All Mr. Schultz said back then, Mr. Marchiony insisted last week, was "that beer ads are something that needs to be considered."

CBS-TV's three-year, $165 million NCAA contract expired earlier this month. Despite the clause limiting beer commercials during tournament broadcasts, such spots still accounted for a reported $36 million in network revenues during the contract.

Anheuser-Busch, Adolph Coors Co. and Stroh Brewery Co. were all major advertisers on this year's tournament telecast.

Officials at CBS Sports, ABC Sports and NBC Sports refused comment on the issue. But one network executive who requested anonymity said, "We need the beer advertising to support the NCAA and all sports.

"Beer plays a vital role as an advertiser in college bas-

(Continued on Page 85)

New address for Bob Vila

Photo: Lucy Wilson

Bob Vila will soon nail down new advertisers on his own show.

Ex-'Old House' host may build on rehab craze

By KATE FITZGERALD

Bob Vila, evicted from "This Old House," could unleash millions of dollars in advertising from home-supply marketers with a new nationally syndicated TV program.

Mr. Vila's attorney, Ronald Feiner, said the former contractor/TV host is close to signing a deal for his own home-repair program.

The speed with which the deal was built—less than a month after a split with the popular Public Broadcasting Service program—reflects the 42-year-old Mr. Vila's value to marketers in the fast-growing $102 billion home-improvement industry.

Product marketers and retail chains have had trouble targeting and reaching their vast audience that cuts across demographic groups. A new show with Mr. Vila would appear to solve that ad-vehicle problem for a number of marketers.

In addition to home-building sup-

(Continued on Page 84)

Beiersdorf consolidates account

By KEVIN COTE

Beiersdorf AG, the big West German personal-care and pharmaceutical marketer, is about to consolidate the bulk of its worldwide Cosmed division's estimated $96 million marketing budget, agency sources say.

The big winners appear to include TBWA, Leo Burnett Co. and N W Ayer.

The $1.9 billion Hamburg-based company describes its Nivea brand as the world's largest skincare brand.

Beiersdorf isn't big in the U.S., selling Nivea and a few other brands. U.S. ad spending for 1988 was only $5.6 million, via Posey Quest Genova, Greenwich, Conn.

So far, the company planned agency alignment moves in the Cosmed division will be concentrated in Europe and not in the U.S.

Beiersdorf executives in the U.S. weren't available for comment.

But Beiersdorf's move may be the first step toward global agency consolidation. The company spends about $194 million a year on marketing services, including below-the-line activities and marketing research.

Daniel Tobler, product coordination director at Cosmed, said changes in the agency roster, to be announced May 10, would be confined to that division.

"Implementation will probably be a little faster in Europe than in the rest of the world," he said. Europe is Beiersdorf's traditional stronghold.

He wouldn't comment on the number of ad agencies losing business or what agencies would benefit in a consolidation.

The move follows the promotion of Hans Otto Wobcke, former chief of the Cosmed division on the company's management board, to Beiersdorf chairman. He succeeds Heilmut Kruse, who will retire in midsummer.

Heinrich Leuhrs, formerly product coordination director for Cosmed, succeeds Mr. Wobcke. Mr. Tobler, formerly general manager of Beiersdorf's Swiss subsidiary in Basel, has taken over Mr. Luehrs' position.

Cosmed division brands, which account for about 47% of Beiersdorf's worldwide sales, include 8x4 deodorant, Limara body sprays and a wide range of Nivea products.

The majority of the company's marketing budget is devoted to that division, which also markets Atrix skin creams, Labello lip balm, Basis specialized skincare products and others.

With worldwide sales of $555 million, Nivea is likely to be the key brand in the realignment.

TBWA works on Nivea in many European countries. Burnett handles Beiersdorf brands in France, Italy and the Far East. Ayer handles Nivea in Germany. However, Ayer also handles rival Gillette Co. in 15 countries. TBWA, Burnett and Ayer executives refused to comment.

Agency sources say TBWA will be given at least some more Nivea business, and Ayer will win deodorant business. It's unclear what Burnett will get.

Foote, Cone & Belding and DDB Needham Worldwide are known to be among what a Beiersdorf spokesman described as "heaps" of agencies working for the company around the world.

"A lot of different agencies have been in-

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Gen'l Mills hops into fiber frenzy

By JULIE LIESSE ERICKSON and JUDANN DAGNOLI

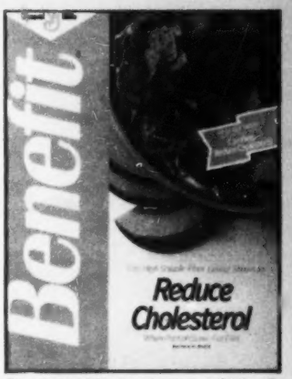
General Mills will make the boldest cholesterol-reducing claims of any food product in introducing Benefit cereal.

The company is committing $20 million to $25 million to the launch, but advertising won't be the only vehicle for advancing Benefit's health message. The package front asserts, "Reduce cholesterol," in type somewhat more prominent than the product name.

Consumer activists are expressing doubts about the claim and about consumers' ability to distinguish not only between the new fiber cereals being rushed to the market but the myriad of fiber terms: oat bran, rice bran, soluble fiber, insoluble fiber and psyllium.

"It sounds like they're trying to market [the cereal] as a medicine," said Bruce Silverglade, executive director of the Center for Science in the Public Interest, a consumer group that's been monitoring health claims in food advertising.

Benefit flakes contain a blend of oat bran, rice and wheat bran, along with more unusual ingredients such as beet fiber and psyllium. Psyllium is also a key ingredient in Procter & Gamble Co.'s Metamucil and other laxatives *(see related story on Page 80)*.



General Mills is pinning a $20 million-to-$25 million marketing campaign to the cholesterol-reducing properties of new Benefit cereal.

The mix gives Benefit a high level of soluble fiber, the type of fiber studies have indicated is effective in

(Continued on Page 85)

Where new owner can pare 'Enquirer'

By PATRICK REILLY

NEW YORK—The new owner of the *National Enquirer* will have to make drastic cuts in both the operation and promotion of the weekly newspaper to justify the $412.5 million sale price, industry experts say.

Macfadden Holdings was high bidder for the supermarket tabloid and its equally brash sister publication, *Weekly World News*. Sources involved in the four-month bidding process and industry observers say the price tag was extremely high considering the annual cash flow of GP Group, the *Enquirer's* parent company. GP Group's cash flow is said to be about $10 million.

Macfadden outflanked such global media giants as Maxwell Communications Corp., which sources said bid close to $400 million for the *Enquirer*. Macfadden made the purchase in partnership with Boston Ventures, an acquisition and investment company.

Cuts could include the *Enquirer's* entire TV ad budget. Spending last year was $12 million via D'Arcy Masius Benton & Bowles.

Macfadden also is expected to cut the size and salaries of the editorial staff, sources close to the sale say.

The company also could renegotiate printing and paper contracts with suppliers and end the practice of holding extravagant parties, such as the million-dollar Christmas bash that owner Generoso Pope Jr. hosted for the town of Lantana, Fla., the paper's home, each year before his death in December.

"Pope ran the place like a candy store," said one publishing source who bid for the *Enquirer*.

Macfadden President Michael Boylan said, "With the *Enquirer's* distribution, which is the best in the

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March consumer magazine ad linage

	Current month 1989	Current month 1988	Year-to-date 1989	Year-to-date 1988
Auto/cycle/rec. vehicles				
ATV Sports	19.7	30.8	65.8	88.9
AutoWeek (52X)	133.3	142.9	395.1	438.9
Car & Driver	90.5	106.7	287.6	319.5
Car Collector & Car Classics	15.4	15.9	52.4	52.9
Car Craft	90.2	85.5	200.4	201.2
Circle Track	77.0	84.8	247.7	235.1
Cycle	46.2	43.0	105.3	110.3
Cycle World	56.6	63.2	109.9	125.1
Dirt Rider	28.4	48.2	90.1	104.8
Dune Buggies & Hot VWs	65.9	70.7	201.6	204.6
Family Motor Coaching	212.6	195.0	558.8	549.5
4 Wheel & Off-Road	75.5	89.8	207.3	217.0
Four Wheeler	73.4	83.0	218.7	233.0
Hot Rod	83.5	88.3	225.7	245.1
Motorcyclist	51.4	57.1	109.4	109.9
Motor Trend	102.6	78.1	239.3	221.0
Motorhome	96.7	86.2	271.6	249.6
Rider	40.6	42.7	89.7	99.2
Road & Track	91.7	109.5	278.5	318.7
Trailblazer	53.0	48.0	144.0	131.0
Trailer Life	105.7	102.0	285.5	267.4
Total Group	**1,610.0**	**1,671.4**	**4,384.4**	**4,522.7**
% change	**-3.7%**		**-3.1%**	
Boating & yachting				
Boating	164.9	188.7	546.0	582.7
Chesapeake Bay	52.0	44.3	141.8	131.9
Cruising World	129.2	112.6	329.1	322.6
Lakeland Boating (11X)	101.0	97.2	289.5	260.4
Motor Boating & Sailing	162.0	163.4	544.8	578.8
Sail	132.3	118.3	370.9	310.6
Trailer Boats(11X)	83.1	73.3	255.2	224.5
Western Boatman(6X)	50.8	53.6	101.8	109.6
Yachting	129.7	127.4	455.7	479.0
Total Group	**1,005.0**	**978.8**	**3,034.8**	**3,090.2**
% change	**2.7%**		**1.2%**	
Civic/fraternal				
American Legion	57.7	37.5	159.5	120.7
Elk (10X)	14.4	13.7	51.7	56.5
Kiwanis	14.2	12.6	43.2	41.2
Lion (10X)	7.3	4.5	66.0	66.5
Rotarian	19.5	26.3	42.4	53.4
V.F.W. (11X)	28.9	31.6	98.7	94.8
Total Group	**142.0**	**126.2**	**461.5**	**433.1**
% change	**12.5%**		**6.6%**	
General				
American Health (10X)	96.2	90.5	166.5	160.0
American Heritage (8X)	31.6	34.3	80.2	70.6
American West (6X)	53.0	—	74.5	25.0
Art & Antiques	95.2	80.6	200.0	190.0
The Atlantic A.	35.7	45.3	146.9	136.7
Bon Appetit A.	89.1	73.9	226.5	210.1
Cable Guide	33.0	31.7	96.6	85.7
Changing Times	60.9	73.2	158.9	182.5
Children	41.5	26.3	79.6	47.2
Conde Nast's Traveler	95.6	54.2	215.9	134.5
Connoisseur	104.4	107.3	211.7	216.7
Consumers Digest (6X)	26.5	25.8	47.7	43.3
Ebony	87.8	87.0	288.5	286.8
European Travel & Life	61.5	57.9	96.2	86.3
Fifty Plus	40.2	36.4	113.2	99.9
Finance (10X)	39.8	50.3	74.0	104.3
Food & Wine	62.8	51.5	165.1	143.4
Games (6X)	14.1	11.0	26.6	18.0
Gourmet	95.4	97.5	245.5	263.9
Harper's Magazine A.	30.8	34.0	105.6	92.5
Harrowsmith (6X)	62.8	59.2	123.8	121.9
Islands (6X)	64.2	39.8	120.7	67.6
Let's Live	45.0	44.0	148.0	141.0
Life	77.9	38.8	193.9	120.6
Modern Maturity (6X)	—	—	41.0	38.9
Money	103.5	133.2	278.9	340.9
Money Maker	—	—	2.7	8.0
Mother Earth News	98.9	97.6	171.3	160.6
National Geographic	28.3	28.5	67.9	78.5
National Geographic Traveler (4X)	51.0	43.0	66.2	43.0
Natural History	49.2	37.4	140.0	113.6
Prevention	55.0	53.9	172.5	172.8
Psychology Today	41.8	31.3	82.8	94.7
Reader's Digest A.	104.4	111.0	262.4	286.2
Saturday Evening Post (6X)	49.0	37.5	92.9	76.4
Smithsonian	108.8	91.6	266.2	281.4
Town & Country	159.5	136.0	342.9	374.2
Travel-Holiday	58.4	52.5	132.6	121.5
Travel & Leisure	150.2	134.1	355.5	309.6
Travelhost	1,252.0	1,157.0	3,615.0	3,548.0
Vanity Fair	126.6	109.6	264.9	215.0
Writer's Digest	31.7	32.0	78.2	85.4
Yankee	69.9	67.4	195.7	236.6
Total Group	**3,986.4**	**3,804.2**	**10,035.6**	**9,633.8**
% change	**10.8%**		**4.2%**	
Home				
Americana (6X)	24.3	20.9	45.9	37.5
Architectural Digest A.	142.9	156.5	394.8	403.0
Better Homes & Gardens	131.0	122.7	317.0	300.7
Colonial Homes (6X)	68.6	67.2	121.0	109.8
Columbus Monthly-Homes (4X)	—	—	29.8	30.2
Cooking Light	60.4	32.1	109.7	68.8
Country Home (6X)	111.1	60.8	156.8	102.7
Country Living	107.6	89.0	269.6	227.2
Family Handyman (10X) A.	42.3	44.7	114.2	135.0
Florida Home & Garden	86.8	63.3	289.1	162.6
Flower & Garden (6X)	54.8	—	110.6	51.8
Home	65.7	51.0	166.4	169.3
Home Mechanics	62.8	57.5	136.7	135.5
The Homeowner (10X)	36.2	44.2	77.3	87.8
Horticulture	42.1	44.1	129.6	136.6
House Beautiful	75.3	74.7	183.7	183.3
House & Garden	100.5	111.9	201.0	242.6
Metropolis	92.0	61.9	158.7	117.7
Metropolitan Home	83.6	75.3	250.7	211.0
Midwest Living	84.3	71.6	155.4	343.5
1,001 Home Ideas	68.0	58.9	171.2	156.0
Organic Gardening	52.2	54.4	154.3	187.3
Phoenix Home/Garden	73.7	80.0	221.7	244.5
Practical Homeowner	35.2	—	71.8	—
San Diego Home/Garden	60.1	59.8	190.1	184.3
Southern Accents (6X)	129.3	125.3	201.2	207.4
Southern Living	153.2	149.9	335.5	319.2
Sunset Magazine A.	126.3	133.2	305.5	340.4
Workbench (6X)	52.7	43.4	92.4	91.8
Total Group	**2,226.0**	**1,954.1**	**5,161.4**	**4,987.6**
% change	**13.9%**		**3.5%**	
In-flight & other passenger				
Aboard Group (6X)	35.8	32.2	71.1	60.2
Alaska Airlines	56.3	57.2	174.9	168.8
America West Airlines	68.7	60.5	205.2	181.1
American Way (24X)	142.8	125.1	384.1	376.7
East/West Network:				
Continental Profiles	61.9	49.4	175.6	161.1
Eastern Review	77.3	76.4	203.1	224.1
Northwest	52.5	37.8	155.8	118.2
Pan Am Clipper	46.8	41.1	129.3	124.1
Southwest Spirit	66.5	58.5	191.0	188.5
TWA Ambassador	66.0	47.6	158.1	152.4
Vis 'A Vis	91.8	73.2	257.8	204.3
Halsey Publication:				
Delta Sky	84.9	84.0	235.9	244.5
Pace Communications:				
Braniff Magazine	36.6	—	82.2	—
US Air Magazine	55.4	77.5	148.4	202.7
Spirit of Aloha (6X)	23.0	20.0	73.4	61.6
Total Group	**968.2**	**840.5**	**2,645.9**	**2,466.3**
% change	**15.0%**		**7.3%**	
Men's				
Esquire A.	142.2	104.5	295.5	225.8
Firehouse Magazine	43.7	55.5	110.0	121.3
Gentlemen's Quarterly A.	256.9	216.1	467.2	428.2
M Magazine	104.3	82.7	214.3	210.0
Muscle & Fitness	137.3	123.3	301.2	343.2
Penthouse A.	47.7	42.5	149.7	134.0
Playboy A.	50.7	53.9	192.7	151.4
Salute (10X)	29.3	28.8	56.3	56.2
Total Group	**812.1**	**707.3**	**1,786.9**	**1,670.0**
% change	**14.8%**		**7.0%**	
Metropolitan				
Alcha	30.2	37.5	59.8	68.8
Atlanta	51.7	60.9	162.2	173.4
Baltimore	72.0	58.4	195.0	178.1
Boston	126.3	133.1	386.3	401.5
California	83.2	76.7	172.5	173.1
Chicago	122.8	100.1	317.1	295.8
Chicago's North Shore	120.7	84.9	288.6	257.3
Cincinnati	53.7	47.8	138.4	137.1
Cleveland	73.4	55.3	146.4	158.2
Coast (39X)	168.0	203.3	255.0	299.3
Columbus Monthly	100.9	51.5	197.5	164.7
Connecticut	107.8	103.9	281.9	278.0
D/Magazine	76.0	75.2	200.0	232.1
Denver	22.2	34.5	73.3	97.2
Detroit Monthly	56.3	65.1	159.7	182.6
Grand Rapids	30.7	30.7	94.3	91.6
Honolulu	48.7	63.1	152.7	175.7
Houston Metropolitan Mag.	51.3	52.2	133.5	164.0
Inside Chicago (6X)	40.2	28.7	78.7	231.5
Los Angeles	159.6	131.5	426.4	384.3
Louisiana Life	36.7	31.7	65.5	55.9
Madison	36.0	44.0	122.0	115.0
Memphis	60.3	66.8	193.5	211.8
Mid Atlantic Country	36.4	38.7	96.5	74.4
Milwaukee	68.3	61.2	206.8	214.4
Minneapolis/St. Paul	141.3	102.3	320.9	249.8
Minnesota Monthly Mag.	39.4	40.3	71.4	60.1
Nashville	68.0	51.0	172.0	132.0
New England Monthly	48.8	41.4	144.2	123.4
New Jersey Monthly	97.8	106.6	241.5	261.6
New Mexico	21.2	16.7	139.5	127.5
Ohio	52.2	48.0	140.5	140.9
Orlando	97.7	94.0	268.6	268.3
Palm Beach Life	101.6	100.0	314.3	289.8
Palm Springs Life	141.9	127.6	504.6	416.5
Philadelphia	146.8	146.3	389.0	382.1
Pittsburgh	69.0	78.5	166.0	196.6
Rhode Island Monthly	53.9	—	141.8	—
Sacramento Magazine	56.0	47.0	152.6	139.0
St. Louis	39.6	45.5	109.9	134.2
San Diego	128.8	146.0	349.0	439.2
San Francisco Focus	113.1	95.7	283.5	237.4
South Florida Magazine	130.1	106.3	360.0	273.5
Texas Monthly	125.2	89.7	265.1	244.8
Ultra	41.8	18.6	136.8	70.3
The Virginian (6X)	112.0	112.0	118.8	119.5
Washington (7X)	98.0	74.2	146.0	121.6
The Washingtonian	163.3	163.7	492.9	426.7
Total Group	**3,920.8**	**3,588.2**	**10,032.3**	**9,670.7**
% change	**9.3%**		**3.7%**	
Music/entertainment				
Audio	74.6	68.9	270.6	264.3
Dance Magazine	58.8	65.5	177.4	180.9
Playbill	59.7	49.4	153.2	133.5
Total Group	**193.0**	**183.8**	**601.2**	**578.8**
% change	**5.0%**		**3.9%**	
Outdoor & sport				
Alaska	45.7	40.0	125.3	118.7
The American Handgunner (6X)	51.0	49.0	105.0	98.0
American Hunter	17.7	17.8	53.6	54.9
American Rifleman	20.9	27.2	61.5	71.9
Backpacker (6X)	—	—	25.6	31.9
Bass Master (10X) A.	124.9	113.1	296.5	307.0
Bicycling (9X)	126.7	135.8	225.7	221.4
Cross Country Skier	—	—	70.5	77.2
Ducks Unlimited (6X)	29.1	20.6	58.7	43.2
Field & Stream	96.7	85.5	222.0	236.1
Fishing World (6X)	68.0	68.4	108.3	111.4
Florida Sportsman	160.2	147.1	466.8	480.0
Golf Digest	127.2	122.1	388.2	338.2
Golf Illustrated	88.3	55.9	126.6	79.1
Golf Magazine	132.4	95.9	450.4	391.0
Gun Dog (6X)	48.2	38.2	88.2	64.2
Guns	39.0	33.0	107.0	101.0
Guns & Ammo	54.5	46.6	139.6	149.1
In-Fisherman (6X)	109.0	162.8	207.0	162.8
Outdoor Life	100.7	80.1	250.0	234.2
Outside Magazine	56.5	56.6	137.3	128.5
Petersen's Hunting	41.8	44.1	121.6	147.5
Runner's World (12X)	32.9	33.9	83.7	103.4
Salt Water Sportsman	160.8	136.0	482.6	456.3
Shooting Times	35.0	30.7	97.1	120.0
Sierra (6X)	50.2	45.2	103.6	79.7
Ski (6X) A.	70.4	52.9	284.3	260.2
Skiing (7X) A.	76.6	81.3	218.7	263.1
Skin Diver	104.3	114.1	323.4	318.6
Southern Outdoors (9X)	91.9	85.6	205.8	226.7
Southern Saltwater(8X)	64.6	41.6	183.5	122.4
Sport Magazine	44.3	35.3	107.9	103.2
Sports Afield	93.3	85.5	213.6	231.9
Tennis	77.8	101.3	166.1	197.7
Waterski (8X)	76.5	95.5	173.0	142.7
Western Outdoors (10X)	52.6	67.7	138.8	162.9
Wildfowl (6X)	—	—	15.8	14.3
WindRider (8X)	50.3	46.0	50.3	46.0
Wing & Shot (6X)	14.7	12.7	31.5	28.2
World Tennis	58.1	90.2	120.7	161.6
Total Group	**2,892.8**	**2,595.5**	**6,835.8**	**6,686.3**
% change	**3.8%**		**2.2%**	
Photography				
American Photographer	22.7	25.7	82.8	88.3
Petersen's Photographic	20.0	23.3	70.2	66.6
Popular Photography	68.5	82.8	228.8	236.9
Total Group	**111.2**	**131.8**	**381.8**	**391.8**
% change	**-15.6%**		**-2.6%**	
Science/electronic/mech				
Discover	51.9	39.4	132.7	116.7
Home Office Computing	41.7	43.6	134.8	132.7
Omni	59.3	61.0	183.1	165.9
Personal Computing	168.7	250.9	530.1	737.2
Popular Mechanics	82.8	101.3	209.7	235.1
Popular Science	100.3	55.3	217.3	194.6
Scientific American	49.6	29.2	110.9	103.6
Spectrum	62.7	57.0	195.3	202.8
Total Group	**616.9**	**637.7**	**1,713.8**	**1,888.6**
% change	**-3.3%**		**-9.3%**	
Women/fashion/service				
Beauty Digest (6X)	—	—	15.2	20.3
Bride's Magazine (6X) A.	—	—	741.4	703.6
Cosmopolitan A.	192.4	186.8	505.6	514.5
Elle Magazine	288.5	267.7	487.2	483.0
Essence	74.8	73.3	227.3	209.2
Family Circle (17X) A.	149.1	120.3	440.3	366.3
Glamour	195.8	222.6	407.9	469.0
Good Housekeeping A.	135.8	125.2	348.2	334.3
Harper's Bazaar	171.5	166.8	321.1	339.7
Health	24.7	47.7	89.3	94.2
Images	68.7	53.2	188.7	149.2
Ladies' Home Journal	127.3	117.6	340.8	306.8
Mademoiselle	162.9	178.3	346.6	351.7
McCall's	90.9	87.3	257.0	229.3
Military Lifestyle (10X)	41.7	49.0	136.5	132.9
Modern Bride (6X)	—	—	627.4	555.7
Ms.	38.4	30.0	99.4	98.5
New Woman	90.8	91.5	234.2	232.8
Parents Magazine A.	132.1	92.9	315.0	272.6
Redbook	97.7	126.4	259.0	288.2
Savvy	52.2	44.2	143.7	128.7
Self	128.8	124.8	293.5	278.8
Seventeen	182.3	183.3	297.5	294.7
Soap Opera Digest (26X)	31.8	20.7	99.0	65.0
Soap Opera Update	5.3	9.3	26.3	27.0
Teen Magazine	48.3	47.2	101.1	114.2
True Story A.	60.9	51.4	56.4	143.6
Vogue	419.5	435.6	854.9	832.4
W Magazine	169.2	164.1	420.2	403.9
Weight Watchers	31.5	39.0	98.7	112.2
Woman (10X)	41.5	43.0	85.3	82.3
Woman's Day (15X)A.	214.1	196.5	418.7	374.6
Workbasket	27.9	29.5	79.3	87.9
Working Mother	68.5	67.9	178.9	203.6
Working Women	100.1	103.3	253.9	262.7
Total Group	**3,065.0**	**3,098.5**	**9,796.5**	**9,561.1**
% change	**-1.0%**		**2.5%**	
Youth				
Boys' Life	19.0	22.5	62.1	54.4
Campus Life (10X)	65.2	66.0	153.0	154.1
Total Group	**84.2**	**88.5**	**215.1**	**208.5**
% change	**-4.9%**		**3.2%**	
Business/national				
Barron's	142.6	176.4	403.3	530.2
Black Enterprise	47.7	46.2	229.6	218.6
Business Month	38.1	29.9	91.6	72.2
Business Week (52X) A.	358.8	327.0	891.4	823.8
Entrepreneur	136.3	90.3	465.4	314.9
Financial World (26X)	60.3	48.1	156.0	139.5
Forbes (26X)	230.3	220.5	628.1	602.3
Fortune (26X)	203.4	254.3	622.1	629.5
Frequent Flyer	46.9	53.1	119.3	156.3
Futures	48.2	96.3	131.2	193.0
Inc. Magazine	95.7	89.0	230.9	212.8
Income Opportunities	86.7	93.1	187.1	208.1
Industry Week (23X) A.	87.5	75.5	228.2	197.4
Nation's Business (12X) A.	32.7	34.2	105.8	101.9
Venture	49.0	50.0	126.8	151.5
Total Group	**1,864.2**	**1,883.8**	**4,618.5**	**4,582.0**
% change	**-1.2%**		**1.4%**	
Business/regional				
Advantage-Nashville's bus. Mo.	84.0	55.0	196.0	169.0
Arizona Bus. Gazette (52X)	71.6	77.7	172.4	196.8
Baltimore Bus. Jrnl.	85.4	90.0	215.6	226.3
Boston Bus. Jrnl. (52X)	113.1	131.8	330.5	339.6
Bus. First of Buffalo	65.5	60.2	226.7	163.0
Bus. Jrnl.-Milwaukee	179.9	122.4	464.1	480.1
Bus. Jrnl.-Sacramento	86.3	90.8	228.0	251.2
Bus. North Carolina	33.8	32.7	94.2	97.3
Capital Dist. Bus. Review (52X)	65.7	79.6	215.2	193.1
Caribbean Business	153.9	106.0	295.3	272.1
Corporate Rpt. Minnesota	68.9	69.0	183.9	220.0
Crain's Chicago Bus. (52X)	140.5	138.0	367.8	392.0
Crain's Cleveland Bus. (52X)	66.0	61.2	193.3	170.7
Crain's Detroit Bus. (52X)	71.8	72.5	210.9	213.4
Crain's New York Bus. (52X)	51.0	48.0	128.0	123.0
Florida Trend (13X)	47.9	66.4	146.0	178.8
Georgia Trend	54.3	53.5	141.3	156.1
Grand Rapids Bus. Jrnl.	40.0	44.1	134.2	146.1
Hawaii Business	47.8	40.3	127.8	108.0
Houston Bus. Jrnl. (52X)	65.0	63.0	186.5	171.0
Indianapolis Bus. Jrnl. (52X)	139.9	123.5	418.4	349.5
Manhattan Inc.	46.3	61.1	112.6	137.1
New England Bus. (28X) A.	34.8	64.3	138.3	154.5
New Orleans City Bus.	34.8	45.3	114.7	148.9
Pacific Bus. News (52X)	90.1	77.2	289.0	273.8
Pittsburgh Bus. Times (52X)	33.9	16.6	832.1	1,041.0
Providence Bus. News	78.8	69.7	221.3	203.7
Regardie's/Washington Review Publication:	118.0	134.0	457.0	405.0
Broward Review	111.5	22.2	255.5	86.0
Miami Review	80.1	33.7	204.0	123.4
Palm Beach Review	93.9	21.2	203.4	73.5
San Jose Bus. Jrnl.	51.2	68.2	185.7	184.6
St. Louis Bus. Jrnl. (52X)	93.2	99.7	311.7	298.4
Warfield Monthly Baltimore	53.8	53.5	160.8	167.7
Total Group	**2,952.4**	**2,392.4**	**8,162.2**	**7,896.5**
% change	**10.9%**		**3.3%**	
National Sunday mags				
Parade (52X)	66.2	50.2	168.3	160.8
USA Weekend (52X)	56.1	50.0	151.3	147.5
Vista Magazine (52X)	18.8	11.7	57.1	39.1
Total Group	**141.1**	**111.9**	**376.7**	**347.4**
% change	**26.1%**		**8.4%**	
Newspaper Sunday magazine				
Boston Globe	155.0	165.0	614.0	636.0
Chicago Tribune	133.5	153.2	288.9	303.6
Cleveland Plain Dealer	77.4	79.4	158.4	174.5
Columbus Dispatch	79.5	45.2	122.9	75.2
The Dallas Morning News	62.0	74.0	182.0	204.0
Detroit Free Press	37.1	51.6	100.3	125.7
L.A. Times	81.5	81.6	244.9	194.2
Louisville Courier-Jrnl.	27.0	40.0	84.0	104.0
New York Times Mag.	374.8	436.6	869.7	938.9
Philadelphia Inquirer	87.6	108.3	224.0	236.9
Seattle Times	61.0	77.0	175.0	171.0
St. Louis Post Dispatch	83.9	65.7	219.3	210.3
Toledo Blade Magazine	37.1	31.1	95.0	88.9
Washington Post	147.3	150.7	359.4	308.9
Total Group	**1,444.8**	**1,569.4**	**3,737.8**	**3,772.1**
% change	**-7.3%**		**-0.9%**	
Weeklies/bi-weeklies				
The Advocate (26X)	128.8	129.2	478.0	420.9
Army Times Military Group:				
Air Force Times (52X)	143.9	147.0	441.8	455.4
Army Times (52X)	139.9	140.9	421.1	432.1
Navy Times (52X)	163.4	160.8	486.6	501.9
Capper's (26X)	29.2	30.7	123.4	84.3
Commonweal (22X)	15.9	7.3	29.3	21.2
Grit (52X) A.	32.8	25.4	112.9	96.1
National Journal (50X)	58.0	57.3	144.4	166.0
National Review (25X)	23.2	29.9	67.5	96.0
New Republic (48X)	40.8	32.9	124.0	112.9
New York Magazine (50X)	197.1	241.7	596.4	622.9
New Yorker	167.3	196.8	455.8	515.1
Newsweek (52X) A.	190.4	169.6	547.8	543.0
People (51X)	332.5	288.1	804.3	744.3
Rolling Stone (25X)	199.4	182.5	411.9	376.0
Sporting News (52X)	45.1	52.0	132.4	144.1
Sports Illustrated (52X) A.	239.6	211.1	704.3	759.8
Time (52X) A.	211.2	192.5	604.7	560.2
TV Guide (52X) A.	232.2	276.1	892.9	1,004.1
US Magazine (26X)	61.3	50.2	145.9	131.5
U.S. News & World Report (50X) A.	173.2	140.8	444.9	414.2
Total Group	**2,825.2**	**2,762.8**	**8,170.3**	**8,202.0**
% change	**2.3%**		**-0.4%**	

NOTES: (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. All figures represented in this table are supplied by the magazines. AD AGE makes no attempt to verify them and therefore is not responsible for inconsistencies or errors. Compiled by Kathy Welyki.

MAXWELL'S MARKET SHARES

Coffee brands fail to heat up a tepid market

By JOHN C. MAXWELL JR.

Coffee consumption is showing no signs of perking up soon.

Estimated per capita coffee consumption fell about 1.1% to 25 gallons in 1988. It also appears the average number of cups of coffee consumed per person per day declined 5.8% to 1.67 cups.

The U.S. Department of Agriculture reported only half the population drank coffee last year, down from 52% in 1987. Furthermore, the number of cups consumed by coffee drinkers has remained relatively constant (3.34 cups in 1988, 3.38 in 1987).

Much of the decline can be attributed to consumers' move away from hot and acidic drinks to cold beverages such as soft drinks.

There's also a direct correlation between coffee consumption and age. As the population ages, consumption increases.

It appears that the consumption of "gourmet" coffee has been growing 20% per year and currently holds about 8% of U.S. sales. The emergence of upscale arabica coffees and specialty coffees seems to be in response to consumer willingness to pay a little extra for a better cup of coffee.

Growth of the gourmet segment is also attributed to the increasing use of home automatic-drip coffee makers, growing consumer interest in natural foods and the rising number of gourmet food markets. The decline in consumption by the 20-to-30 age group moderated last year.

Still, coffee consumption is expected to keep declining for the foreseeable future. Per capita consumption this year is expected to drop 1.2% to 24.7 gallons.

The Agriculture Department said world coffee consumption is expected to increase 1% to 2% per year as demand in the producing and consuming markets (Europe and Asia) exceeds the decline in the U.S.

In market share battles, General Foods USA continues to lead in the regular coffee segment, though its total share fell 1.5 percentage points to an estimated 33% last year.

Procter & Gamble Co. (Folgers) had a share of 31.8%, up 0.5 percentage points. Hills Brothers and its allied brands (now part of Nestle and joined by a Taster's Choice regular in test) totaled a 13% share, up 1.5 points.

In the instant coffee segment, General Foods' lineup slipped 2.1 points to a 37.6% share. Nestle improved 1 point to 33.1%. P&G gained 1.8 points to 23.1%.#

Mr. Maxwell is with Wheat First Securities, Richmond, Va.

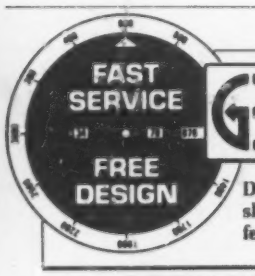
COFFEE MARKET SHARES

	1986	1987	1988*
Regular coffee			
General Foods			
Maxwell House			
Regular	18.3	18.1	16.7
Decaffeinated	2.4	2.0	2.0
Private Collection	—	0.2	0.3
Subtotal	20.7	20.3	19.0
Master Blend	8.4	7.6	8.0
Sanka	1.7	2.1	2.0
Yuban			
Regular	2.3	2.3	2.2
Decaffeinated	0.4	0.4	0.3
Subtotal	2.7	2.7	2.5
Brim (includes Max-Pax)	2.4	1.8	1.5
Total	35.9	34.5	33.0
Procter & Gamble			
Folgers			
Regular	19.9	22.8	22.8
Decaffeinated	2.8	3.4	4.0
Flakes	5.5	5.1	5.0
Total	28.2	31.3	31.8
Nestle			
Hills Brothers	7.9	7.5	7.7
MJB	2.5	2.7	3.3
Chase & Sanborn	0.9	1.3	1.8
Taster's Choice	—	—	0.2
Total	11.3	11.5	13.0
Chock Full O'Nuts	4.6	5.1	3.4
Winterpark Investment Group			
Maryland Club	1.0	0.9	0.7
Butternut	1.2	1.1	0.9
Total	2.2	2.0	1.6
Subtotal	82.2	84.4	82.8
All others	17.8	15.6	17.2
Grand total	100.0	100.0	100.0

	1986	1987	1988*
Instant coffee			
General Foods			
Maxwell House			
Regular	21.9	21.5	20.5
Decaffeinated	3.1	2.4	2.0
Subtotal	25.0	23.9	22.5
Maxim	1.6	1.5	1.4
Sanka	8.4	8.4	8.3
Freeze Dried Sanka	1.0	0.7	0.6
Yuban	0.6	0.6	0.7
Brim	1.7	1.6	1.1
International Coffees	2.0	3.0	3.0
Total	40.3	39.7	37.6
Nestle			
Nescafe Regular	7.2	7.5	7.4
Nescafe Decaffeinated	2.1	3.1	2.8
Taster's Choice Reg.	10.3	10.6	11.3
Taster's Choice Decaf.	6.2	6.2	5.9
Sunrise	1.0	0.8	0.8
Hills Brothers	2.0	2.1	2.4
MJB	1.2	1.3	1.5
Chase & Sanborn	0.4	0.5	1.0
Total	30.4	32.1	33.1
Procter & Gamble			
Folgers Regular	14.6	16.0	17.0
High Point	1.3	1.0	0.9
Decaffeinated Folgers	3.5	4.3	5.2
Total	19.4	21.3	23.1
Borden			
Kava	0.6	0.5	0.4
Subtotal	90.7	93.6	94.2
All others	9.3	6.4	5.8
Grand total	100.0	100.0	100.0

* 1988 figures are estimated.

Source: John C. Maxwell Jr.



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Family Media buys Golf Link wall media program

NEW YORK—Family Media bought the Golf Link wall media program from Market Source.

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Family Media publishes 10 consumer magazines, including *Golf Illustrated.*#

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NEWSPAPER

April 24, 1989

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Advertising Age

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Mars hires Achenbaum on ad costs

By JON LAFAYETTE and JANET MEYERS

Mars Inc. has called in consultant Alvin Achenbaum to help the giant candy marketer examine agency compensation at two non-candy divisions.

Mr. Achenbaum, chairman of Canter, Achenbaum, Associates, New York, is working with Mars' Kal Kan Foods and Uncle Ben's divisions. Between them, the two divisions spend more than $70 million annually on media advertising, according to Leading National Advertisers.

The move could be bad news for Backer Spielvogel Bates, New York, which handles both divisions, because Mr. Achenbaum has a reputation for negotiating lower fees than agencies prefer. Both divisions have operated under a fee payment system for several years; M&M/Mars also switched to a fee from a 15% commission earlier this year.

"We believe we need an equitable review of agency costs," said Thomas Armstrong, president of Kal Kan.

He said he asked Mr. Achenbaum to conduct seminars on agency costs for the company's purchasing agents, whose decisions affect agency compensation.

"He is working on the education of our people in agency cost development," Mr. Armstrong said. "My commercial people don't understand how an agency develops its costs."

Mars calls its purchasing people "commercial people," but the

(Continued on Page 75)

Newspapers plot new expansion

By PATRICK REILLY

For an industry that's supposed to be shrinking, there are signs that some newspaper publishing companies have expansion on their minds.

As publishers convene today in Chicago for the American Newspaper Publishers Association annual meeting, some of them are making moves that point to new life in the newspaper industry.

Problems of flat daily newspaper circulation, especially in monopoly markets, continue to vex the industry. Still, new daily metropolitan newspapers in St. Louis and Washington are being planned—something the industry hasn't seen in years—while other publishing companies are expanding existing properties.

Among recent developments:

- *The New York Times* on May 1 will introduce a third section to its two-section national edition in Seattle and Tacoma, Wash., and Portland, Ore. The move follows similar successful debuts in 1988 of third sections for the *Times*' national edition in Los Angeles and San Francisco. The third section focuses on arts, entertainment and lifestyle coverage and carries regional ads.
- Ingersoll Publications Co. will launch a daily tabloid next September

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Inside:

BMP eyes white knight—P. 1
Campbell hungry for football—P. 3
One-on-one with Ed Meyer—P. 4
Agency layoffs leveling off—P. 36

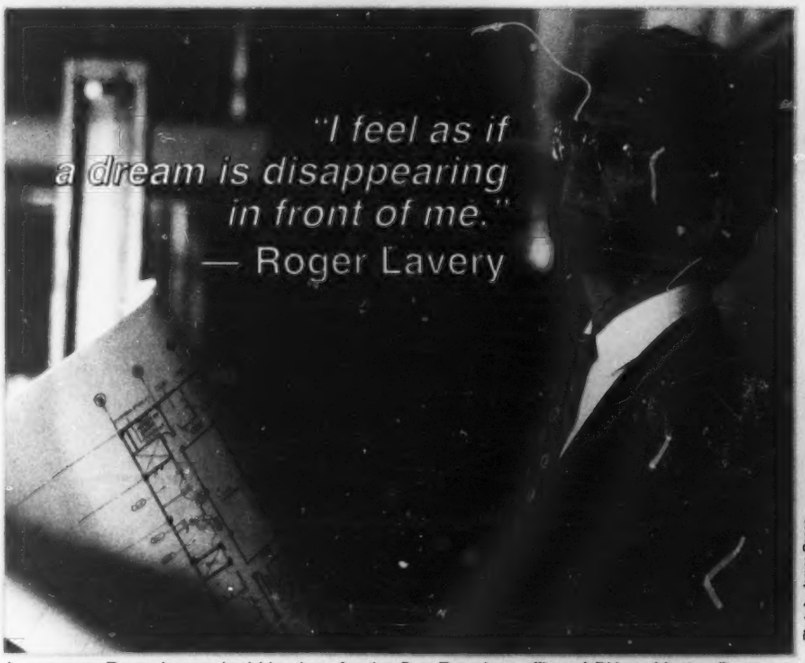

Photo by James Rees

A year ago, Roger Lavery had big plans for the San Francisco office of D'Arcy Masius Benton & Bowles. Less than a month ago, the office closed.

Having a dream; watching it die

Diary of an agency exec

By ALICE Z. CUNEO

In September 1987, Roger M. Lavery took on the biggest challenge of his career.

D'Arcy Masius Benton & Bowles tapped him to rescue its foundering San Francisco office. Once among the largest agencies in town, with billings of $29 million and heavyweight clients including Bank of America and Crown Zellerbach, D'Arcy San Francisco had suffered a steady decline.

When Mr. Lavery, then 38, took over as managing director, its billings stood at $22 million—half from Sun-Diamond Growers of California for its Sun-Maid raisins and Sunsweet prunes accounts. Employment had dwindled to two dozen people.

D'Arcy hired Mr. Lavery away from DDB Needham Worldwide's San Francisco office, where he was exec VP-general manager and had built a reputation as a guy who could bring in business.

Last April, six months after Mr. Lavery took on his new position, ADVERTISING AGE began to monitor his progress.

Mr. Lavery allowed a reporter to sit in on meetings and otherwise have the run of the agency for a week, and AD AGE has kept close watch on the agency for the past year.

Things haven't turned out the way Mr. Lavery had hoped. Last month, despite a desperate 11th-hour appeal by Mr. Lavery to save his shop, D'Arcy sold its San Francisco office to his former employer, DDB Needham.

Here's our story of a year in the life of an adman who reached for a dream but fell short.

April 1988: Day one

The tall, curly-haired Mr. Lavery, who lives alone, starts the day with his 5-mile, 5:30 a.m. run from his Pacific Heights condominium to the Golden Gate Bridge. By 8 a.m., now in a blue pinstripe suit, he's on the job.

D'Arcy's run-down offices in the financial district provide an apt contrast to the splashy neon of Chiat/Day, the leather floors of Foote, Cone & Belding and the understated elegance of Hal Riney & Partners, the city's big-name agencies.

But not for long, Mr. Lavery says, eyeing a strip of architectural drawings on his otherwise bare wall. These are for "The Space"—the new offices in the trendy advertising neighborhood that D'Arcy will soon be occupying.

"When I made the announcement [about the move], I got laughs," Mr. Lavery says. "They had been promised they would be moving for three years."

The cornices of the building housing the new

(Continued on Page 47)

April 24, 1989

Advertising Age

Crain's International Newspaper of Marketing.

Burger King axes Ayer

By SCOTT HUME and GARY LEVIN

Burger King Corp. finally tackled the Whopper decision Friday, abruptly firing N W Ayer, New York, as national agency on its $150 million account.

Surprisingly, Ayer wasn't allowed the face-saving gesture of being included in a review.

Instead, new Burger King Exec VP-Marketing Gary L. Langstaff will hear presentations in three to four weeks from D'Arcy Masius Benton & Bowles, New York; Saatchi & Saatchi Advertising, New York; and J. Walter Thompson USA, Chicago.

Burger King said the three agencies have been given a "strategic brief." The assignment involves the theme line "We've got a taste all our own," created by Ayer as a possible successor to "We do it like you'd do it," sources close to the chain said. Burger King executives are said to want a new campaign strategically similar to that line.

Ayer Vice Chairman Jerry Siano said the agency had gotten positive feedback from Burger King until the very end, but he also confessed, "Honestly, in many ways it's like a major gorilla off our backs."

Mr. Siano will be named chairman-ceo of the New York-based agency at a board meeting tomorrow.

Ayer's ouster wasn't surprising; its hold on the account had been unsure during most of its 19-month tenure. During that period, Burger King has had two different owners, three chief executives, four top marketing officials and continual reports of franchisee dissatisfaction with Ayer's "We do it" campaign.

Ayer officially has the national account until September. The new agency's campaign likely will start in October.

A Burger King spokeswoman said Ayer also will "continue to handle the local business for the time being." Local advertising accounts for perhaps $90 million of Burger King's $150 million in media ad spending.

Mr. Siano said he didn't know how long the agency would continue to handle local media but said "at this point, we'll do whatever we have to do [to keep it]. We're doing it on our own pride."

Conspicuously absent from the list of finalists is Foote, Cone & Belding, Chicago, which spent several months working to land the account.

The agency reportedly was close to signing a contract with Burger King when the chain's marketing chief, Anthony Lavely, was dismissed. That move apparently scotched that plan.

FCB had one more shot at the Burger King business early in March, when newly named CEO Barry Gibbons flew to Chicago to hear the agency's strategic and creative presentations.

The choice of JWT's Chicago office was especially surprising. JWT in New York handled the Burger King account for 11

(Continued on Page 77)

White knights circle BMP agency

By LAUREL WENTZ

LONDON—Boase Massimi Pollitt, fighting a hostile takeover attempt by France's BDDP Group, appears to be open to two white knights from the U.S.

The most acceptable "friendly" takeover candidate could be one of the multinational agencies Chairman Martin Boase talked to before BBDP's March 30 bid, including TBWA, New York.

TBWA Chairman-CEO William Tragos last week said his agency bought 2.6% of BMP's stock for $5 million. The size of the TBWA stake—bought at 320 pence per share—apparently was limited by the availability of stock in the market and stockholders willing to sell.

TBWA bought its BMP stake from Allied Dunbar Asset Management Co., one of BMP's largest shareholders until it sold its remaining 3% last week.

An indication of TBWA's seriousness is the agency's appointment of financial advisers Barclays de Zoete Wedd and financial public relations company Dewe Rogerson here.

But another potential white knight could be New York-based Omnicom Group's BBDO Worldwide.

BMP and BBDO officials had been talking about sharing equity in some BBDO agencies around the world before the French agency's bid for the British shop.

Mr. Boase, however, denied he's considering a friendly takeover.

"We had been talking to people before [BDDP President-CEO Jean-Claude] Boulet came along, and we have had 25 calls since he came along," he said. "We aren't talking to anyone, not even the ones we have talked to before.

"It's awfully difficult to be talking about the right partnership for Europe when a hostile bid is on the table. I don't think we need anybody at the moment. I think we're going to fight off Boulet [alone]."

Partly triggering the white knight speculation is the fact that Mr. Boase was talking to agencies and networks before the BDDP bid, trying to put together a continental European network.

Mr. Boase has been under pressure from clients of his biggest agency, BMP Davidson Pearce here, to expand internationally. Those clients include Unilever.

Analysts and financial advisers involved say they believe that if Mr. Boase gets a friendly offer he likes, he will agree.

"The 'For Sale' board is up, but it's around the back of the house rather than the front," said Chris Akers, an analyst at Citicorp Scrimgeour Vickers. "I think a deal will be agreed [to], and BMP will recommend it" to shareholders.

Before BDDP's bid, BMP talked to BBDO about a deal in which BMP would buy into a number of continental BBDO agencies such as ARA BV in the Netherlands

(Continued on Page 77)

THE BATTLE OVER BMP

Staff photo by Doug Goodman

William Tragos vs. Jean-Claude Boulet

Last Minute News

Ayer gets low-cholesterol egg business

NEW YORK—N W Ayer, which lost Burger King's national account Friday, was named agency for C.R. Eggs, King of Prussia, Pa., on the same day. Ayer said first-year test-market spending will be $6 million. The agency also said spending could grow to more than $60 million and eventually be as much as $90 million. The company has the patent for a chicken-feed supplement that appears to reduce cholesterol in eggs. Test-marketing of the eggs is expected to start in September. "It's exciting, and we're very optimistic," said Jerry Siano, Ayer vice chairman and Ayer USA unit chairman.

Exxon gives $10M for Alaska campaign

FAIRBANKS, ALASKA—Exxon will give the Alaska Tourism Marketing Council and the Alaska Visitor Association an estimated $10 million

(Continued on Page 8)

Salem turns up the sound

By GARY LEVIN

R.J. Reynolds Tobacco Co. is mounting perhaps its most ambitious promotional marketing program for Salem cigarettes.

RJR will woo young adult smokers with "Salem SoundWaves," a huge effort that encompasses advertising, promotional events in nightclubs, a direct-mail record and tape club, and an every-other-monthly, controlled-circulation music magazine.

The drive also includes the standard assortment of premium offers—pocket radios, cassettes and T-shirts, for example—available free or at reduced prices by mail or in retail stores.

"Salem SoundWaves," now entering selected sales territories, is scheduled for national rollout this summer.

Sources said the total "SoundWaves" budget approaches Salem's media-advertising outlay, budgeted separately. RJR puts about $40 million in measured media advertising behind Salem.

"This is the largest fully integrated music-marketing program in history," said Larry Gershman, director of sales promotion for FCB/Leber Katz Partners' Integrated Communications Group, New York, which developed and executed the effort.

"SoundWaves" focuses on what introductory ads call "the freshest new music"—in a play on Salem's current ad theme—that promotes mainly "cutting edge" rock music from up-and-coming performers.

FCB/Leber Katz's current general ad campaign for Salem, themed "The refreshest," will continue alongside the new program.

The move reflects RJR's new

(Continued on Page 76)

Ogilvy, D'Arcy perking at GF

By GARY LEVIN
and JUDANN DAGNOLI

NEW YORK—Ogilvy & Mather and D'Arcy Masius Benton & Bowles will meet with General Foods USA this week to determine the next step in their quest for the $50 million Maxwell House account.

General Foods executives last week put off a decision until late May, though they did drop Grey Advertising and Young & Rubicam from the review. All are major General Foods agencies.

Parent Kraft General Foods Group also last week consolidated more than $200 million in network and cable TV buying at D'Arcy, pulling Kraft business from Foote, Cone & Belding, Chicago, and reshuffled executives at General Foods USA.

Incumbent O&M declined comment on the review, though officials have previously expressed pessimism about its chances of keeping the account. The agency's New York office has been buffeted by account losses and morale problems in recent months.

But an O&M executive said the agency was "delighted" to remain in the review.

"It's a pity we're still on the rack for another four or five weeks," he said, "but it's better to be on the rack than killed."

Sources said General Foods wasn't "100% confident" of any of the presentations it heard in recent weeks from the four shops for Maxwell House's ground and instant coffees. But it apparently saw enough promise to ask O&M and D'Arcy to work toward fine-tuning their concepts rather than return them to the drawing board for new ideas.

Exactly what that fine-tuning entails will be learned by the agencies later this week.

Some observers speculate that possibly General Foods was weighing the impact of a Maxwell House loss on its long-term relationship with O&M.

"There are definitely more implications to this decision than a yes or no on Maxwell House, whether they want to recognize it or not," an O&M source said.

The move of Louis Gerstner Jr. from American Express Co. to ceo of RJR Nabisco could signal a new opportunity for O&M, should it decide to forsake the rest of its General Foods business in the wake of a Maxwell House loss.

Mr. Gerstner has close ties with senior executives at O&M because AmEx is one of the agency's largest worldwide clients. RJR itself is analyzing its operations in the wake of its buyout by Kohlberg Kravis Roberts & Co.

But O&M has given no indication that it would resign an additional $40 million in other General Foods USA business, including some Post cereals and Tang instant breakfast drink. It also has international assignments on several brands, including Maxwell House.

Leo Burnett USA, Chicago, earlier rumored to be pitching Maxwell House, has insisted it turned down a chance to pitch because of conflict concerns. It did, however, make a credentials presentation to General Foods officials, opening the door to potential future assignments (AA, April 3).

NBC-TV "Today" weatherman Willard Scott is reportedly involved in a new campaign for the brand via O&M, but that cam-

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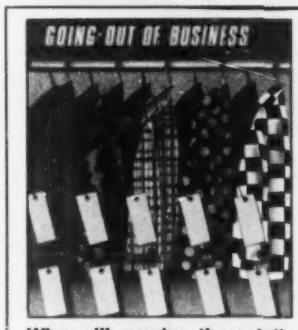

Who will survive the retailing shakeout? See "Special Report," following P. 50.

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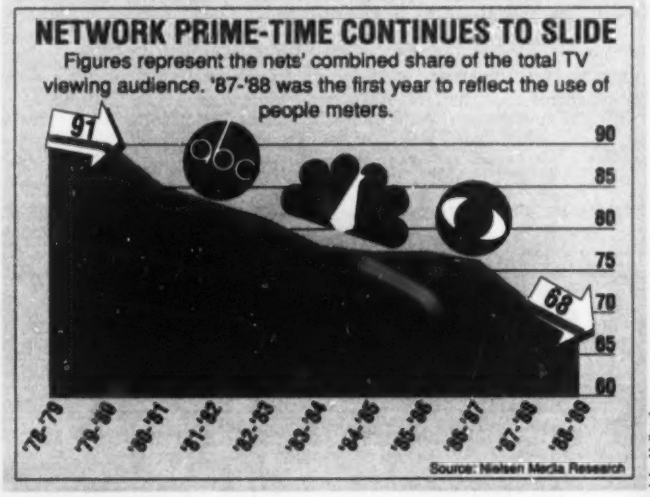

John Holland

Net TV declines to affect upfront

By JUDITH GRAHAM

NEW YORK—The erosion of audience share at the Big 3 TV networks will continue into next year and probably affect price negotiations during the coming upfront buying season.

For the just-ended 1988-89 season, the networks' combined slice of the total prime-time TV viewing audience slipped to 68 share points, from 71 for the previous season. Cable TV wrested 2 points from the networks while independent TV stations, including the fledgling Fox Broadcasting Co. network, accounted for the remaining lost point.

Both CBS and NBC faulted the writers' strike and the shortened season for the falloff. Both predicted the 1989-90 season will be different. They say network ratings and shares have evidenced a recovery this year and that the bulk of viewer defections occurred in the fourth quarter of 1988, in the wake of the strike's impact.

"I anticipate next year the [three-network share] decline will be minuscule—maybe another share point," said Gerry Jaffe, VP-sports research at NBC. "I'm anticipating a better start to the season, and I think that the major growth in cable has slowed."

But in an apparent breaking of the ranks, ABC disagreed.

Based on the record of the past several years, ABC predicted the Big 3 will lose yet another 3 or 4 share points in the 1989-90 season, due largely to cable.

"Is network erosion stopping or leveling off? The answer is no," said Alan Wurtzel, ABC's senior VP-marketing and research services. He said he expects stabilization to occur around 1992, when cable systems finish penetrating unserved areas of the country.

Just which network scenario advertisers believe will affect both pricing and demand during the coming upfront selling season, when much of the networks' commercial time is sold in advance for the next full TV season.

"What I buy is audience," said Bart McHugh, VP-national broadcast at DDB Needham Worldwide. "But from the networks' point of view, fewer people are watching, shares are lower and audience delivery is lower. They can't expect me to pay more for that."

Mr. McHugh suggested ABC might be more willing to admit erosion because of anticipated weakness next season and a desire to extend more moderate pricing offers to advertisers.

"My initial reaction to what we saw at [pilot] development meetings is that CBS may have an edge on ABC in development," he said.

Audience shrinkage will effect price haggling over both established shows and new programs.

"We are going to have to factor continued erosion into upfront considerations," said Michael Drexler, exec VP-national media director at Bozell. "At some point, you have to say that even if a show appears to be

(Continued on Page 77)

Pepsi tops ad recall after Madonna flap

By SCOTT HUME

Maybe it doesn't matter what's said about your commercial spokesman as long as the product's name is spelled correctly.

Pepsi-Cola had the best-recalled advertising in March, according to ADVERTISING AGE's monthly adWatch survey. It also was the most controversial advertising.

The company broadcast a new commercial for regular Pepsi featuring rock singer Madonna and using clips from her new music video "Like a Prayer" (AA, March 6).

The controversy started almost immediately, though it focused more on the video than the commercial. Religious groups such as the Rev. Donald Wildmon's American Family Association complained about the video's "misuse" of Christian symbols.

The commercial contained none of the video's controversial scenes, but the protest spilled over into threatened boycotts of Pepsi-Cola Co. products (AA, March 13).

Concerned that consumers too easily confused the video with the commercial, Pepsi-Cola finally said it was pulling the spot.

The protest dramatically boosted ad awareness for Pepsi-Cola. The percentage of people for whom Pepsi's advertising came to mind first more than doubled between the February and March surveys.

Pepsi was the best-recalled advertiser among all age groups except those age 65 and over (for whom Ford was the winner). Not surprisingly, however, Pepsi got its strongest recall among respondents ages 25 to 34.

When respondents were asked specifically which soft-drink advertising first came to mind, Pepsi scored again. It kept its No. 1 rank in the category with 40.9% of first mentions, up from 37.6% in February. Coca-Cola was second with 29.6%, down from a 32.5% share. Diet Coke was third with 8.9%, compared with 9.4% in February.

Pepsi knocked McDonald's Corp. out of the first-place rank it held in February, but Big Mac actually increased number of first mentions. The restaurant chain didn't have Madonna, but it did have the heavily advertised Scrabble in-store promotion (AA, March 13).

Maybe Madonna would have helped Sears, Roebuck & Co.

The retailer last month launched the biggest ad blitz in its history, estimated to have cost up to $100 million over just three weeks (AA, Feb. 27). Even with all that spending to announce its shift to "everyday low prices," Sears couldn't crack the top 10.

But it was close: It tied with Buick, Miller Brewing Co. and Oldsmobile for the No. 12 spot, just out of the money.

AdWatch is a joint project of AD AGE and the Gallup Organization. Advertising awareness is measured by asking a nationally projectable sample to name the first advertising that comes to mind from all seen, heard or read in the previous 30 days.

Last month, 1,000 adults were polled by phone. The margin of error is plus or minus 3.1%.

Elsewhere, Michelin Tire Corp. is making a comeback in the tire category. Overshadowed for the past few months by the high awareness level of Goodyear Tire & Rubber Co.'s advertising, Michelin has been a distant No. 2.

Last month the gap closed. Goodyear remained No. 1 with 23.2% of first mentions, down from 25.1% in February. But Michelin moved into a close second with a 22.1% share, up from 19.1% a month earlier. Firestone Tire & Rubber Co. was third with 6.7%.#

For more information, contact the Gallup Organization, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

ADWATCH SURVEY OF ADVERTISING AWARENESS
TOP 10 IN MARCH

Last month, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Source: Gallup Organization, Lincoln, Neb.

Rank 3/89	Rank 2/89	Advertiser	Agency
1	2*	Pepsi-Cola	BBDO Worldwide
2	1	McDonald's	Leo Burnett USA
3	4	Coca-Cola	McCann-Erickson Worldwide
4	5	Ford	J. Walter Thompson USA
5	3*	Chevrolet	Lintas:Campbell-Ewald
6	6	California raisins	Foote, Cone & Belding
7	7	Tide	Saatchi & Saatchi Advertising
8	8	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham
9	—	Toyota	Saatchi & Saatchi DFS
10*	—	Chrysler	Retail
10*	—	Honda	Rubin Postaer & Associates

* Indicates a tie.

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FOCUS ON EMPLOYMENT

Job cutbacks slow at top agencies

By GARY LEVIN and JON LAFAYETTE

NEW YORK—The spate of personnel cutbacks among the largest U.S. ad agencies in recent years has tapered off as many shops find themselves with little more to trim.

The latest semiannual ADVERTISING AGE survey of U.S. employment trends shows that 21,232 people were on the payroll of the 10 largest agencies as of April 1, a 1.8% increase from a similar survey conducted last November.

But this figure was skewed by several acquisitions and divestitures in recent months.

Lintas:USA, for example, jumped in as the sixth-largest U.S. agency employer once its buyout of Fahlgren & Swink, Parkersburg, W.Va., was included (AA, Oct. 17). The deal, which added nearly 300 workers, boosted the agency's head count by 18.3%, the largest single jump.

On a smaller scale, J. Walter Thompson USA's 6.5% gain is explained partly by 50 employees of Donahue & Associates, a recruitment ad agency acquired late last year.

Declines by some agencies are similarly explained: Grey Advertising lost 100 employees, or 5.1% of its work force, with its sale of the LBS Communications syndication unit (AA, Nov. 28). And Ogilvy & Mather U.S.'s 3.6% drop is attributable mainly to Ogilvy Group's sale of its 88-employee Rolf Werner Rosenthal healthcare agency (AA, March 27).

Most agencies, however, reported gains or losses of less than 1%, as continued work-force reduction goals have finally been met.

"We feel we're at our fighting weight," said Edward L. Wax, chairman-ceo of Saatchi & Saatchi Advertising. The agency had been cutting staff since the 1987 merger of Saatchi & Saatchi Compton and Dancer Fitzgerald Sample.

Clayton Wilhite, president of D'Arcy Masius Benton & Bowles' domestic operations, said he thought his agency had "reached an equilibrium" in the "balance between workload and manpower."

That means "we are not on a crusade to reduce the number of people at DMB&B," he said. "After three years of consolidation, contraction and restructuring [since the merger of D'Arcy MacManus Masius and Benton & Bowles], we're in a good state."

Ogilvy Group's total staff grew by just 2% since 1986, said Chairman-CEO Kenneth Roman, despite a 50% increase in group revenues.

"I think the employment picture is one of everyone in the business just taking a look at trying to be as efficient as possible," said Chuck Peebler, ceo of Bozell, Jacobs, Kenyon & Eckhardt.

"In many cases, that's meant letting attrition take care of balancing out" staffing needs, he said, adding that the movement is industrywide. "Everyone in my position, given the nature of the business cycle, is being attuned to adjusting the picture quickly," based on rapid billings losses or gains.

Lintas, for example, has had to boost staff because of recent wins from IBM Corp. and RJR Nabisco. Leo Burnett USA's work force rose 3.1% as a result of new business, continuing an uninterrupted climb.

BJK&E's Bozell and Poppe Tyson agencies ranked 11th in the current survey, with 1,621 employees, a 1.5% drop from November, when it ranked 10th. As a result, it's not included in the accompanying chart.

WHERE THE JOBS ARE

Staffing at the 10 largest U.S. advertising agencies, ranked by employment, was up 1.8% to 21,232 in March from 20,864 last March. Figures are total agency employment, excluding public relations and consulting. March ranking in parentheses.

Agency	March 1989	Nov. 1988	% chg
1. Young & Rubicam (1)	3,060	3,050	0.3%
2. J. Walter Thompson Co. (2)	2,513	2,359	6.5
3. Foote, Cone & Belding (3)	2,359	2,346	0.6
4. Ogilvy & Mather (4)	2,204[1]	2,206	-3.6
5. Leo Burnett USA (5)	2,077	2,015	3.1
6. Lintas:USA (-)	1,920	1,623	18.3
7. Grey (6)	1,877[2]	1,977	-5.1
8. McCann-Erickson (7)	1,816	1,799	0.9
9. DMB&B (8)	1,753	1,749	0.2
10. Saatchi & Saatchi (9)	1,653	1,660	-0.4
TOTAL	21,232	20,864	1.8%

[1]Reflects sale of Rolf Werner Rosenthal healthcare agency.
[2]Grey total reflects sale of LBS Communications unit.

Source: Advertisers Intl

Also just below the top 10 were Omnicom Group sister agencies DDB Needham Worldwide, with 1,599 workers, and BBDO Worldwide, with 1,570.

Head-count reductions aren't the only answer to cost cutting, some executives said.

John Dooner, president of McCann-Erickson USA, said that if revenue gains don't come, there are a number of costs you can go after to keep profits rising. "It's not just employees," he said. "There's travel, expenses, the timing of raises."#

Scott Hume in Chicago contributed to this story.

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Freelancers flood into market

By JON LAFAYETTE

NEW YORK—Mergers, consolidations and cutbacks have thrown many agency executives into a freelance pool that may be reaching unprecedented size.

One estimate from Team Works, a free-lance placement service, puts the number of advertising freelancers at more than 4,000 nationwide, a labor force that earns about $330 million annually.

Free-lancing has become an obvious job alternative as people find themselves out of work, a condition that has affected many as agencies pare their staffs to improve the profit picture.

Team Works was launched by a former William Esty Co. creative team who found themselves on the street after Esty lost the $170 million Nissan Motor Corp. USA account in 1987.

Al Blanco, president of the service, said hiring freelancers for the busy times costs less than hiring full-time help because freelancers get no benefits and don't require full-time staffs and offices.

Freelancers also can be used on time-consuming new-business pitches because "agencies can't afford to keep experts in categories they're not in anymore," Mr. Blanco said.

Agencies can check freelancers' backgrounds to match experience with the prospective client's industry.

Besides art directors and copywriters, the company represents freelancers in fields including marketing, public relations and promotion.

Team Works has about 1,200 freelancers nationwide on its computer. In a survey of a sampling of them, the company found that freelancers work an average of 12 days a month. Their average day rate is $453, and they do 60% of their work for agencies and 40% for advertisers.

Of those freelancers surveyed, only 26% said they wouldn't take a permanent job.

"Some are making $1,000, some are making pennies," said Matty Forbes, a former VP at Wells, Rich, Greene who now free-lances. "They got me four weeks at Griffin Bacal, a week and a half at Kornhauser & Calene."

Freelance Solutions, a competitor of Team Works, agreed that business is good.

"Sure we're busy," said Gary Shapiro, director of operations. He said his company has some 2,000 freelancers across the country in its files.

All agency executives, however, don't buy all the arguments in favor of freelancers.

"It doesn't save us anything," said Ed Vick, president of Ammirati & Puris. He said the cost mounts quickly for good freelancers, who work at high daily rates.

"We try not to use a lot of freelancers, and it's going down every year as the agency gets larger," Mr. Vick said.

"During the years we have [used freelancers] when there's a crunch," said Robert Schmidt, ceo of Levine, Huntley, Schmidt & Beaver. Generally, though, he said the agency tries to avoid them because "an agency's creative product gets inconsistent if you have too many freelancers.

"Some guys do good work, but on average, they're average. They're Hessians, hired guns."

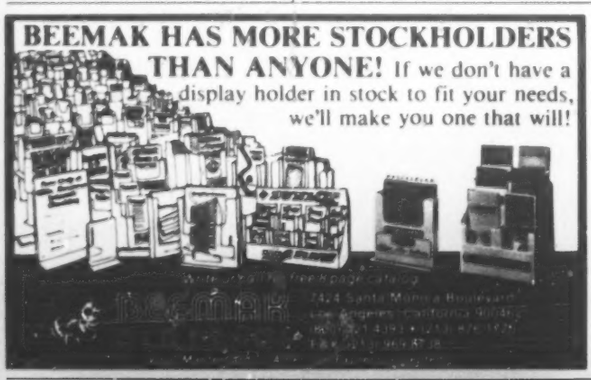
"We don't use them that regularly. We use them when all our creative teams are busy, when we have to make special presentations and during vacations," said Lila Sternglass, exec VP-creative director at McCaffrey & McCall. "There are some good, talented people out there.

"This place has always run very lean. They think twice before they hire. But then they want to know why we're spending so much on freelance," she said.

Some agency executives believe free-lance companies will have trouble keeping track of independent-minded freelancers.

"Once they find a place that gives them work more than once, why should they cut in a third party?" asked one executive who's seen several attempts to build a free-lance-based business fail.

But last year Team Works had sales of $1 million in free-lance payments and fees. This year, Mr. Blanco projects sales could top $3 million.#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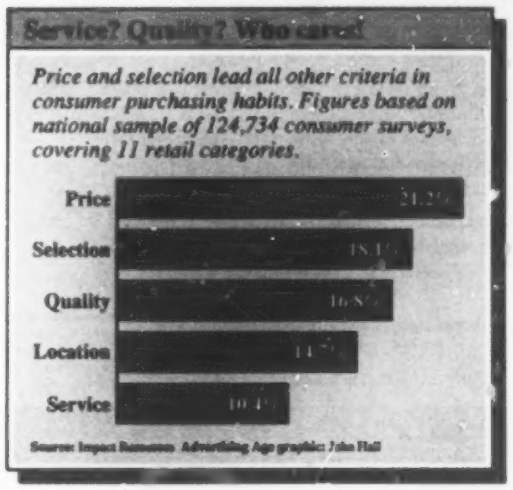
Walking the slippery retail tightrope

'Putting in a piano does not a Nordstrom make' so retailers need to tread the fine line in key variables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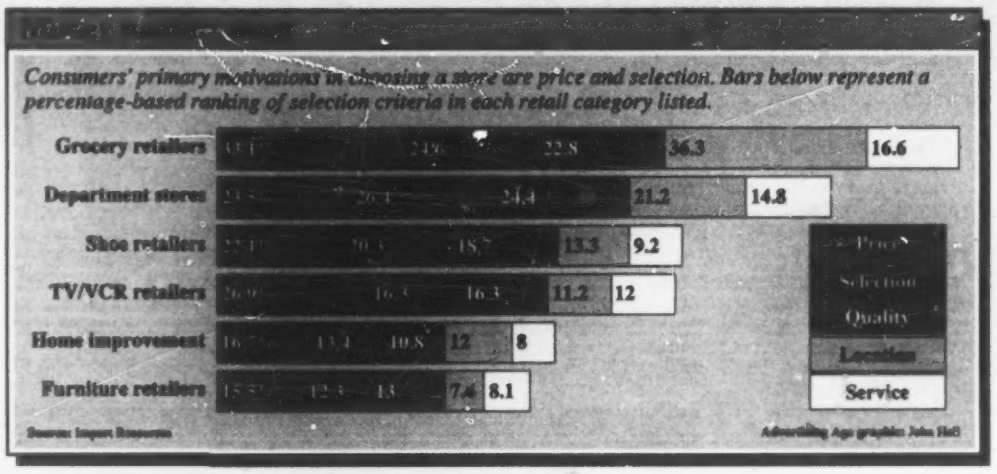
Selection
Quality
Location
Service
Source: Impact Resources Advertising Age graphic: John Hall



By Judith Graham

Retailers are renowned for poring over weekly sales results, and then placing their faith in buyers' gut instincts. But those gut feelings have produced their fair share of flops, and retailers are looking for new formulas to follow.

Increasingly they turn to successful retailers such as Nordstrom and Wal-Mart Stores for hints. The two retailers, while at opposite ends of the retailing spectrum, have built reputations around service and value, which merchants nationwide are rushing out to copy.

But "putting in a piano does not a Nordstrom make," quipped retail consultant Marvin Rothenberg at a recent retail conference in New York.

Other experts agree Nordstrom's unique corporate culture cannot be duplicated, and that simply overhauling sales associates' incentive compensation will not transform them into the gracious helpers for which Nordstrom is known.

According to a comprehensive survey by market researcher Impact Resources, service is not a primary reason why shoppers patronize a store.

The primary motivations in selecting one store over another are price, selection and quality, respectively. *(See accompanying chart).*

"Retailers who jump in and try to give Nordstrom-type service without having the right merchandise at the right price will have no special advantage," says Scott E. Sandberg, senior VP at Impact.

Service can act as a "tie-breaker" between retailers that already have their prices, selection and quality in good order, he says.

Impact's data also shows that the significance of services varies by retail category, as well as by the markets retailers are out to serve. The key reason why Nordstrom and Wal-Mart have such excellent reputations for service is that they have figured out what their customers want, and how to give it to them, Mr. Sandberg says.

Nordstrom pampers customers who have large amounts of disposable income by giving them various amenities.

But even so, Nordstrom customers say they place greater importance on the depth and quality of its merchandise. Service is only one part of a three-pronged marketing strategy that includes quality and selection as other elements.

The strategy differs at Wal-Mart, which generally attracts blue-collar, lower-income and less-educated customers. The chain's biggest attributes: service, price and location.

Wal-Mart's goal is to get customers in and out of its stores as quickly and easily as possible, provide hassle-free return policies, and assure shoppers through low-price policies that they are receiving a deal on merchandise.

Hoping to mimic Wal-Mart's success, many merchants have joined the everyday-low-price bandwagon. According to Impact's findings, they may be on to something.

The survey provides plenty of support for everyday-low-price strategies.

In addition to being the single most important determinant of consumers' store choices across all categories, price ranks first in importance for shoe retailers, furniture retailers, TV/VCR retailers and home improvement/hardware retailers.

According to the Impact survey, no single retailer dominates by virtue of its pricing policy in the department store or home improvement/hardware category.

In the furniture and TV/VCR categories, local merchants compete fiercely with national chains, frequently doing as well or better than their larger competitors; in the grocery category, local and regional merchants win, largely because of strong price-oriented advertising. □

Associate Editor Adrienne Ward coordinated this report on Retail Marketing.

Coming

Next week ADVERTISING AGE's Special Report will focus on **Sales Promotion.**

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Ad Age picks the Best of the Best—Pages 3, 34, 38, 39

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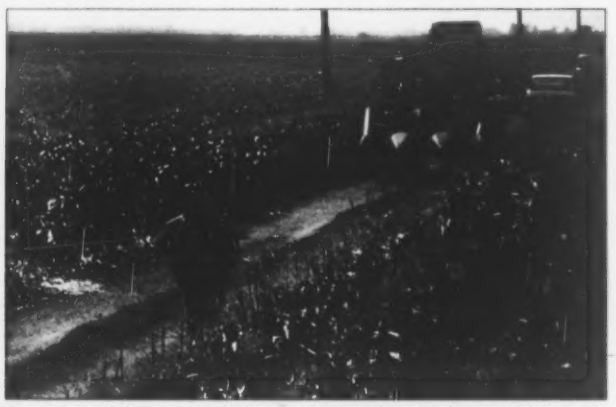
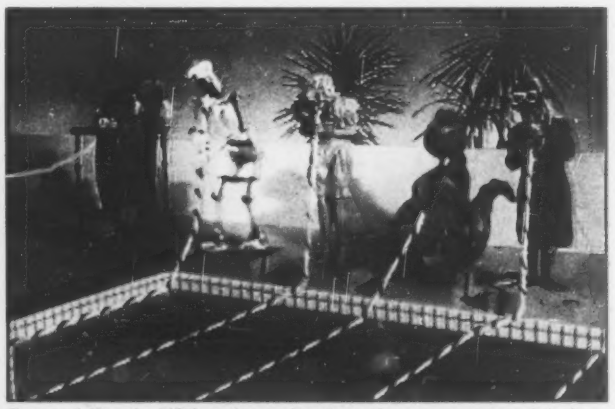


A group of farmers helping a neighbor's wife is one of the all-American images in new advertising that starts today for Miller High Life. The campaign, themed "The best comes shining through," is the first from Leo Burnett USA, Chicago *(see story on Page 84)*.

A Ronald McDonald clone who's tired of hamburgers appears in one of three new commercials for Arby's parodying fast-food burger advertising. The campaign starts today via W.B. Doner & Co., Baltimore *(see story on Page 84)*.



General Foods USA today unleashes six new commercials in a $25 million advertising and promotional blitz for Kool-Aid. Grey Advertising, New York, handles.

(Hot Stuff continues on Page 84)

FSI boom to go bust?

By JULIE LIESSE ERICKSON

Free standing inserts are on the way out with package-goods marketers.

Although FSIs accounted for a record 77.3% of all coupons distributed last year, price hikes, clutter and the waning impact on both consumers and retailers will take their toll on the FSI boom this year, experts say.

Marketers are switching their interest to new promotional alternatives, and some predict FSIs are doomed to become another dinosaur among coupon delivery systems, joining "best food day" run-of-press newspaper couponing.

"It's not going to happen overnight, but over the long term, it's realistic to expect a substantial shift of dollars out of FSIs and into other promotional systems. That's where our dollars are headed," said the director of sales promotion for a major food company, who requested anonymity.

"Various coupon vehicles come in and out of vogue—and now there's the FSI. As they become more cluttered and expensive, they will fade," said the advertising VP for another major food company, who also requested anonymity. "I think FSIs will go out of fashion like they have come into fashion—fairly quickly."

Steve Martin, associate director of marketing research for Manufacturers Coupon Control Center, a Dun & Bradstreet Corp. subsidiary, said, "I think marketers will seek out other ways of delivering coupons to consumers. That will be the major trend in 1989."

Mr. Martin attributed that to the FSI price hikes.

"I think what we're seeing is the pendulum coming closer to the center now—it might have swung too far in favor of FSIs in the promotional mix," said Steve Kapur, director of sales promotion at Kraft USA.

Not all the problems with FSIs—like clutter and low redemption rates—are new. But they have become an issue because of the average 20% price increase the two FSI suppliers instituted this year. Another 5%-to-10% boost is expected next year.

The price increases came in the wake of Rupert Murdoch's purchase last year of the No. 2 and No. 3 FSI suppliers. His News America FSI division is now larger than Valassis Inserts, formerly the No. 1 supplier of FSIs (AA, Aug. 22).

The price hikes also followed a reduction in the number of FSIs—down to 104 this year from 124 in 1988. Some marketers are complaining it's more difficult, particularly with large brand blocks,

(Continued on Page 82)

NBC's 'Roe' may turn off advertisers

By JUDITH GRAHAM

NEW YORK—Agency executives predict several advertisers will withdraw from an NBC-TV movie about the fight to legalize abortion.

Because of the current controversy over TV programming content, these executives say, advertisers will want to avoid an anticipated uproar over the made-for-TV movie "*Roe vs. Wade*."

"Many advertisers will want nothing to do with this program because of its provocativeness," said Alan Banks, exec VP-director of media at Saatchi & Saatchi Advertising. "Given today's climate, in terms of concern over program content, they're definitely concerned."

Said one senior agency media executive who asked not to be identified: "It's a no-win situation. Whether viewers are for abortion or against, they're likely to get upset. The subject is just too sensitive."

NBC is well aware of the issue.

"I'm sure it's going to happen—that advertisers are going to pull out" because of the sensitive nature of the subject, said one NBC executive who asked not to be identified. "But it hasn't happened yet."

Before advertisers and their agencies decide, they

(Continued on Page 85)

Last Minute News

AmEx Gold banks on Chiat

NEW YORK—American Express Travel Related Services selected Chiat/Day to succeed McCann-Erickson Worldwide on its $25 million Gold Card account. Chiat/Day's direct-marketing subsidiary, Perkins/Butler, succeeds Wunderman Worldwide on that portion of the account. McCann handles various AmEx accounts in Japan and several other international markets and keeps the $3 million Platinum Card account, which wasn't under review. McCann also failed to make the list of finalists for Shearson Lehman Hutton's $15 million-to-$25 million account. Now vying to succeed McCann are Ammirati & Puris and Ally & Gargano.

Faberge, Unilever stop talks

NEW YORK—Faberge and Unilever ended negotiations for the sale of Faberge's beauty businesses to Unilever. Unilever said Faberge owner Riklis Family Corp. proposed significant changes in the terms. Wall Street analysts said Riklis wanted royalty payments and to stagger transfer of assets besides the $1.55 billion cash price. Faberge Chairman Dan Manella attributed the split to "technical and legal problems" and wouldn't comment further except to add there's no intention now of selling Faberge.

NutraSweet wants to add shop

DEERFIELD, ILL.—NutraSweet Co. is contacting agencies about adding a shop to its roster, sources said. The assignment would cover new ventures,

(Continued on Page 8)

Judge deals blow to NAAG rules

By JENNIFER LAWRENCE

State attorneys general suffered a major setback last week in their mission to regulate airline advertising.

U.S. District Judge Walter S. Smith Jr. in Waco, Texas broadened an earlier preliminary injunction to prevent 33 states from enforcing the National Association of Attorneys General airfare guidelines. A Jan. 30 injunction applied only to Texas (AA, Feb. 6, *et seq.*).

The federal court order in effect kills enforcement of the guidelines until either Judge Smith or an appeals court rules otherwise.

Ronald D. Secrest, attorney with Fulbright & Jaworski, the law firm for the airlines, said the ruling should give the states pause in their drive to regulate national advertising.

State attorneys general and their assistants scheduled conference calls for April 28 and today to determine whether to appeal the expanded order, said Timothy Giles, chief spokesman and director of policy and communications for New York Attorney General Robert Abrams, one of the attorneys general named in the ruling.

Texas appealed the earlier preliminary injunction to the 5th U.S. Circuit Court of Appeals, but no ruling is expected until fall.

The lengthy battle between the airline industry and state attorneys general landed in the courts when British Airways, Continental Airlines and Trans World Airlines sued Texas Attorney General Jim Mattox over enforcement of the guidelines.

After Judge Smith enjoined Mr. Mattox from suing any of the three plaintiffs, the Texas attorney general filed suit against Pan American World Airways for deceptive fare advertising.

Since Judge Smith's original injunction only covered Texas, attorneys general in California, Kansas and New York filed similar deceptive advertising suits against TWA.

Judge Smith said in last week's order that "the court has determined that the injunction presently in effect must be broadened in order to provide meaningful protection to the plaintiff airlines. The suits inititated in other states on identical grounds and against the same parties demonstrate to the court that this matter is not merely of local interest but rather one that is of nationwide concern. Decisions made in the course of these proceedings have the potential of effecting broad-sweeping changes in the airline industry."

The order also granted the plaintiffs' motion for 10 foreign carriers to intervene in the suit—meaning they are protected by the expanded injunction.

Kansas Attorney General Robert Stephan called Judge Smith's order "mind-boggling."

"I damn well intend to enforce the law of this state," said Mr. Stephan, also one of the attorneys general named in the case. "I've never heard of anything like this before, for some federal judge to tell me I can't enforce my state law. . . . I don't think he understands the case. I don't think he has any evidence that we enforce the NAAG guidelines. States enforce their own state law."

The guidelines were adopted in December 1987 by more than 40 states to ensure a national standard for airfare ads. The effort, marking the first time states joined together to regulate national advertising, was heavily criticized by the ad industry, airlines and the federal government.#

Highlights

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4 Newspapers try to keep pace
The ANPA is trying to stay a step ahead of telephone companies in generating information and news for electronic publishing.

12 Clairol tones up men's hair
Clairol moves into the growing men's hair-coloring market with a national introduction of Option.

24 RC tries for a happy new image
Royal Crown cola is switching to humor in a major effort to revitalize its image.

26 TvB defends ad effectiveness
The Television Bureau of Advertising tries to discredit a report that claims ads don't work.

30 Soviet athletes play spokesman
Athletes in the Soviet Union may soon be doing product endorsements in the U.S. and U.S.S.R.

32 A PSA's touching story
The March of Dimes increases public awareness on the dangers of low-birthweight infants.

40 Subaru dumps dealer co-op ads
Subaru takes control of regional advertising by switching dealer co-op funding to regional network TV buys.

41 Rosenshine is back at BBDO
Allen Rosenshine returns to BBDO to regain the identity it's lost under Omnicom.

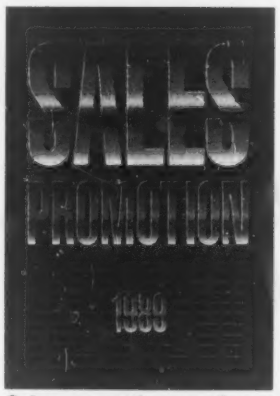
42 How did they shoot that?
Pinnacle Gold golf balls' commercials combine print, computer and live action to get the effects without the price.

60 Local shop loses control to FCB
Lewis Gilman & Kynett's president-ceo resigns as FCB takes more control over its agency network.

INTERNATIONAL

57 Baldness bout in Germany
Upjohn's Regaine prescription baldness remedy prepares to go head-to-head with Henkel-Lion's over-the-counter lotion in West Germany.

AD REVIEW: IBM finds "The Solution" with some cliches and an arresting look. P. 86.



Sales promotion continues hot streak. See "Special Report," following P. 58.

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Taco Bell shift to FCB stings Tracy-Locke

By MARCY MAGIERA

Tracy-Locke is crying foul over Taco Bell's selection of Foote, Cone & Belding, San Francisco, for its $75 million Mexican fast-food account.

"They are not square-dealers; they misled this agency," said one senior Tracy-Locke executive. The "need" to resign the account "came as a shock to us," he said.

Tracy-Locke resigned the account just hours before FCB's appointment.

As finalists in a covert review, FCB and the incumbent had planned to make full presentations to Taco Bell in mid-May. But Dallas-based Tracy-Locke resigned its Los Angeles office's only major account when it determined from Taco Bell sources that the PepsiCo subsidiary had no intention of retaining the incumbent no matter what, sources say.

The loss devastates Tracy-Locke's 3½-year-old West Coast operation, opened at Taco Bell's behest. Taco Bell represented almost 70% of the office's $110 million in billings; about 60% of the shop's 100 employees worked exclusively on the fast-food chain.

Remaining accounts are Pepsi-Cola West (a bottler group on a fee basis), Frito-Lay (creative only for Doritos tortilla chips) and Campbell Soup Co., for which Tracy-Locke is completing an apparently isolated assignment.

Tracy-Locke is a unit of the Omnicom Group.

Although the agency says it will "maintain a presence" in southern California, most observers doubt it can replace the lost billings and continue as a full-service shop.

The loss of Taco Bell "means we

(Continued on Page 8)

Ogilvy chief pans WPP buyout idea

By LAUREL WENTZ and GARY LEVIN

Ogilvy Group Chairman Ken Roman, in a whirlwind tour of eight London brokerage houses April 26, signaled Ogilvy would fight any takeover bid by WPP Group.

"It's fairly obvious [the visit was] a defensive move," said Neil Blackley, an analyst at James Capel & Co. "It's not as if [the company] suddenly decided investor relations was the correct thing to do on a global basis."

Mr. Roman's trip was made "basically to present the facts because there have been such half-truths and exaggerations about the company's performance. It was the same message that was in our ad Tuesday," said Toni Maloney, Ogilvy & Mather Worldwide senior VP-director of public relations

Ogilvy ran a page ad in *The New York Times* and *The Wall Street Journal* April 25 highlighting its May 12 headquarters move and changes in its account-service department, and offering what it called "the real story about [profit] margins."

Analysts said that at one meeting, Mr. Roman said he felt there would be no benefits to a WPP takeover and that dual networks didn't work particularly well for clients.

Mr. Roman also said there was absolutely no indication in the Ogilvy shareholders' list that WPP has bought into the company, analysts said.

Financial experts said WPP Chief Executive Martin Sorrell has been sounding out the London financial community for advice and reaction to a possible bid.

The community "poured cold water on the idea," one expert said.

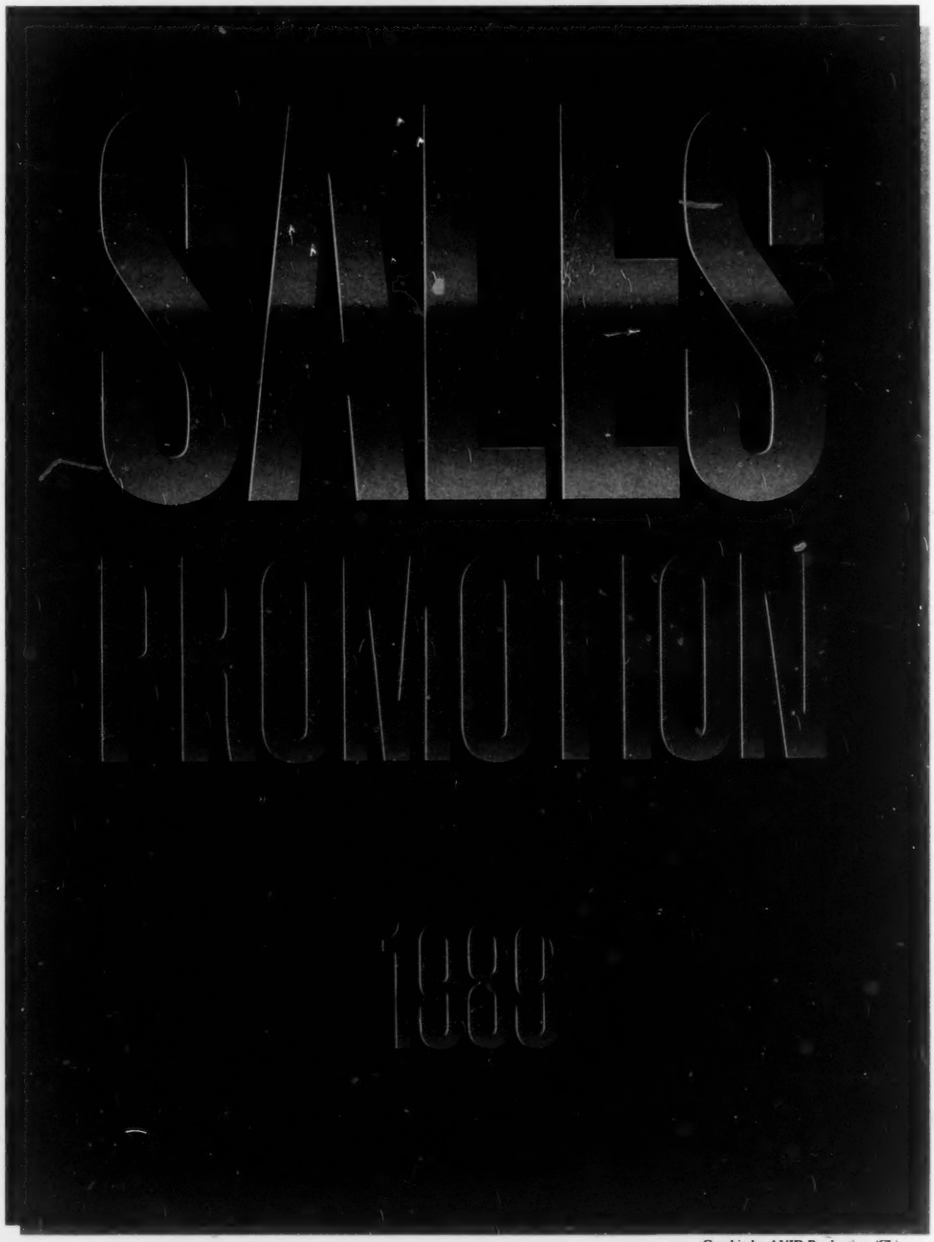
Members of the financial community are concerned about possible client losses from potential conflicts with WPP's J. Walter Thompson Co. They're also worried that financing such a deal could dilute WPP's

(Continued on Page 81)

Special Report

Marketing's rising star

Outstripping ad growth by wide margin, sales promotion looks to get hotter



Graphic by AVID Productions/Chicago

By Kenneth Wylie

In the battle for growth, sales promotion is whomping general advertising.

In case any doubters remain, the proof is here in b&w: Based on the revenue figures of their leading practitioners, sales promotion is growing at a rate 2½ times faster than general advertising.

Growth in sales promotion continued its breakneck pace in 1988 as the leading sales promotion agencies scored a 23.3% increase in revenues to $500 million from 1987's $404.3 million, according to ADVERTISING AGE's second annual survey of sales promotion agencies.

This function of marketing—traditionally tied to short-term sales growth although rapidly emerging as a long-range tool—eclipsed the 9.8% growth in U.S. revenues in 1988 attributed to the nation's leading ad agencies (AA, March 29).

Agencies surveyed in the report see no letup in the business' rampant growth. A 15% to 20% leap in revenue was the most common response to projections for 1989. Several were far more sanguine, even verging on combatant.

No. 1 full-service shop American Consulting Corp. boasts an anticipated 100% growth in revenue in 1989; Block Everett Nardizzi, No. 24 full-service, is looking at 50%; No. 14 full-service QLM Associates (FKB), at least 50%; and No. 16 full-service Sims Freeman O'Brien is aiming at 40%.

The agencies generally peg their rosy growth projections to a 50-50 split between existing accounts and new client activity.

Rapid growth in employment accompanied the increase in revenue. The full-service and specialty agencies logged a 17.8% growth in employment to 5,739 as their number of offices worldwide increased 13.1% to 181.

Sales promotion continues to spread regionally. While its stronghold remains the geographic pockets around metro New York and Chicago, emerging sales promotion centers such as Minneapolis-St. Paul, St. Louis, Texas and California are increasing sales promotion's national flavor.

Although D.L. Blair Corp. reports it closed its Atlanta office in 1988, it is experiencing strong growth, particularly from its West Coast business, and is expanding its Blair, Neb., operations center.

However, the sales promotion business still tilts toward the East, home to 78 shops, including 53 in New York City and the New York and New Jersey corridors; 12 in Connecticut; and 13 in other Eastern cities. The Midwest is second with 54, 25 in metro Chicago.

The East also is home to eight of the top 10 full-service promotion agencies. American Consulting, a New York based subsidiary of British-owned FKB Ltd., fueled its revenue stream with new account acquisitions to lead a surge among full-service shops. Its $24.3 million revenue tally squeezed out Garden City, N.Y.-based D.L. Blair at $24.2 million for the top spot.

Frankel & Co., Chicago, grew by a phenomenal 40% to $19.6 million, nudging it up from No. 4 in 1987 to No. 3, just ahead of Lintas:Marketing Communications, New York, whose $18.3 million in revenues were fueled by the acquisition of Muir Cornelius Moore, New York, in 1988. These shops are designated full-service because of their heavy involvement in strategic planning.

Frankel's 1987 ranking of No. 4 among full-service shops in this report is down from the No. 1 ranking the agency had in last year's issue because top specialty shops gained full-service status this year, and prior-year rankings were based on reports filed this year.

Specialty agencies—those with revenues generated largely by one or two services—were paced by Carnegie Associates, Santa Barbara, Calif., with $10 million in revenues, 64% of it generated by its incentives business. Heavily production-oriented Merchandising Workshop, New York, followed with $8.5 million, and Columbian Advertising Inc, a Chicago-based point-of-purchase specialist, was No. 3 at $7.6 million.

Advertising agencies offering significant sales promotion services were paced by Ross Roy Group's $5.3 million, followed by the Omnicom Group's Lavey/Wolff/Swift at $4.5 million. The sales promotion revenue growth among advertising agencies was about 20% compared with their overall growth of 13%—helping to explain why ad agencies are becoming more sales promotion minded.

Despite claims that the pool of available sales promotion agencies to acquire is shrinking, private ownership of sales promotion agencies is still by far the norm. But 17 of the 83 full-service and specialty sales promotion agencies in this report were subsidiaries of mainly larger sales -promotion companies, several of them having made that move in 1988.

The strategizing or planning area —consulting, planning and strategy —accounted for the biggest chunk of revenue. At $99.7 million this figure jumped 23.8% from 1987.

At the same time, production—generally regarded as a mainstay activity in the materials-intensive sales promotion business—fell to just 10.9% of the services provided with an agency revenue value of $40.4 million in 1988. In 1987 this figure accounted for 12.4% of services, valued at $39.2 million.

The biggest leap among the multitude of sales promotion services was recorded by event promotions, which jumped 81.6% to $11.1 million. As a percentage of overall agency services, it rose to 3% from 1.9% in 1987. Fulfillment grew to $8.2 million in revenues, up 56.3% over 1987.

Staff-time fees, one of the two major sources of revenue measured in this study, rose sharply to about $180 million, up 26.6%. This was 63.3% of total revenue for those agencies that broke out their revenues, up from 61.8% of the total in 1987, and reflects the increase in the strategizing end of the business—a fee-compensated service.

Commissions and markups, the other major revenue source, rose 21.5% to $90.1 million in 1988, although the total represents a drop of 0.7 percentage points to 31.7% of total compensation. □

A British point of view
Fresh from the acquisition wars, FKB's Duncan Bain and KLP's Gerry Postlethwaite share their thoughts on the industry's future S-8

I hate this spot
Top sales promotion executives reveal the campaigns they loathe. They also give thumbs up to their favorite promotional work S-11

Compensation carping
A rift is forming in the business, as agencies argue over agency-of-record status, the role of spec work and client relationships S-12

Classified information
The classified ads are brimming with calls for top-flight talent, but a fight erupts over who should be held accountable for training S-14

Top full-service sales promotion agencies

Rank 1988	Rank 1987 [1]		Agency, headquarters	Total revenues 1988	Total revenues 1987	Staff-time fees 1988	Staff-time fees 1987	Commission 1988	Commission 1987	Other 1988	Other 1987	Consulting[2] revs % '88 total revs	Leading service % '88 total revenues [3]	Top executive, title	Telephone
1	1	✓	American Consulting Corp. (FKB), New York	$24,300	$25,500	NA	NA	NA	NA	NA	NA	12.0	Design, execution/45.0%	Peter H. Engel, chmn, ceo	(212) 627-4100
2	2		D.L. Blair Corp., Garden City, N.Y.	24,200	22,500	NA	NA	NA	NA	NA	NA	19.0	Sweepstakes/27.0%	Thomas J. Conlon, chmn, ceo	(516) 746-3700
3	4	✓	Frankel & Co., Chicago	19,600	14,000	$15,900	$11,900	$1,900	$1,000	$1,800	$1,100	35.0	Art production /15.0%	Bud Frankel, president, chmn,ceo	(312) 938-1900
4	3	✓	Lintas:Marketing Communications, New York	18,315	15,923	NA	NA	NA	NA	NA	NA	NA	NA	W.P. Muir, chmn, ceo	(212) 463-7715
5	11	✓	Sales Aides International, Melrose Park., Pa.	16,555	9,851	NA	NA	NA	NA	NA	NA	NA	NA	Allen N. Liss, president	(215) 782-9090
6	10	✓	CCG/TCA, Greenwich, Conn.	16,425	10,653	12,100	6,692	4,325	3,961	NA	NA	45.0	Point-of-purchase/25.0%	Ted Colangelo, chmn	(203) 531-3600
7	12		Elnson Freeman, Paramus, N.J.	16,000	9,500	NA	NA	NA	NA	NA	NA	15.0	Creative/45.0%	P. Jan Anstatt, chmn	(201) 262-7200
8	7	✓	Promotion Group, Irvine, Calif.	15,430	12,050	NA	NA	NA	NA	NA	NA	20.0	Incentives/15.0%	Matt Alcone, president, ceo	(714) 770-4400
9	16	✓	Sage Worldwide Promotions, New York	14,108	7,105	14,108	5,500	NA	1,605	NA	NA	30.9	Point-of-purchase/27.0%	Spencer Hapoienu, sr vp, mng dir.	(212) 503-6300
10	5	✓	Comart-KLP, New York	13,700	12,900	11,000	10,500	1,700	1,600	1,000	800	16.0	Point-of-purchase/33.0%	Vincent Sottosanti, president, ceo	(212) 714-2550
11	6		Niven Marketing Group, Des Plaines, Ill.	13,828	12,879	6,332	5,975	7,284	6,904	NA	NA	NA	NA	Ronald D. Niven, president	(312) 298-0404
12	8		Flair Communications Agency, Chicago	12,680	11,261	8,568	7,451	4,112	3,810	NA	NA	25.0	Point-of-purchase/25.0%	Lee F. Flaherty, ceo	(312) 943-5959
13	13	✓	IMPACT, Chicago	12,150	9,112	9,100	6,800	3,050	2,312	NA	NA	90.0	Production/10.0%	Joseph P. Flanagan, president	(312) 751-3500
14	15	✓	QLM Associates (FKB), Princeton, N.J.	9,855	7,247	6,952	5,652	1,962	1,595	941	NA	25.0	Creative/50.%	W.R. Lipsky, president	(609) 683-1177
15	14		Marketing Corp. of America, Westport, Conn.	8,500	7,600	NA	NA	NA	NA	NA	NA	55.0	Execution svc/45.0%	Chris Barr, president	(203) 222-1000
16	23	✓	Sims Freeman O'Brien, Elmsford, N.Y.	8,368	4,544	3,856	2,977	4,494	1,567	18	NA	50.0	Graphics/25.0%	Jack Sims, ceo	(914) 347-2600
17	17	✓	Beaumont-Bennett, New York	7,345	6,880	1,577	1,098	5,768	5,791	NA	NA	NA	NA	Mike Zisser, chmn	(212) 984-6800
18	24		DelWilber & Associates, McLean, Va.	7,000	4,000	2,500	1,500	4,500	2,500	NA	NA	NA	NA	Del Wilber, president	(703) 749-9300
19	9	✓	Rogers Merchandising, Lombard, Ill.	6,960	10,766	NA	9,843	NA	923	NA	NA	NA	NA	Don Casey, ceo	(312) 953-9530
20	20		Cato Johnson/Y&R, New York	6,927	5,712	5,541	4,572	1,386	1,140	NA	NA	48.0	Graphics/20.0%	Donald Casey, chmn	(212) 941-3700
21	19		Siebel/Mohr, New York	6,786	6,079	5,303	4,700	1,410	1,379	73	NA	NA	NA	Frederick Siebel, chmn	(212) 593-0500
22	18	✓	Interroup Mktg & Promo., Bloomfield Hills, Mich.	6,594	6,716	1,727	2,010	4,867	4,706	NA	NA	11.0	DM, merch., promo/57.0%	Richard H. Ross, president, ceo	(313) 433-5200
23	21	✓	Communications Diversified, New York	6,400	5,600	NA	NA	NA	NA	NA	NA	35.0	Co-op promotions/15.0%	William Hennebery, chmn, ceo	(212) 213-3300
24	25		Block Everett Nardizzi (BEN), New York	5,640	3,700	4,200	3,300	1,440	400	NA	NA	NA	Point-of-purchase/40.0%	Joseph Block, president, event mktg	(212) 505-9303
25	22		William A. Robinson, Chicago	5,600	4,800	2,600	2,300	1,500	1,000	1,500	1,500	20.0	Creative/20.0%	Bill Robinson, ceo	(312) 372-9333
26	NA		Saugatuck Group (FKB), Westport, Conn.	5,486	NA	1,625	NA	3,761	NA	100	NA	15.0	Creative/28.0%	Gary W. Oakley, chmn	(203) 226-6042
27	30	✓	Amrein Marketing Associates, Wilton, Conn.	5,361	2,500	2,144	NA	2,734	NA	483	NA	35.0	Sweepstakes/20.0%	James R. Amrein, president	(203) 762-9464
28	26		Lee Hill Inc., Chicago	5,142	3,699	NA	NA	NA	NA	NA	NA	70.0	Creative/20.0%	Paul Rogalla, president	(312) 266-9090
29	27	✓	Bell & Partners, South Norwalk, Conn.	4,200	3,331	NA	NA	NA	NA	NA	NA	28.0	Audio, visual/25.0%	Martin J. Bell, president	(203) 866-2877
30	29		ICE Communications, Rochester, N.Y.	3,791	2,870	NA	NA	NA	NA	NA	NA	NA	NA	Francis. J. Cosentino, president, ceo	(716) 244-5400
31	28	✓	Marcon Marketing Services, New York	3,259	3,075	2,483	2,400	776	675	NA	NA	46.0	Point-of-purchase/15.0%	Stephen Field, president	(212) 683-3332
32	36		American Mktg. & Commun., Santa Barbara, Calif.	3,237	2,122	1,762	1,147	1,475	975	NA	NA	NA	NA	Richard H. Rovsek, president	(805) 969-5823
33	37	✓	Lee Krost Associates, Stamford, Conn.	3,200	2,100	NA	NA	3,200	2,100	NA	NA	NA	Sweepstakes/20.0%	Lee M. Krost, president	(203) 358-8890
34	39		WORCO Marketing Resources, Los Alamitos, Calif.	3,000	2,000	240	200	360	180	NA	NA	15.0	Audio, visual/30.0%	Hunter Finch, program director	(213) 431-1847
35	31		Focus Marketing (FKB), Norwalk, Conn.	2,500	2,500	1,100	1,300	950	700	450	500	40.0	Implementation/30.0%	George Blystone, chmn	(203) 855-0900
36	41		Coddington, Chadwick & Meyerson, New York	2,430	1,805	2,065	1,535	365	270	NA	NA	50.0	Project administration/35.0%	W. Coddington, president	(212) 689-8225
37	35	✓	Highland Group, Southport, Conn.	2,416	2,165	1,348	1,101	1,072	974	NA	NA	NA	NA	Frederick R. Tacheulin, president	(203) 254-3505
38	34		Strategic Promotions, Dallas	2,312	2,166	830	452	1,391	1,611	101	104	34.0	Point-of-purchase/26.0%	Grahame R. Hopkins, president	(214) 871-1016
39	38	✓	Alley Marketing, New York	2,303	2,075	685	580	947	749	601	746	45.0	Production/45.0%	Frank Ombres, president	(212) 545-8500
40	33		Marketing Partnership, Greenwich, Conn.	2,260	2,200	1,610	1,430	650	770	NA	NA	65.0	Direct marketing/20.0%	Richard M. Duffy, chmn	(203) 622-0777
41	40	✓	PGM Inc., Chicago	2,108	1,872	NA	NA	NA	NA	NA	NA	15.0	Creative/35.0%	W. Goldman, S. Miller, partners	(312) 337-7675
42	32		Promotion Development Corp., Westport, Conn.	2,000	2,421	NA	NA	NA	NA	NA	NA	70.0	Execution/30.0%	Nicholas G. Ceppi, ceo	(203) 259-7911
43	44	✓	August, Bishop & Meier, Chicago	1,864	1,525	NA	NA	NA	NA	NA	NA	NA	NA	Mark Bishop, exec vp	(312) 968-0200
44	43	✓	Mitchell & Comer, Toledo, Ohio	1,739	1,564	1,666	1,476	73	88	NA	NA	35.0	Audio, visual/30.0%	Lee Comer, chmn	(419) 243-7600
45	48	✓	Herman & Marcano, Minneapolis	1,700	1,200	1,260	840	440	360	NA	NA	NA	Creative/50.0%	Stan Herman, president	(612) 332-5190
46	45	✓	Diamond Promotion Group, New York	1,627	1,500	NA	NA	NA	NA	NA	NA	15.0	Graphics/25.0%	Andrew Cohen, president	(212) 685-6622
47	46	✓	Promotion Works, Minneapolis	1,525	1,486	NA	NA	NA	NA	NA	NA	NA	NA	Dave Levi, president, ceo	(612) 347-1480
48	47		Promotion Group, New York	1,500	1,300	993	910	425	390	82	NA	15.0	Creative/35.0%	Daniel J. Gorman, president	(212) 223-2990
49	42		J.P. Hogan & Co., Knoxville	1,445	1,800	536	771	850	1,030	NA	NA	NA	NA	Joseph P. Hogan, chmn, ceo	(615) 545-7681
50	49		Waylon Co., St. Louis	1,200	1,000	NA	NA	NA	NA	NA	NA	60.0	Graphics/15.0%	James E. SanFilippo, president	(314) 772-2322
51	52		Promotional Innovations, Stamford, Conn.	1,133	726	905	617	228	109	NA	NA	50.0	Creative/25.0%	John T. Henderson, president	(203) 325-3448
52	54	✓	Dugan, Valva Associates, Fairfield, N.J.	1,118	652	NA	NA	NA	NA	NA	NA	45.0	NA	Peter Dugan, chmn	(201) 227-7396
53	51		McCann Promotion Group, New York	1,050	750	900	700	150	50	NA	NA	40.0	Creative/40.0%	Bob Dunn, managing director	(212) 697-6000
54	56		National Promotion Services, Atlanta	870	545	650	400	220	145	NA	NA	20.0	Sweepstakes/15.0%	Daniel A. Dodson, president	(404) 266-9258
55	50	✓	PPI Marketing Group, Rochester, N.Y.	800	800	650	800	NA	NA	NA	NA	80.0	Execution evaluation/20.0%	Richard S. Mainzer, chmn	(716) 473-6770
56	53	✓	Daymark Inc., Cincinnati	822	710	661	696	161	14	NA	NA	15.0	Creative/20.0%	Kerry B. Dididay, president,creative dir.	(513) 751-1730
57	55		Henderson Marketing Services, Greenville, S.C.	822	644	483	561	159	83	NA	NA	15.0	NA	Michael M. Wilson, sr vp, genl mgr	(803) 271-8000
58	58		Target Sales Response Marketing, San Francisco	560	400	500	320	60	80	NA	NA	20.0	Production/30.0%	Robert E. Blomquist, vp, genl mgr	(415) 956-7470
59	59	✓	DDLA Inc., Chicago	477	273	203	99	274	174	NA	NA	80.0	Tie-ins/6.0%	E.Dean Daigler, president	(312) 372-4722
60	57		Underline Inc., Dallas	475	420	400	350	75	70	NA	NA	45.0	Point-of-purchase/25.0%	Patricia A. Favri, president	(214) 747-6565
61	60	✓	Market-Zagi Promotions, Cleveland	368	219	361	207	5	12	NA	NA	NA	NA	Ray Miller, president	(216) 831-6615
62	61	✓	Noble Promotion Group, Springfield, Mo.	293	218	273	196	20	22	NA	NA	NA	NA	Robert B. Noble, chmn, ceo	(417) 882-5050

Notes: Dollars are in thousands. 1. 1987 ranking based on 1987 revenues provided for this report. 2. Consulting includes strategic planning. 3. Leading service includes the various forms of execution apart from consulting. ✓ indicates that agency received signature of independent account verifying figures supplied AA.
Source: AAsurvey.

Compiled by Kenneth Wylie.
AA chart: Kevin Brown.

Top specialty sales promotion agencies

Rank 1988	Rank 1987 [1]		Agency, headquarters	Total revenues 1988	Total revenues 1987	Consulting [2] revs % '88 total revs	Top service % '88 total revenues [3]	Top executive, title	Telephone
1	14		Carnegie Associates, Santa Barbara, Calif.	$10,000	$1,000	15.0	Incentive/64.0%	Walter L. Schaffer, president	(805) 969-7220
2	1		Merchandising Workshop, New York	8,500	8,000	NA	Production/67.5%	Norman Alshooler, president	(212) 239-4646
3	3	✓	Columbian Advertising, Chicago	7,595	6,175	10.0	Point-of-purchase/60.0%	Bernard Miller, Jr., chmn	(312) 943-7600
4	2	✓	Guild Group, Pleasantville, N.Y.	6,000	6,600	20.0	Creativity/80.0%	Victor Ayala, president	(914) 747-1331
5	8	✓	PriceWeber Marketing Commun., Louisville, Ky.	4,500	3,700	NA	Point-of-purchase/50.0%	Shanna Columbus, president	(502) 499-9220
6	5	✓	Don Jagoda Associates, Syosset, N.Y.	4,275	4,100	NA	Sweepstakes/43.0%	Don Jagoda, president	(516) 496-7300
7	7		Smiley Promotion, New York	3,975	3,800	27.0	Sweepstakes/55.0%	Ronald Smiley, president	(212) 727-0770
8	6		Wolf Blumberg Krody, Cincinnati	3,900	4,050	12.0	Point-of-purchase/32.0%	Dale Wolf, president, ceo	(513) 751-0258
9	4	✓	R.P. Klein Associates, New York	3,500	4,500	25.0	Production/75.0%	Richard P. Klein, president	(212) 557-1450
10	NA	✓	Core Group Marketing, Minneapolis	3,381	NA	38.0	Fulfillment/38.0%	Robert H. Hamilton, president	(612) 942-2939
11	NA		JKC Marketing, Metuchen, N.J.	3,000	NA	NA	Premiums/40.0%	John Kissane, vice president	(201) 549-6868
12	11		Modular Marketing, New York	2,977	1,933	35.0	Event/35.0%	Harry Kraus, president	(212) 581-4690
13	9		Roger Maier, Mt. Arlington, N.J.	2,950	2,600	NA	Direct marketing/50.0%	Roger Maier, president, ceo	(201) 770-1500
14	10	✓	Robert H. Meyer & Associates, Minneapolis	2,502	2,076	NA	Production/77.0%	A. Keith McCracken, president, ceo	(612) 920-5744
15	15		Good Promotions, Memphis	2,000	950	NA	Point-of-purchase/60.0%	Michael D. Hartshaw, dir, promo mktg	(901) 761-0741
16	12	✓	Davidson Marketing, Chicago	1,900	1,520	NA	NA	Bill Davidson, president	(312) 527-3900
17	13		Promotion Group Central, Evanston, Ill.	1,500	1,100	20.0	Sweepstakes/40.0%	Edward J. Drum, president	(312) 866-0100
18	16		Woolf-Reitman Associates, Chicago	935	585	25.0	Production/60.0%	Irving Woolf, chmn, president	(312) 751-0033
19	17	✓	Saxton Communications Group, New York	730	582	9.0	Tie-ins/35.0%	Michael J. Enzer, president	(212) 867-2210
20	18		Dovetail Partner Promo., Shawnee Mission, Kan.	275	220	NA	Tie-ins/100%	Richard Hopkins, president	(913) 831-4553
NA	NA		Carlson Promotion Group, Minneapolis	NA	NA	NA	NA	Joel E. Burke, president	(612) 540-5000

Top ad agencies with sales promotion revenues

Rank 1988	Rank 1987 [1]		Agency, headquarters	Sales promo revenues 1988	Sales promo revenues 1987	Promo revs % '88 total revs	Total revenues 1988	Total revenues 1987	Top executive, title	Telephone
1	2	✓	Ross Roy Group, Bloomfield Hills, Mich.	$5,314	$3,902	6.2	$85,200	$71,300	Glen W. Fortinberry, chmn	(313) 433-6000
2	1	✓	Lavey/Wolff/Swift, New York	4,468	3,906	35.2	12,700	10,800	John F. Swift, president, ceo	(212) 593-3630
3	3		McAdams, Richman & Ong, Bala Cynwyd, Pa.	2,730	2,550	33.5	8,150	8,375	Hank Kozlowski, chmn	(215) 667-8900
4	4	✓	Liggett-Stashower, Cleveland	1,899	1,904	17.9	10,609	10,500	David L. Stashower, chmn, ceo	(216) 348-8500
5	9		Waldbillig & Besteman, Madison, Wis.	1,773	1,261	58.2	3,044	4,529	William Waldbillig, president	(608) 238-4767
6	6		Responsive Marketing Commun, Schaumburg, Ill.	1,751	1,592	70.0	2,501	2,123	A.J. Marsiglia, president	(312) 240-1100
7	5	✓	Marketing Support, Chicago	1,748	1,703	43.3	4,040	3,854	David L. Weiner, president	(312) 565-0044
8	7	✓	Creswell, Munsell, Fultz & Zirbel, Cedar Rapids	1,663	1,477	14.0	11,900	11,400	Frank C. Baker, president	(319) 395-6500
9	8	✓	Sutton Healthcare Group, New York	1,530	1,350	35.6	4,300	3,400	Glenn DeSimone, president	(212) 779-1818
10	12	✓	Promot Inc., Los Angeles	1,271	756	79.0	1,609	1,007	K.J. Laessig, president	(213) 466-0990
11	NA	✓	Frank J. Corbett Inc., Chicago	968	NA	9.9	9,786	7,927	John J. Fisher, president	(312) 664-5310
12	10		Louis London Inc. (FKB), St. Louis	935	960	55.0	1,700	1,600	Mark Shapiro, president	(314) 367-4100
13	11	✓	Long, Haymes & Carr, Winston-Salem, N.C.	900	765	7.5	12,000	9,100	Donald N. Adams, chmn, ceo	(919) 765-3630
14	20		Charnas Inc., Glastonbury, Conn.	775	485	25.4	3,057	2,818	Robert D. Charnas, president	(800) 242-7627
15	17	✓	Girgenti, Hughes, Butler & McDowell, New York	750	555	26.3	2,850	1,850	Steven Girgenti, president	(212) 481-7080
16	NA	✓	Marketing Resources, Overland Park, Kan.	750	NA	9.0	8,337	5,160	Frank G. Weyforth Jr., president, ceo	(913) 648-8333
17	18		McKee Advertising, Elk Grove Village, Ill.	734	529	71.8	1,022	879	Edward H. McKee, president	(312) 956-8188
18	13	✓	Delfino Marketing Communications, Valhalla, N.Y.	721	712	NA	NA	NA	Geno B. Delfino, president	(914) 747-1400
19	14		William Douglas McAdams, New York	675	682	4.4	15,200	15,200	Irwin C. Gerson, chmn, ceo	(212) 698-4033
20	16		QML Communications, Dedham, Mass.	600	600	84.6	709	709	Alan E. Nash, chmn, pres	(617) 329-8111
21	21	✓	Grant/Jacoby, Chicago	600	450	9.1	6,600	6,264	Bruce I. Carlson, president	(312) 664-2055
22	15		Aragon Sales Development Services, St. Louis	525	615	5.7	9,200	10,316	Patricia Biggerstaff, president	(314) 726-4605
23	NA	✓	Berenson, Isham & Partners, Boston	516	NA	20.6	2,504	2,913	Paul Berenson, president, cd	(617) 423-1120
24	NA	✓	Adair-Greene Advertising, Atlanta	515	NA	36.4	1,415	1,168	William M. Adair, chmn	(404) 351-8424
25	19	✓	Grant Marketing Commun, Conshohocken, Pa.	500	490	39.2	1,275	1,145	Howard C. Grant, chmn	(215) 834-0550
26	24	✓	Marketing Continuum, Dallas	473	373	50.0	945	745	Roberta A. Merkel, president/founder	(214) 520-0080
27	22		Gilbert, Whitney & Johns, Whippany, N.J.	454	445	11.7	3,875	3,225	John Daltner, president	(201) 386-1776
28	27		Publicidad Siboney, New York	437	255	13.7	3,188	2,395	Jose M. Cubas, president	(212) 213-6640
29	25		Launey, Hachmann & Harris, New York	430	351	20.1	2,138	2,369	Robert E. Launey, president	(212) 879-1702
30	23	✓	Penny/Ohlmann/Neiman, Dayton, Ohio	423	418	17.5	2,413	2,240	Walter Ohlmann, president, ceo	(513) 278-0681
31	28	✓	Dahlin Smith White, Salt Lake City	420	225	12.0	3,490	2,292	John D. Dahlin, president	(801) 364-0919
32	NA		Laurence Charles Free & Lawson, New York	403	NA	0.9	43,300	43,200	Thomas E. Lawson, president,ceo	(212) 213-4646
33	26	✓	Rolf Werner Rosenthal, New York	337	292	5.1	6,675	7,400	Ronald J. Souza, president, ceo	(212) 684-0900
34	NA		John Risdall Advertising, New Brighton, Minn.	277	NA	18.3	1,512	1,097	John Risdall, president	(612) 633-0445
35	NA	✓	Wybie Advertising, Millville, N.J.	248	NA	21.2	1,169	1,082	Henry E. Wybie, president	(609) 825-9403
36	NA	✓	Ambassador Marketing Group, New York	246	NA	42.6	577	NA	Charles Riegle, president	(201) 930-1400
37	29	✓	Shelly Berman Communications, Westerville, Ohio	225	195	4.9	4,589	3,806	Sheldon M. Berman, president, ceo	(614) 891-7070
38	30	✓	Dudnyk Co., Horsham, Pa.	205	185	5.9	3,480	3,208	Ed Dudnyk, president	(215) 443-9406
39	NA	✓	Pedone & Partners, New York	181	NA	4.6	3,982	2,294	Michael F. Pedone, chmn, ceo	(212) 319-2000
40	NA	✓	Van Brunt & Co., New York	180	NA	3.0	6,087	2,550	Erwin Van Brunt, chmn	(212) 949-1300
41	NA	✓	Kaufman & Maraffi, New York	150	NA	0.5	2,291	1,112	John B. Kaufman, chmn	(212) 867-0870
42	33	✓	Keroff & Rosenberg Advertising, Chicago	150	90	3.2	4,650	2,790	Charles I. Rosenberg, exec vp	(312) 321-9000
43	NA	✓	MARC Advertising, Pittsburgh	150	NA	1.8	8,220	7,400	Louis J. Cardamone, chmn	(412) 562-2000
44	31	✓	Laven, Fuller & Perkins, Chicago	139	115	11.8	1,182	1,172	James P. Perkins, president, cd	(312) 440-1818
45	32	✓	Tri-State Advertising, Warsaw, Ind.	116	105	11.4	1,024	816	William L. Kratcher, president	(219) 267-5178
46	NA	✓	S.R. Knapp Associates, Arlington Heights, Ill.	103	NA	9.4	1,092	878	Stephen R. Knapp, president	(312) 392-0707
47	NA	✓	DK Group, Hillside, N.J.	98	NA	44.3	221	NA	Robert Kriel, president	(201) 355-8100
48	34	✓	DPL Advertising, Battle Creek, Mich.	81	85	9.2	884	673	Perry L. Phillips, president	(616) 979-9191
49	NA		Harris & West Advertising, Minneapolis	77	NA	2.8	2,750	2,500	Rob West, president	(612) 941-9500
50	NA	✓	Abelson-Taylor, Chicago	75	NA	1.3	5,838	4,074	Marvin Abelson, chmn	(312) 781-1700
51	NA		Don Wise & Co., New York	75	NA	11.1	675	625	Don Wise, president	(212) 371-3333
52	36		Emerson Lane Fortuna, Boston	53	46	1.5	3,663	3,288	Richard B. Emerson, president	(617) 720-2424
53	40		Warner, Bicking & Fenwick, New York	47	36	1.2	4,100	3,544	Andrew Morris, president	(212) 755-7900
54	NA		McCaffery & Ratner, New York	45	NA	1.2	3,749	3,918	Samuel I. Ratner, chmn	(212) 661-8940
55	NA	✓	Pierson & Flynn, Chicago	45	NA	5.3	844	763	William Flynn, president	(312) 644-6080
56	44	✓	Sheldon Fredericks Advertising, New York	42	15	5.0	829	527	Frederick A. Schwartz, president	(212) 867-0110
57	38		Newmark, Posner & Mitchell, New York	41	44	0.8	5,300	5,258	Stacey Posner, president	(212) 867-3000
58	42	✓	Blaisdell & Westlie, St. Paul, Minn.	38	30	1.3	2,925	1,800	Kerry A. Blaisdell, president	(612) 292-1263
59	35		Three Arts, Cedar Rapids, Iowa	36	47	3.5	1,030	725	Thomas J. Wyckoff, exec vp, coo	(319) 365-7572
60	39		Advertising, Boelter & Lincoln, Madison, Wis.	35	36	2.3	1,505	1,529	Robert Boelter, president	(608) 251-3381

Notes: Dollars are in thousands. 1. 1987 ranking based on 1987 revenues provided for this report. 2. Consulting includes strategic planning. 3. Leading service includes the various forms of execution apart from consulting. ✓ indicates that agency received signature of independent account verifying figures supplied AA.
Source: AAsurvey.

Compiled by Kenneth W[illegible]s.
AA chart: Kevin Brown.

Bullish execs look for improvement

Areas include agency-of-record status, earlier involvement, integrated efforts

By Kenneth Wylie

Sales promotion practitioners have a right to be optimistic as their business motors along at a powerful 23.3% growth pace.

But sales promotion agency executives, not about to coast on that growth, see a number of areas that need to be evaluated and improved.

According to responses to ADVERTISING AGE's survey of sales promotion agencies and follow-up phone calls to many agency executives, some key concerns have surfaced. Many of the executives' opinions center around the role of their agencies in the total marketing environment.

There is a push to convince clients of the merits of agency-of-record status rather than being hired on a per-project basis (*see related story on Page S-12*). This was voiced primarily by larger sales promotion shops, although a number of smaller agencies felt they also should work more with clients on a retainer.

As an extension of this, a number of agency executives expressed a desire to be brought into the marketing process early as a basic element along with advertising, not as a last-minute adjunct to a media campaign.

Many executives are pushing further for the development of complete sales promotion campaigns that integrate promotion, consumer and trade advertising and public relations in a single effort. They say this move will come at the expense of traditional media advertising, further fueling the battle between the two disciplines.

Sales promotion shops are stepping on one piece of ad agency turf. They are increasingly preparing broadcast advertising, handling creative and production on campaigns that previously would have been engineered by advertising agencies (*see related story on Page S-11*).

Many of the agency executives also believe the industry needs to focus more on regionalized and localized promotions. Reflecting the 81.6% growth in event promotions—the fastest growing service category—they say more attention is paid to a product if it is identified with a local interest.

Concern also is being voiced that promotions must be more compelling to consumers. Some agency executives point to continuity promotions, such as clubs, as a way to maintain consumer interest in the product and promotion once they have become involved via an initial program.

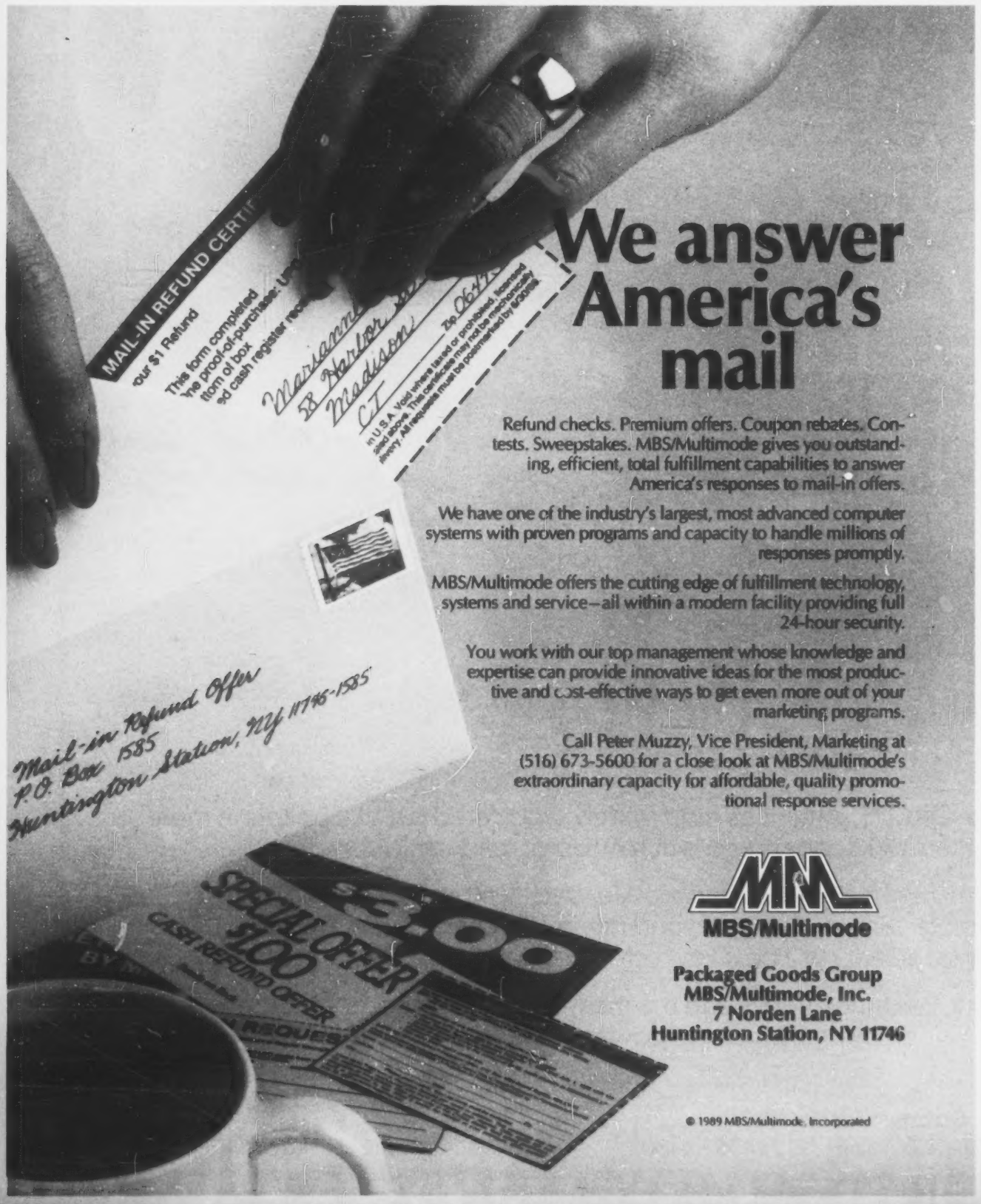
The state of couponing, affected by some decline in redemption and the problem of fraud, also is causing some to seek more targeted promotional vehicles and more secure forms of redemption.

Mergers and buyouts of corporate clients are sending early-warning tremors to some of the respondents, but not enough—at least yet—to suggest any major upheavals in the industry.

One area in which the industry has shown progress is the increasing role of women at executive levels. Eleven of the companies studied had female senior officers.

Debra Campbell is president-chief operating officer of industry-leading American Consulting Corp. Patricia Biggerstaff is president of Aragon Sales Development Services; The Marketing Continuum is led by founder and President Roberta A. Merkel (*see story on Page S-19*); President Patricia Favri heads Underline Inc.; and Shanna Columbus is president of Price-Weber Marketing Communications.

Agencies with women VPs include DD&A, Promotional Campaigns, The Promotion Group (Calif.), Rogers Merchandising, Siebel/Mohr and Smiley Promotion. □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How Ad Age got its data

Data for the rankings in this issue were provided by agencies responding to an ADVERTISING AGE questionnaire.

Agencies are categorized as either full-service or specialty shops or ad agencies with sales promotion services. These categories are derived from the agency's percentage breakout of its sales promotion services.

Full-service agencies are required to show a large portion of their revenues coming from the strategic stage that involves planning and consulting. These agencies also use a number of forms of execution, such as point-of-purchase, coupons, fulfillment, premiums, incentives, sweepstakes and contests, etc.

Agencies are considered specialized when reported figures show a bias toward a particular form of execution. These agencies also show small revenue percentages generated from the strategic stage.

Most of the advertising agencies listed in the third ranking come from media breakouts gleaned from the Agency Income Report (AA, March 29). Several "sales promotion" shops not appearing in that issue fall into the ad agency list in this issue because of large percentage returns from their ad sequence.

These categories merely are labels to avoid mixing strategic-oriented agencies with fulfillment houses, print shops or advertising agencies. A specialty agency may consider itself full-service because it offers a panoply of services. While that may be true, for the purpose of this issue, AA required the consultative aspect of their business be substantial.

Rankings were based on gross revenues from staff-time fees and from commissions and markups. In some cases, minor streams of income that covered studio use, rental or interest income also were accepted.

Pass-through volumes were not counted. Such revenues generally come from manufacturing and shipping and are passed through the agency to the client.

Some 56% of the agencies in this issue provided independent verification of revenue totals. These are noted by a check mark in the charts.

Agency addition

Henschel-Steinau Marketing Services, an eight-employee agency from Englewood, N.J., reported too late to be included in the tables.

The agency claimed $1.2 million in revenues, which would have made it the No. 18 shop on the specialty sales promotion agency list. Some 60% of its revenues came from production. The numbers were verified by an independent accountant.

Melvin B. Klein is exec VP. Phone: (201) 567-7100.

British invasion settles in for long run

Top execs discuss how their U.K. shops translate systems into hybrid American sales promotion

By Alison Fahey

U.K. sales promotion giants are extending their reach into the U.S to an unprecedented degree. To look at industry differences and outlooks in the two countries, ADVERTISING AGE went to the ceo's of the major players to share insights and opinions about this British invasion.

FKB Group, a leading London-based marketing and sales promotion company, entered the U.S. last year by acquiring four sales-promotion agencies. In January, FKB Group established a U.S. headquarters in Stamford, Conn., and named Duncan Bain president-ceo of newly formed FKB Inc.

Mr. Bain, who remains joint chief executive of parent FKB Group, is responsible for U.S. operations and acquisitions, strategic planning and international business development. Under his leadership, FKB now has 11 offices in the U.S., including four start-ups in the past four months.

Gerry Postlethwaite is group board director of KLP Group PLC, London, which bills itself as the world's "largest response communications" network. KLP Group last year acquired Comart Associates, New York, and in October, 1988, opened its first start-up office in Boston.

As managing director of KLP International, London, and ceo of its U.S. subsidiary, KLP Investments, New York, Mr. Postlethwaite runs all international operations including acquisitions and business development. KLP International has sales promotion and direct-marketing operations in 14 countries.

Doug Goodman

KLP Group PLC's Gerry Postlethwaite (left) and FKB Group's Duncan Bain have varying opinions of the future of sales promotion.

Although Messrs. Bain and Postlethwaite mostly agree on the role of sales promotion, their visions of the future vary.

Mr. Bain envisions the emergence of marketing services groups that combine advertising, sales promotion, design and direct marketing. Mr. Postlethwaite foresees an even greater role for response communications networks, which marry sales promotion and direct marketing within a single agency.

ADVERTISING AGE: *What are the major differences between U.S. and U.K. sales promotion shops?*

Mr. Postlethwaite: U.K. agencies, in the past, have been much better than U.S. promotion agencies.

The biggest reason is because most major British manufacturers did not have sales promotion departments. All major U.S. manufacturers did have sales promotion departments and didn't need sales promotion agencies.

In the U.K a number of sales promotion agencies have been around for quite a long time as full-service sales promotion agencies. In the U.S. [they] haven't been around for that long.

Mr. Bain: The U.K. is three or four years ahead of the U.S. in terms of client relationships.

They had the whole concept of agency-of-record and retainer fees much longer. Certainly a lot of our agencies here now are working on an agency-of-record basis; they weren't five years ago. That allows you to get more involved with the client's marketing problems.

The business is more advanced I think in terms of marketing knowledge. Part of the reason that's changing here, I hope, is that our influence is coming on and we've exported some of our cultures to the agencies here. But that's a relatively small factor.

A lot of big corporations now are worried about headcounts and are getting rid of people and starting to use outside agencies more—and use them as a marketing partner rather than just a sweatshop to provide ideas.

AA: *We've been hearing a lot about how sales promotion and advertising will become more integrated. Could you describe the future relationship of the two disciplines?*

Mr. Bain: I think in ten years the whole world will polarize into marketing services groups. Marketing services groups will own advertising agencies that will own sales promotion agencies and direct-marketing agencies.

Most of the marketing services groups will be owned by the people at advertising agencies today because they're the biggest and they've got [long-term] client relationships.

For too long advertising agencies have only thought of selling advertising solutions to marketing problems. Clients want marketing solutions to marketing problems. It [often] will be an advertising solution just because of the size of the budget.

But I hope the growth of the other marketing services will be able to offer a total marketing-services package to clients both globally and locally.

Mr. Postlethwaite: I have a suspicion that he's right. But I believe there is a key role in the future for a response communications agency that combines the skills of sales promotion with the discipline of direct marketing—both contained within a single agency.

At the core of this whole thing is data base. What the agency needs to have is a deep understanding of direct marketing and how to elicit response and a deep understanding of data-base management.

If you want to bond a customer to you, you can't do it through advertising, which is still a monologue. You have to build a dialogue.

AA: *FKB and KLP have expanded rapidly in the U.S. Do you plan further expansion and, if so, will it be through acquisitions?*

Mr. Postlethwaite: Mostly through acquistions, although we still regard start-ups as something to consider in various markets.

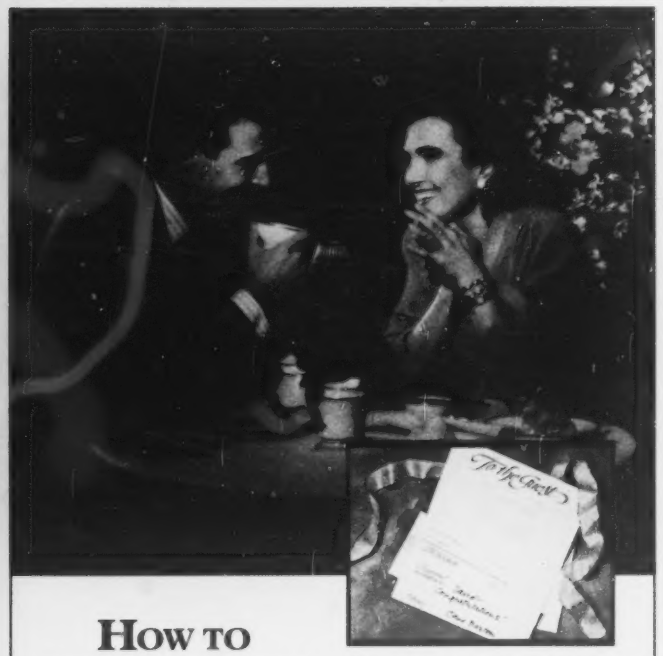
I think we're interested in sales promotion, direct marketing and probably telemarketing. We're interested in the whole area of response communications.

Mr. Bain: We have a substantial amount of growth ahead of us.

Sales promotion and marketing consultancy will be our core business and always have been.

We've identified that we need to get into various niche markets in sales promotion. What we don't want to do is develop identical sales promotion agencies through-

(Continued on Page S-10)



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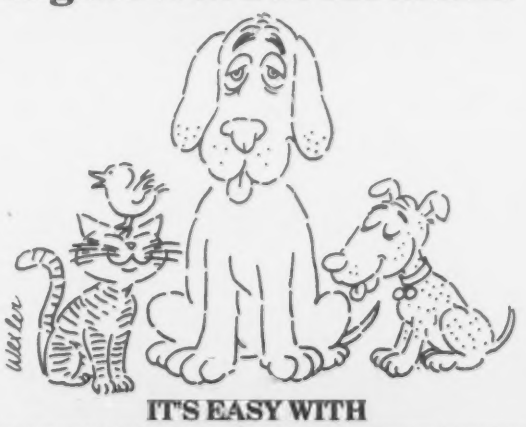

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U.K. shops

(Continued from Page S-8)
out the States.

We have some geographical filling in to do. We're not yet represented in areas such as Chicago and Toronto. What we're looking at now, as well as the geographical situation, is to find marketing and sales promotion agencies with specialty skills. For example, someone specializing in pharmaceutical marketing. We could have good cross-referral business between our other agencies because they don't compete in each market.

We also want to be a top 10 company in direct marketing. We're going to develop design consultancy. We've started in the U.K., but we haven't done anything in the U.S.

AA: *What effect, if any, will the unification of the European markets in 1992 have on U.S. sales promotion agencies?*

Mr. Postlethwaite: There are no implications for sales-promotion agencies in the U.S. unless they're part of an international sales promotion or advertising agency group. Whether you buy the companies or whether you merely form a business association with them, you must have a network of companies in Western Europe.

Mr. Bain: For American agencies to benefit from 1992 they're going to have to have a parent company or own companies in Europe to know the marketplaces. We've got to have a knowledge and a good quality presence in all the major markets.

AA: *From what industries or categories are your agencies seeing significant revenue growth?*

Mr. Bain: Ten years ago it was mainly package goods, then the beer and tobacco companies came in about seven or eight years ago with a lot of money mainly because of the fright of the advertising bans. That has somewhat tapered off now.

When we started about seven years ago we probably had 85% package-goods clients. That is down to about 35% now.

The trend is for much greater growth in other areas such as financial services—banking, insurance. It's service industries that are the biggest growth for us now.

Mr. Postlethwaite: I think service industries in general are increasing in terms of their communication but they're going to have to be more tailored. But the financial services are going to be the biggest sector for some time to come.

Doug Goodman

"There is a dearth of really good creative talent in sales promotion agencies."
KLP's Gerry Postlethwaite

"A lot of big corporations now are worried about headcounts and starting to use outside agencies."
FKB's Duncan Bain

AA: *Sales promotion agencies are often criticized as lacking good creative skill. Is the criticism warranted?*

Mr. Postlethwaite: It is a problem and I don't think we should deny it. There is a dearth of really good creative talent in sales promotion agencies. It's true in the U.K., and it's true here. It's very hard to find and keep good creative people.

AA: *Why?*

Mr. Postlethwaite: I think it has been, in part, because sales promotion has not had a high enough profile within the colleges where the creative process is developed. It has certainly been true in the U.K. It has probably been true here until very recently.

And, therefore, every good creative person that's come out of a creative background has really focused on advertising. That's the respectful place to be, that's where the excitement is.

Mr. Bain: In defense of sales promotion though, it's very difficult to compare a leaflet or a page insert with a 30-second TV commercial in terms of budget and in terms of what you can do.

AA: *Some promotion executives say it is difficult to keep staff levels up to the growth of their agencies. Is it a problem to attract and train young people?*

Mr. Bain: It probably is.

We as an agency in the U.K. and over here don't do any [formal] training. We tend also not to recruit people who've worked in sales promotion from other agencies.

We've got such a size of company that we take all of our people from the bottom level. I think we find on-the-job training a lot more successful.

I don't think it works taking people from the top of a client company because you can get a marketing director who knows a lot about marketing, but he can't really put sales promotion together unless he has had specific experience.

Mr. Postlethwaite: The representative body in the U.K. hasn't invested a nickel in formal training. The U.S. is far ahead in that.

AA: *Are your agencies creating more media advertising now than in the past, and are you interested in getting more involved in that?*

Mr. Bain: It's not our objective to do media [buying]. We're not deliberately getting into that.

I don't think we're doing more [ad support] than in the past. In the U.K., for one of our biggest clients [Heineken], we develop four major promotional programs each year. We always create the advertising but we never place the media for two reasons: We understand the creativity of sales promotion better than the advertising agency, and [top] creative people can't be bothered with doing creative sales promotion advertising.

Mr. Postlethwaite: I agree with Duncan entirely.

You don't have to do the media [buying]. There's no doubt the media buying clout of the advertising agency is far greater and they can do a better job at that.

AA: *What implications does the shift of power from manufacturer to retailer have for sales promotion efforts?*

Mr. Postlethwaite: We do retail partnership programs where you take a number of brands and create a program specifically for one retail trade, and I think brands are going to be forced to continue that.

The manufacturers' biggest problem is that their brands are becoming immersed under the retailer's brand.

If it goes on like this, it won't but, the brands won't be advertising themselves for consumers anymore, they'll be promoting themselves for the trade. I don't think it will get that far because the brands will fight back.

Mr. Bain: My hope is what has happened in the U.K. will happen here. In the U.K. the manufacturers have lost control, they've gone along with the new power of the retailer, and I think it's better for marketing because we got out of this horrible couponing and price discounting all of the time.

What's started to happen in the U.K. is the second phase, as [some big] retailers not only have more than 50% of their sales in their own branded products but what they've done is create a brand for that store that is synomomous with good value and quality.

I think if you get to that stage you can then go to the manufacturers and say, "Let's stop all this tailor-made activity and start doing umbrella promotions."

AA: *How will that affect the consumer?*

Mr. Postlethwaite: Ten years from now consumers are going to be king; they'll be calling the shots. And the manufacturers and the retailers will be consumer-led.

Mr. Bain: One of the things that's going to happen here in the mid-1990s is fiber optics and you're going to have video, voice and data [capabilities] in your home. You're going to be able to do your grocery shopping, certainly you can do your banking.

The retail scene, not just package goods and banking but other things, will change dramatically. More creative, added-value sales promotion and technology of fiber optics will work together.

And the consumers will become more powerful. They are going to consider less choices and I think that will probably be the end to some extent of the couponing and the constant 2¢ and 3¢ off. □

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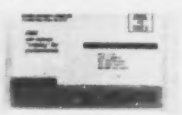

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Shops increasingly crossing the line

As they handle more advertising-oriented material, sales promotion shops head to another confrontation with agencies

By Alison Fahey

A new chapter is unfolding in the battle between advertising agencies and sales promotion shops for marketers' advertising dollars.

As the two disciplines vie for total marketing dollars, sales promotion agencies have been picking up a bigger piece of the advertising agencies' pie.

Many promotion shops say they are creating twice as many free standing inserts, newspaper run-of-press and magazine ads as they did five years ago.

"Promotion agencies have a lot more credibility and intellectual talent than they had five years ago, and clients are recognizing us as a much more dependable resource—even for advertising support," says Joseph Flanagan, president of IMPACT, Chicago.

Although most sales promotion agencies do not create TV advertising, increasingly there are more exceptions to that rule.

For example, IMPACT not only develops promotional concepts but executes supporting creative work "whether it be radio, point-of-sale or TV," says Mr. Flanagan.

Among IMPACT's most notable creative efforts is last year's TV campaign for Wendy's International's promotional tie-in with Lucas Film's "Willow." Backer Spielvogel Bates Worldwide, New York, is Wendy's agency.

A Foote, Cone & Belding subsidiary, IMPACT has created ad support for 20 out of 25 promotions during the last 12 months. Five years ago, the ratio was three out of 25, says Mr. Flanagan. Some marketers cite ad agencies' poor understanding of promotion advertising as the reason why they have turned to promotion agencies for ad support.

"We've been doing that for a few years now due to a belief that promotion agencies have a greater sensitivity to present promotional advertising," says Bruce Wilson, Eastman Kodak Co.'s director of marketing communications, consumer products division, USA/Canada. "When we had gone to our ad agency for promotional advertising, we got brand advertising."

Kodak recently bypassed its film agency J. Walter Thompson USA, and Young & Rubicam, which handles Kodak camera advertising, both New York, and opted for Y&R's promotion agency Cato Johnson, New York, to create a TV spot for a multi-product gift-with-purchase promotion.

Cato's animated 30-second spot, which showed Kodak's trademarked Kolorkin plush toys romping on several Kodak products, aired during ABC-TV's "Academy Awards" telecast in March. JWT, Kodak's agency for broadcast placement, handled the Kolorkin TV buy. Cato's creative effort was a big hit with Kodak.

"We were pleased with the job Cato did, we loved the commercial," Mr. Wilson says. "Would we consider using them again? Absolutely."

Promotion agencies have created ad support for such marketers as Coca-Cola USA, Georgia-Pacific Corp., Johnson & Johnson, Polaroid Corp., Reebok International and Scott Paper Co.

Some marketers say their promo-

(Continued on Page S-1

PROMOTION PROS' PICKS

Didday down on rebate redux

By Lenore Skenazy

Think back. Fuuuurther. Don't flinch. Okay . . . *Ouch!*

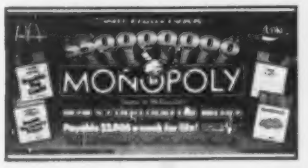
Congratulations. You have just completed an exercise in sales promotion recall.

We asked the bigwigs at several sales promotion companies to recollect *the worst promotion they'd ever heard of.* To make the task a little less painful, we asked them to tell us about the *best* one, too.

Their replies are scattered throughout this Special Report.

Kerry Didday, president, Daymark Inc., Cincinnati.

"The worst sales promotion is a straight discount program that doesn't enhance the product's image. I would have to say that's what automotive manufacturers are doing with their rebates. Now people won't buy a car unless



there's a rebate and [the manufacturers] are in trouble.

"The best? McDonald's 'Monopoly' promotion. It was directed right to their market—younger adults and kids. And it's a continuity program which builds repeat business. It's exciting and creative, and it takes creativity to break through." □

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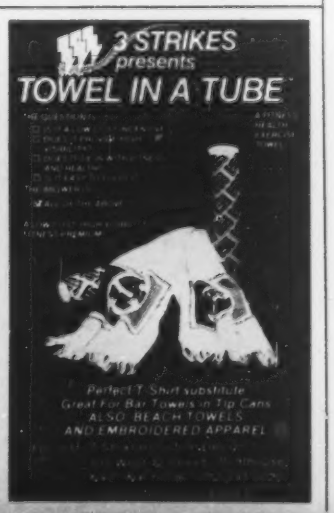
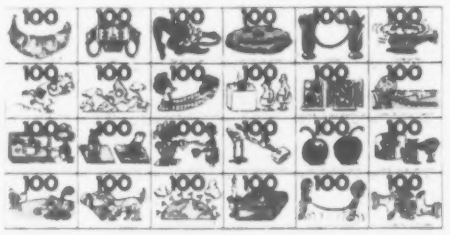


PROMOTION PROS' PICKS

Amrein: Bingo boondoggle

James Amrein, president, Amrein Marketing Associates, Wilton, Conn.

"The worst promotion was Coca-Cola's 'Big Name Bingo' back around 1968. Because of some duplicity in the rules, 80,000 people who [each] felt they were owed $100 ended up being represented by Melvin Belli.



"For 10 possible questions there were 11 possible correct answers and it's not difficult to imagine how 80,000 people said, 'Hey, you're cheating me!'

"Finally the FTC stepped in and Coke got a cease-and-desist order. I honestly don't know how they ended up.

"The best? For its time and place, I'd say the Benson & Hedges 100 sweepstakes.

"When they came out with the 100mm cigarette they undertook a massive print campaign with 100 sweepstakes prizes portrayed in the ad.

"The entrant could choose to win 100 hotdogs or 100 shoelaces —or some big prizes, too, very engaging—all of them portrayed in square-inch blocks.

"You had a small chance to win a big prize or a big chance to win a smaller prize. That was really creative."

—Lenore Skenazy

Agencies break mold, but old ways die hard

'When this business was starting, an advertiser paid a mark-up on materials or cost, but that's not this business any more'

By Scott Hume

Formerly a rough profession providing marketers primarily with displays, sales promotion has become a modern marketing discipline that seeks to sell its expertise, strategic thinking and research as well as a range of programs.

The problem it still faces is that the promotion business has made that transformation faster than some advertisers have been able to recognize the depth of the changes.

As a result, one of the hottest topics in this growing field is one of the oldest questions: How does an advertiser pay for sales promotion: Buy the promotion or hire a sales promotion agency of record?

Traditionally, manufacturers bought the product. The promotion agency came in only long enough to complete a project and leave.

When the manufacturer decided on the next project, the marketing director opened the door to presentations—often involving speculative creative—from a group of agencies.

Most agencies have been working to change that tradition. Some advertisers have encouraged it, others have resisted.

"When this business was starting, compensation was simple: [an advertiser] paid an X% mark-up on finished materials or a straight mark-up on the cost of the job," says Allyn Miller, president of Flair Communications, No. 12 in full service agencies. "But that's not this business any more" and hasn't been for some time, he says.

The major promotion agencies say they no longer do speculative creative to land project assignments. The bylaws of the Council of Sales Promotion Agencies specifically proscribes the practice.

Agencies want more than project assignments. Like advertising agencies, they want long-term relationships and compensation tied to the hours needed to create a promotion rather than a markup on materials produced.

Many advertisers—especially the largest—have agreed to restructure their relationships, establishing agency-of-record or retainer compensation systems. That is changing the financial makeup of the top agencies.

For example, Vincent Sottosanti, president of Comart, the 10th largest full service sales promotion agency, says the majority of his agency's clients operate on a per-project basis. However, the half-dozen or so clients Comart works with on a retainer basis now account for two-thirds of its billings volume.

Norman August, president of August, Bishop & Meier, the No. 43 full-service sales promotion shop, prepared to handle broadcast creative and media buying, especially TV, several sales promotion agencies are gearing up to do just that.

A major part of the mix entails beefing up creative departments with top talent.

"Our plan in five years is to be a fully integrated company offering TV creative and placement," says Jim Mack, exec VP-client services, Frankel & Co., the nation's largest independent sales promotion agency.

"We are not now in a position to deal with the big boys in the media," Mr. Mack says. The Chicago-based agency currently creates TV advertising for only 5% of its clients.

Several promotion marketing executives echoed Mr. Mack's desire to get more media advertising business.

Others, however, believe expanding into media advertising could hurt the promotion agency's primary marketing role.

"My belief is that we should do what we do best and that's in-store marketing," says Michael Wahl, chairman, Howard Marlboro, New York. Entering the media-buying ring would spark unnecessary competition between promotion and advertising agencies, he says.

Many sales promotion executives admit their agencies could not compete with ad agencies' media buying clout or their established relationships with the media, especially the Big 3 networks.

Some sales promotion executives say they wouldn't handle TV creative simply because the ad agencies can do it better.

"I have no desire to get into broadcast advertising and promotion until I'm co..vinced that we can do a superior job than the ad agency and we are not nearly there yet," says Jeff McElnea, president of WPP-owned Einson Freeman.

The shop can tap the creative resources of its WPP sister agency J. Walter Thompson Co., Mr. McElnea says. "It's not necessary for us to do it with our own hands as long as we can help direct the process and have some authority over the outcome."

Most industry observers acknowledge the trend but say it will have little financial impact on ad agencies for two reasons: The typi-

Crossing line

(Continued from Page S-11)

tions and ad support achieve inimitable synergy when all elements are handled by the promotion agency.

"When, in fact, we support our promotions with advertising, it makes sense to have the promotion agency handle it. We want the advertising to have the same look as the POP material," says Julia Brilliant, Reebok's director of retail promotion and merchandising.

Some ad agencies agree. Promotion agencies are more qualified to create ad support when the campaign's main objective is to "deliver a sales punch," says Mitch Kurz, Y&R's director-integrated marketing.

"People more skilled at using creative to make sales transactions tend to be housed in [promotion agencies]," he says. Expecting more clients to realize this, Y&R has moved a top ad agency-side creative executive to Cato, Mr. Kurz says.

Marketers complain their promotion advertising takes a back seat at the major ad agencies. Because of smaller budgets, assignments often are given to junior staffers, insiders say.

"They've got bigger fish to fry," says Ms. Brilliant. "National image advertising is more of a priority for the ad agencies."

"A lot of agencies deserve that criticism, including us as recently as five years ago," Mr. Kurz says. "By and large, all the general agencies could not have looked that statement straight in the eye and defended it."

While conceding they are not yet

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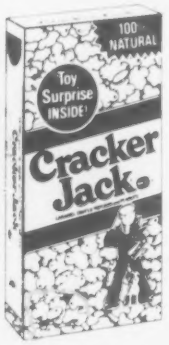

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says 80% of his clients are fee-based. Still, he doesn't shy away from taking projects.

"We would prefer to work on a retainer basis so we can build a staff to service an account instead of just coming in and out," he says. "But project work is not dead and will never die. You'll always have clients with two promotions a year who can't afford a retainer relationship, so you work with them on a project."

Some insiders see the promotion industry's dream of escaping the tradition of per-project relationships and compensation at hand.

"I think there's been an absolute change over the past two years," says Mr. Miller. "In part that's because they're rethinking their relationships with advertising agencies, but also because of the amount of money being spent on promotions. They're looking for more formalized relationships.

"It's not business as usual any longer. It's open to discussion," he says.

But the leverage remains with the clients, and many are hesitant about totally abandoning per-project compensation.

"There's a basic difference between promotions and advertising that shouldn't get obscured in all this [talk about about moving away from per-project compensation]," says Chris Sutherland, executive director of the Promotional Marketing Association of America, an organization representing product marketers as well as promotion agencies. "Promotions define themselves, advertising doesn't.

"You embark on a promotion with certain targets, whether you're looking for ticks up in market share or a 5% boost in sales or whatever. That's a much more objective process than brand-building [through media advertising]," he says.

"We're starting to hear clients propose incentive compensation packages."

Jeff McElnea
Einson Freeman

Additionally, Mr. Sutherland sees differences in promotion and advertising agencies themselves that affect how advertisers can use them.

"A good full-service advertising agency can produce anything you need. Promotion has so many definitions that it is hard to have a similar full-service promotion agency," he says. "There are too many different kinds of applications to put under one shop."

As a result, he said many advertisers view the promotion field as peopled by specialists in different tactics, and many advertisers want to match the right specialist for the project at hand.

The nature of the financial relationships between advertisers and promotion agencies is destined to change, he said, but not immediately and probably not completely.

"Will the number of retainer-based relationships increase? Yes, almost certainly. There's a place for that relationship," Mr. Sutherland says. "But not to the level with advertising agencies."

Concerning bonus incentives, Mr. Sutherland suggests they are built into the project relationship: "The reward is the next project."

The top agencies want a more substantial carrot at the end of the stick. And larger clients appear willing to consider performance bonuses.

"We're seeing more interest in agency-of-record relationships, which is what we've been hoping to see," says Jeff McElnea, president of Einson Freeman, the No. 7 full-service promotion agency. "Even in the package-goods field, which traditionally resisted moving beyond project [compensation, agency-of-

(Continued on Page S-14)

cal promotion ad budget is tiny compared with the traditional ad budget; and sales promotion agencies, at large, will never handle lucrative TV buys.

One source suggests the trend has created more of an emotional than a financial battle between sales promotion shops and ad agencies that have witnessed media dollars shifting to promotional spending. "Sales promotion agencies don't pose a financial or creative threat to ad agencies. But this is happening and I suspect it's like rubbing salt in a wound," says one source who asked not to be identified.

Ad agencies reacting to the bigger trend of marketers shifting dollars to sales promotion from advertising have been jumping on the bandwagon by acquiring sales promotion shops. But the frantic pace of acquisitions has created a situation where there is not much left to acquire, says Gerry Postlethwaite, managing director, KLP International, London, which has sales promotion and direct-marketing operations in 14 countries.

The next option is to develop in-house capabilities. For example, Ogilvy & Mather recently announced plans to educate senior managers in all marketing communication functions, including sales promotion, direct marketing and public relations.

Many sales promotion executives criticize these efforts, saying that veteran ad executives, often placed in charge of these multi-functional departments, are "culturally different" from promotion executives.

"The theory of the 'single super executive' is great and could lead to the demise of the sales promotion agency. However, I don't see any such account director emerging for some time," Mr. Postlethwaite says.

A late start on training is not the only hurdle ad agencies must overcome. They could face an even tougher time pitching promotion to clients, a discipline once maligned by the ad industry.

"The question must arise in marketers' minds how sincere these ad agencies are after they've told them for so long that sales promotion hurts their brand image, is a waste of money, etc.," says one source. "Now they're going to go to them and saying, 'Hey, we're ready to do it all for you now?' " □

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Talent falls short of demand

'There are maybe 20 qualified candidates, and 600 companies want them'

By Laurie Freeman

There is trouble confronting the $125 billion sales promotion industry.

Help Wanted: Experienced, quick-learning, risk-loving, entrepreneurial individual, preferably with M.B.A. and account or brand management background, to develop and sell sales promotion opportunities. If you have these qualifications, the sales promotion industry needs and wants you.

However, candidates with these qualifications are not readily available, and industry insiders disagree on where to find and how to educate new talent.

"The demand for talent is heavy, but what companies are asking for in a sales promotion executive is hard to find," says Lee Walther Kordus, VP-executive recruiter, MarketSearch, an executive search company.

"There are maybe 20 qualified candidates, and 600 companies want them," says Steven Gundersen, managing partner, Gundersen Partners, another executive search company. "There's a lot of interest, but many people don't have the skills to go into sales promotion."

After years of being treated as a sleazy stepsister to the advertising industry, promotion executives are gratified to find their skills in growing demand.

The pleasure of this new demand is mixed with pain. And part of the problem, industry executives say, is that the nation's business schools have been reluctant to add sales promotion courses to the marketing curriculum.

"The business schools cover sales promotion as part of the advertising curriculum," says Robert Sandelman, president, Robert Brian Associates.

"But six pages in a textbook talking about a Thom McAn shoe promotion doesn't qualify as an education about what sales promotion is all about," he says.

Another problem is sales promotion as an industry encompasses a number of different areas, everything from special events to point-of-purchase displays.

Industry executives define the field simply as the "exposure of the client's message in an environment that is 100% owned by the client." That contrasts with advertising, where the client "rents" the space.

Sales promotion agencies have long relied on "cross-overs"—agency and client company executives who jump to the field. But the transition is difficult, even for cross-over executives boasting years of advertising and marketing experience, because of the "own" vs. "rent" concept.

L. Kordus

L. McAlister

Yet another problem is the industry's complex and fragmented nature. Operating a fast-food chain game like McDonald's "Scrabble" requires different skills and expertise than staging an outdoor concert event, industry executives say.

To be considered a well-rounded sales promotion executive, "you have to move around a lot," says Melvin Klein, exec VP, H.S. Marketing Services, the sales promotion arm of Henschel-Steinau. "This is the only industry left, I think, that doesn't frown upon frequent job changes."

It also is an industry that requires risk-taking, a willingness to try something new and sometimes standing up to a client and explaining why a promotion may not work.

"Kids today only want to be safe," says Mr. Klein. "And this business is all about taking chances, it's about going to a client and not being afraid to put your head on a chopping block to fight for a new idea."

But even entrepreneurship can be found more readily in course listings at the nation's business schools than can sales promotion.

Leigh McAlister, associate professor of marketing, has taught a sales promotion course for three years at the University of Texas. The course, "Managing Consumer and Trade Promotions," mixes "real world" speakers with Harvard Business School case studies and an introduction to how to use Universal Product Code scanning data.

"The advent of scanning data has really provided a powerful visual to demonstrate the power of promotions," says Ms. McAlister. "It's finally sinking in that promotions [comprise] two-thirds of companies' budgets."

Southern Methodist University will introduce a sales promotion course this summer. "Today's M.B.A. students need more than a simplistic view of advertising and marketing," says Richard Houser, the instructor and marketing consultant with Partners Southwest. "They have to understand how sales promotion fits in the marketing mix."

Many instructors find it difficult to convince sales promotion agencies to take a chance on a fresh-faced youngster.

While some agencies and client companies are beginning to ask for personnel with M.B.A.s, many opt for experienced personnel. The amount of experience requested ranges generally from five to eight years in either advertising or marketing, says Ms. Kordus.

"It's very rare to take someone straight out of college," she says. "Companies are looking for quick learners . . . who are already up-to-speed in knowing how to plan strategy and service accounts."

Some large sales promotion agencies, such as Howard Marlboro Group, offer training programs. The agency's seven-year-old program gives trainees hands-on experience in every kind of sales promotion technique, says Michael Wahl, president, Howard Marlboro Group.

But many industry executives see the best hope for the industry in educational programs. If business schools refuse to take a leading role in teaching sales promotion, then the industry has to do it, says Mr. Sandelman. □

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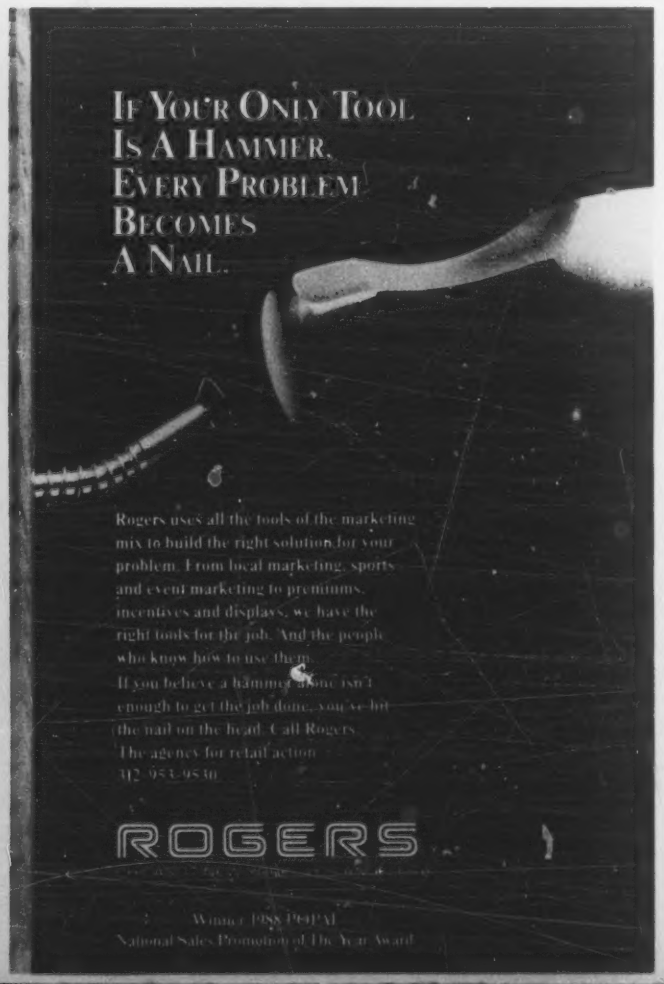
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Old ways

(Continued from Page S-13)

record] relationships are beginning."

He disagrees with Mr. Sutherland's contention that full-service promotion agencies do not exist. The top agencies have specialists in each discipline, he says. Clients looking for new ideas needn't reopen the bidding for each new project.

"To the naysayers [on retainer or agency-of-record relationships], we say that if you're dealing with an agency large enough, you can tumble your creative groups and get fresh ideas," says Mr. McElnea. "I think the clients that have adopted agency-of-record relationships are the ones who are convincing the non-believers more than we are."

Helping to increase the acceptance of agency-of-record relationships is the downsizing or elimination of many manufacturers' in-house promotion capabilities as a cost-cutting move. Accustomed to having promotion capabilities on-hand, these companies are more likely to seek long-term relationships.

Many of those in-house promotion departments worked under bonus arrangements. As the departments are replaced by outside agencies, fee-plus-bonus relationships are being considered.

"We're starting to hear clients propose incentive compensation packages," says Mr. McElnea, "And we're interested in testing them.

"The idea is a long way from proven out," he says. "There are so many variables, beyond our control" that determine a program's success. A bonus system has the potential to be unfair to one side or another, he says.

Alan Maites, exec VP of William A. Robinson Inc., the 25th largest full-service promotion shop, also is looking at performance bonuses.

"We have not yet been asked by clients [to work under such an agreement], but we're intrigued by

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Getting in on the ground floor

Nostalgia craze plays into Klein's hands as exec turns career into hobby with 500-item promotion collection

By Ronnie Telzer

The years spent working in his father's stationery, cigar and candy stores in Brooklyn provided the perfect training for Melvin Klein's career in sales promotion.

"While other kids spent time riding bicycles," says the VP of Henschel-Steinau Marketing Services, "I watched salespeople from beverage and cigarette companies come to our stores offering an unbelievable assortment of premium and promotional merchandise from placemats to jackets."

Watching them make their product pitches, "I soon learned how to play one manufacturer against another to obtain the best things that each had to offer."

After earning a bachelor of business administration from the City College of New York and an M.B.A. in marketing from New York University, Mr. Klein joined Minute Maid Corp., where he worked on the national introduction of the Minute Maid Frozen Orange Juice Bar.

Later, he traveled the country selling promotional games to supermarkets for Henry Reichman Co. During his travels, he often took time out to visit local general stores, flea markets and antique shops. "In some stores," Mr. Klein says, "I'd admire an old piece on the wall, and the owner would give it to me for free, saying, 'It's worthless junk. I don't even want it.' "

Today, times have changed. Nostalgia is in, and people place great value on authentic items from the past. "Everything is cyclical. Just as fashion is influenced by the past, promotion people are returning to the ideas which worked so well in the past because they were executed with class and dignity."

The barber pole, shown here with Melvin Klein, was one of the earliest point-of-purchase displays used in the U.S. This barber pole, placed near Mr. Klein's authentic barber chair, is a 40-to-50-year-old symbol of good grooming services. The original poles, and many imitations, continue in use in barbershops across the nation.

The surging interest in promotional memorabilia also has spawned a new generation of collectors.

Prices have gone up tenfold. Bargains are more difficult to come by.

"I think it's important for everyone to collect something. For me, my

(Continued on Page S-16)

Ronnie Telzer is a New York-based free-lance writer.

it and are considering it," he says. "We may be willing to take more risk for more reward."

The real dividing line on the compensation issue may be between the larger agencies and marketers and the smaller ones, not between all promotion agencies and advertisers.

While the major agencies and the top marketers consider new compensation arrangements, per-project arrangements will make more sense for smaller marketers with smaller budgets. And smaller promotion agencies will do whatever they must to get the job.

"Spending [on promotions] is rising and the amount of press this industry gets is greater, so you also get more upstarts knocking on doors, bringing ideas to clients," says Mr. Maites. "As that happens, clients start to think they can get spec from the big guys, too.

"We got a stock letter the other day from a company asking for spec creative. A form letter." Robinson is not interested, he says.

"Among the major agencies there is a high level of resolve to hold the line on spec creative," says Mr. McElnea. "We believe [marketers] should work with proven agencies.

"There will always be new agencies who have nothing to lose by giving in to that. That's how they acquire a business base.

"But clients should think it through. They don't seem to realize that current clients are funding that agency's spec project," he says.

Mr. Sutherland counters that spec work has a place in the industry. "There always should be room for spec creative because it's one way for the little agency to compete with the big agency," he says. □

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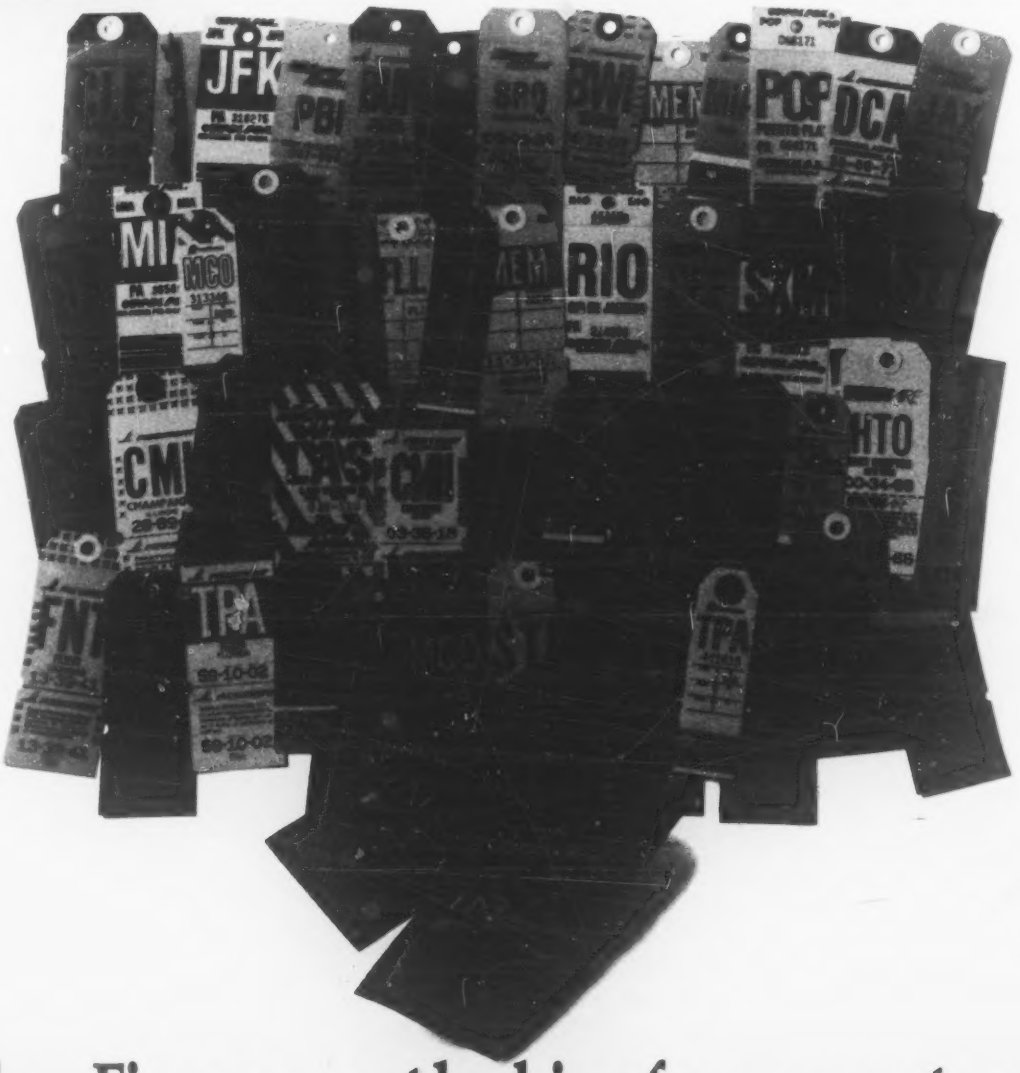

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PROMOTION PROS' PICKS

Herb a whopper of a flop

Bill Davidson, president-ceo, Davidson Marketing, Chicago.

"There are a lot of mediocre promotions, but the worst I ever saw was Herb the Nerd for Burger King. It was most insulting to the consumer and it did nothing for the product.

"Someone told me about another promotion that was kind of funny, but probably in the worst taste I ever heard of. It was during the [John] DeLorean trial, and apparently a car dealer was offering a free case of Coke with every car.

"One of the best promotions I ever saw was in Spring 1986, when tourism was suffering from international terrorism, and British Airways offered an opportunity to win free trips to Europe on the Concorde.

"It [Go For It, America!] was well-conceived and beautifully executed."

—*Lenore Skenazy*

Nostalgia

(Continued from Page S-15)

collection brings back memories of a simpler, safer time—when I was growing up without worrying about the demands of everyday life," he says.

The accompanying photographs are a few highlights from Mr. Klein's promotion collection that numbers more than 500 items. The memorabilia is displayed at Mr. Klein's Manhattan apartment and at the offices of Henschel-Steinau Marketing Services, a division of Henschel-Steinau Inc., a point-of-purchase producer/supplier. □

Photos of the promotion collection by Hafeez Shaikh.

Wurlitzer

More than 25 years ago, Melvin Klein purchased a broken Wurlitzer Model 1015 jukebox with bubble lights from a defunct dime-a-dance hall in Atlantic City. The 50-year-old relic has been restored to full working condition.

The Wurlitzer jukebox was offered free of charge to restaurants and other eating/drinking establishments. Customers paid 25¢ for three selections, and records could be changed to accommodate the latest hits. The machine and 50 records cost $450 just 25 years ago and now is worth $7,500.

Coca-Cola

The Drink Coca-Cola Radio dealer loader was given to soda fountains and drugstores for use as a behind-the-counter display. "The idea was to bring product identification into the store to promote product availability," says Mr. Klein. Although the unit dates back to 1949, it is actually a composite made of elements pieced together from several different Coca-Cola antique radios by an antique radio repair specialist. The radio was valued at $125 in 1974, and since has increased two to three times in value.

Palmolive

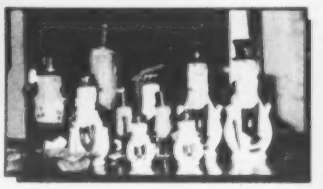
Palmolive Soap Co. used this colorful "Wash Up" poster premium to get kids into the cleanliness habit. The poster was distributed free to schools and was available to consumers in exchange for proofs of purchase from bars of Palmolive soap.

Planter's Peanuts

Planter's Peanuts was one of the first companies to recognize the value of bringing product identification into the home as well as the store.

Planter's used a variety of Mr. Peanut premiums to communicate the message that its peanuts were "hot, fresh, tasty and good for you." Premiums included salt and pepper shakers, oil and vinegar dispensers, and nut dishes in a variety of sizes and shapes.

Mr. Klein found many of these



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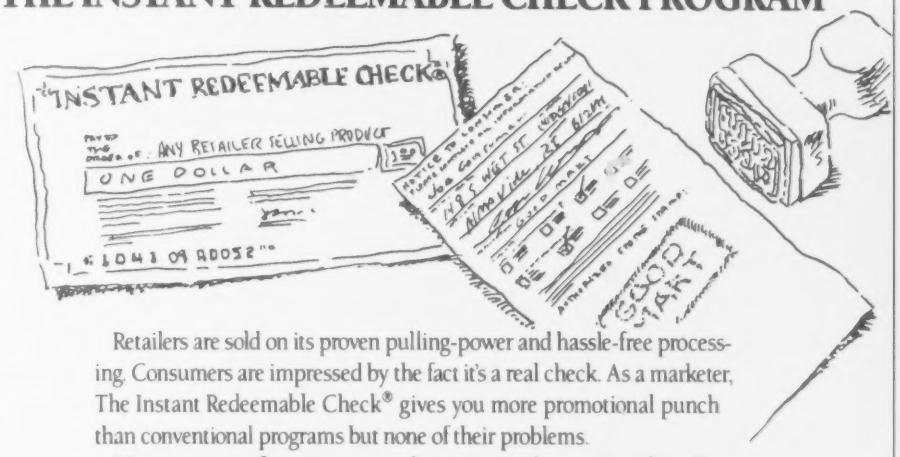

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30-to-40-year-old items in a Montana general store that was going out of business.

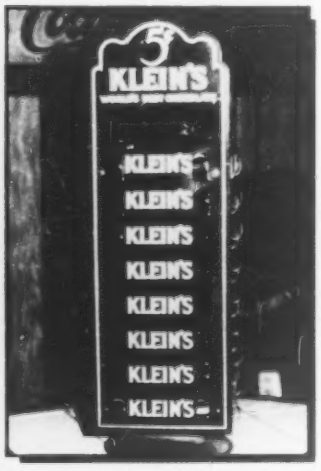
RCA

The RCA dog, Nipper, was long associated with the RCA records label. This point-of-sale Nipper was actually a cast-iron doorstop de-

signed for use in radio and appliance stores. Although Klein's Nipper shows some signs of wear, the character remains as fresh as ever and is making a comeback at RCA.

Klein's Chocolate

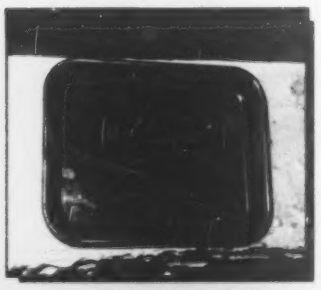
This rotating display for Klein's Chocolate, a regional brand, was found at a Maryland antique show. The display, offered free of charge to mom-and-pop candy stores in the



Philadelphia area, held 48 chocolate bars.

Coca-Cola

This is one of a series of Coca-Cola trays featuring beautiful women dressed in all-American



fashions distributed to restaurants in the 1920s to encourage waitresses to serve Coke on trays. "Coca-Cola wanted images that suggested apple pie and motherhood—not something frivolous," Mr. Klein says.

Cute characters

Self-liquidating premiums of commercial characters remain perennial favorites. Shown are 25-year-old-plus Campbell's Kids dolls from Campbell Soup Co.; Snap, Crackle, Pop figures from Kellogg's Rice Krispies cereal; a giant replica of a Heinz Tomato Juice can, three Coca-Cola trays, a Charlie the Tuna rubber toy, and Mickey Mouse, Domino Pizza's Noid, Kool-Aid and Lulu collectibles. □

PROMOTION PROS' PICKS

Miller beats on Beatrice game

Bernard Miller III, president, Columbian Advertising, Chicago:

"The worst? I guess it was a game for Beatrice where a guy here in Chicago figured out the [scratch 'n win] coding in a way to win $14 million. They had to pull the game; I think it's still pending.

"The best, from a sales promotion standpoint, would be the 'Mileage Plus' programs beginning with American Airlines—I think they were first. [American Airlines AAdvantage program, the first of its kind, started in 1981.] That whole concept changed the way people thought about flying. It really influenced how they were going to choose an airline. Now you can get added-on miles by using your Visa card. I bet that's very big business with

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—Lenore Skenazy

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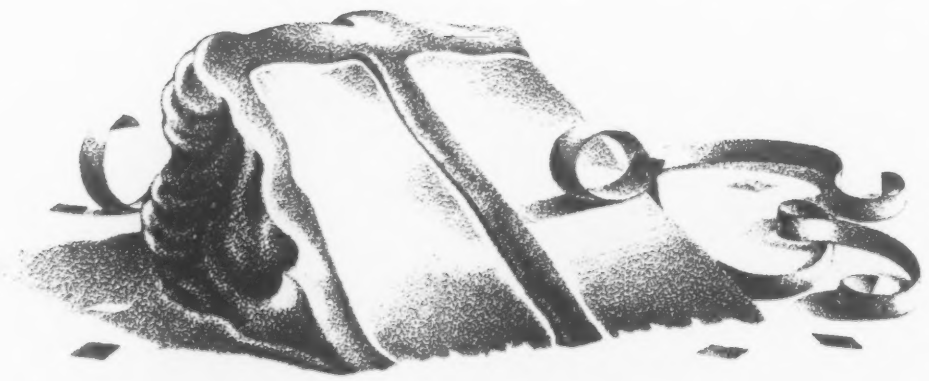

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Merkel upsets the continuum

Woman finds way to make things happen

By Christy Fisher

The simple and straightforward concept Roberta "Bobbi" Merkel adheres to is "good work and no bull."

Ms. Merkel believes in opportunities, not obstacles. That may be why she is one of the few women who owns a marketing and sales promotion agency. "I like to find ways to make things happen," she says.

Combining this entrepreneurial spirit with a belief that corporate politics bog down creativity, Ms. Merkel launched The Marketing Continuum in Dallas in 1984. "I wanted to create a place where good work would shine through and politics could be avoided."

Ms. Merkel started her career at Miller Brewing Co., as a pricing analyst. Although the job offered an education on the beer market, it stifled creativity and offered limited advancement, she says.

Looking for a way into sales promotion and marketing, Ms. Merkel pitched her case to the VP of market planning, a risky move that sidestepped her department head and labeled her a troublemaker. However, Ms. Merkel got a job as coordinator of brand promotion and eventually promotion planning supervisor.

Although she advocates working within the system until all alternatives are exhausted, sometimes it is necessary to take risks, Ms. Merkel says.

In 1981, she and Gary Von Kennel, then manager-brand promotions at Miller, set up Promotional Services Group, a wholly owned subsidiary of Tracy-Locke/Dallas.

The Marketing Continuum is sales-promotion agency of record for Labatt's USA beer brands, three Schenley Affiliated Brands bourbons, and does project work for Southland Corp. and Taco Bell.

On May 1, Labatt's USA will launch a national promotion for its Latrobe Brewing Co. brand, Rolling Rock beer. Consumers can order a "Bucket of Rocks" for $5.95—an old fashioned tin waterbucket filled with ice and Rolling Rock beer. At the same time a print campaign will break in *Esquire, Sports Illustrated* and *Rolling Stone*.

AmeriFoods Cos. also plans to use The Marketing Continuum, says President Mike Moon. "When sales-promotion agencies make pitches they often just drag out a catalog of tricks and devices and show no creativity or ways to approach the trade and sales force," he says.

"But Bobbi presents a full-blown marketing plan. She assiduously figures the different audiences, the trade impact, the consumer impact, the budget impact and the potential payback," Mr. Moon says.

He became a Merkel fan as VP-brand management at Campbell Taggart, an Anheuser-Busch baking subsidiary. Mr. Moon invited her to present an overall marketing plan for Campbell Taggart to August

No beer, "no bull" for Marketing Continuum's "Bobbi" Merkel, one of the few women running a promotion shop.

Busch III, who was impressed. Even though Ms. Merkel is an ex-Miller employee, Mr. Busch asked, "Can we own her?" Mr. Moon recalls.

"It was the finest promotion we had ever run," he says of a Merkel-designed program tied to an essay contest. He reassigned all sales promotion and advertising business—handled by three major ad agencies and several promotion houses—to The Marketing Continuum.

There is no power structure at this $945,000 11-employee agency: Titles are avoided and all tables are round so no one sits at the head.

Ms. Merkel's introduction to sales promotion came through her father, a food broker, whom she often accompanied as he set up programs for stores. "I grew up reading sales sheets, paging through incentive catalogs and passing out coupons," she says. □

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It pays to corral Japanese cars

Western shops create their own resources

By Marcy Magiera

Today, "if you're a sales promotion agency in New York, you'd better have a lot of consumer package goods accounts," says Matt Alcone. "Out here, you'd better have a Japanese car company."

The Promotion Group in Irvine, Calif., has four: American Isuzu Motors, Mazda Motors of America, Mitsubishi Motor Sales of America, and Nissan Motor Co.

When Mr. Alcone launched the Promotion Group in 1978, "People were telling me I was crazy to open a sales-promotion agency in California," he says. "They all said I had to go to New York or Chicago, but I didn't want to live there," says the native Californian.

The agency he opened with a P.O. Box on Balboa Island now employs 100 people and had revenues of

(Continued on Page S-20)

Matt Alcone believes in luck and planning for The Promotion Group.

Top services of sales promotion agencies

Service	Total revenues 1988	Total revenues 1987	% chg	Total service revenues % total revenues 1988	Total service revenues % total revenues 1987
Consulting, planning, strategy	99,742	80,540	23.8	26.9	25.5
Production	40,377	39,223	2.9	10.9	12.4
Point-of-purchase	39,726	29,658	33.9	10.7	9.4
Creative services	31,792	26,894	18.2	8.6	8.5
Direct marketing	23,454	21,355	9.8	6.3	6.8
Sweepstakes, games, contests	20,733	20,705	0.1	5.6	6.6
Graphics	13,560	12,965	4.6	3.7	4.1
Incentives	12,536	12,919	(3.0)	3.4	4.1
Audio, visual	11,427	9,200	24.2	3.1	2.9
Event marketing	11,108	6,117	81.6	3.0	1.9
Advertising, media	9,577	8,514	12.5	2.6	2.7
Premiums	9,179	9,294	(1.2)	2.5	2.9
Fulfillment	8,243	5,275	56.3	2.2	1.7
Other	38,777	33,251	16.6	10.5	10.5
Subtotal service revenues reported*	370,230	315,911	17.2	100.0	100.0
Total revenues (all agencies)	498,550	404,315	23.3		

Notes: Dollars are in thousands. 1987 figures are AA estimates. *Total includes only agencies that broke out services. Source: AA survey

Service revenues as % of $370 million total* in 1988

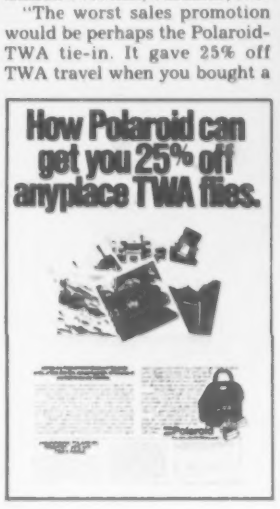
Data compiled by Kenneth Wylie. AA chart: Kevin Brown.

PROMOTION PROS' PICKS

McElnea hits Polaroid, TWA link

Jeff McElnea, president, Einson Freeman, Paramus, N.J.

"The worst sales promotion would be perhaps the Polaroid-TWA tie-in. It gave 25% off TWA travel when you bought a



Polaroid.

"This was probably OK for Polaroid, but apparently someone forgot to put a limit, 'One per customer.' So there were travel agencies buying up thousands of cameras [to get the travel discount]. Then the cameras were dumped, and of course the whole reason for selling a camera is to sell the film.

"The best promotion has been the 'Pepsi Challenge.' The whole campaign since the mid-'70s has been great, especially taking it to the street. It's been a fluid, ongoing event ever since it was conceived by a bottler in Texas."

—*Lenore Skenazy*

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It pays

(Continued from Page S-18)

$15.4 million in 1988—making it the No. 8 full-service sales promotion agency. Mr. Alcone estimates 1989 revenues and profits will increase 25% to 30%. Its clients include: Blue Cross of California, Burger King Corp., Coldwell Banker Residential Real Estate and Van De Kamp's Frozen Foods.

The agency's success is the product of two factors, Mr. Alcone says: luck and planning.

"Southern California became a greater influence in American business because of the Pacific Rim;" that was luck, Mr. Alcone admits.

And being far from the established sales promotion community actually contributed to the company's growth.

"Because we started in California, we couldn't rely on peripheral support companies like fulfillment companies, telemarketers, etc." says Mr. Alcone, 35. "Out here in the unwashed West, there weren't those resources. As you developed the kinds of programs that required these outside resources, you had to do them yourself to make sure you could do it correctly," he says.

"The other thing that probably hasn't hurt us at all is the emergence of West Coast [ad] agencies like Chiat/Day."

Mr. Alcone likes to tap those agencies for staffers. "I've looked for people on the agency side, sales promotion or advertising, rather than the client side, because they have a different psychological make-up," he says. "Agency people are more used to ups and downs, to rejection, and to eating crow."

Attracting talent has become less of a battle. "We get a lot of resumes from ad agency people," says Mr. Alcone. "A number of qualified, very intelligent agency people see sales promotion opportunities and want to explore them . . . They're good candidates because they understand client relationships."

The agency has seven or eight account groups, each comprised of an account exec, account coordinator and varying numbers of specialists in data processing, fulfillment or promotional merchandise. There also is a full creative department, to avoid "a constant reliance on freelance," he says.

"I want to be instrumental in creating the J. Walter Thompson, McCann-Erickson or Chiat/Day of the sales promotion industry," says Mr. Alcone. □

Associate Editor Pat Gray Thomas coordinated this report on Sales Promotion. Free-lance writer Kenneth Wylie compiled the data on the sales promotion agencies. Profile Issues Editor R. Craig Endicott and Associate Editor Kevin Brown provided the analysis.

Sales promotion agencies by service

Rank	Agency	Service revenues 1988	Service revenues 1987	% chg	Total revenues 1988	Total revenues 1987	Service revenues % total revenues 1988	Service revenues % total revenues 1987
	Consulting, strategic planning							
1	IMPACT	$10,935	$8,201	33.3	$12,150	$9,112	90.0	90.0
2	CCG/TCA	7,391	NA	NA	16,425	10,653	45.0	NA
3	Marketing Corp. of America	4,675	4,180	11.8	8,500	7,600	55.0	55.0
4	D.L. Blair Corp.	4,598	3,825	20.2	24,200	22,500	19.0	17.0
5	Sage Worldwide Promotions	4,359	4,263	2.2	14,108	7,105	30.9	60.0
6	Sims Freeman O'Brien	4,184	NA	NA	8,368	4,544	50.0	NA
7	Lee Hill Inc.	3,599	2,599	39.0	5,142	3,699	70.0	70.0
8	Cato Johnson/Y&R	3,325	2,742	21.3	6,927	5,712	48.0	48.0
9	Flair Communications Agency	3,170	2,252	40.8	12,680	11,261	25.0	20.0
10	Promotion Group	3,086	NA	NA	15,430	12,050	20.0	NA
	Point of purchase							
1	Sage Worldwide Promotions	7,477	1,989	275.9	14,108	7,105	53.0	28.0
2	Columbian Advertising	4,557	NA	NA	7,595	6,175	60.0	NA
3	Comart-KLP	4,521	5,676	(20.3)	13,700	12,900	33.0	44.0
4	CCG/TCA	4,106	NA	NA	16,425	10,653	25.0	NA
5	Flair Communications Agency	3,170	3,378	(6.2)	12,680	11,261	25.0	30.0
6	Block Everett Nardizzi (BEN)	2,256	1,184	90.5	5,640	3,700	40.0	32.0
7	PriceWeber Marketing Communications	2,250	2,035	10.6	4,500	3,700	50.0	55.0
8	Promotion Group	1,543	NA	NA	15,430	12,050	10.0	NA
9	Wolf Blumberg Krody	1,248	1,215	2.7	3,900	4,050	32.0	30.0
10	Good Promotions	1,200	570	111.0	2,000	950	60.0	60.0
	Production							
1	American Consulting Corp.(FKB)*	10,935	11,475	(4.7)	24,300	25,500	45.0	45.0
2	Merchandising Workshop	5,738	5,250	9.3	8,500	8,000	67.5	65.6
3	Einson Freeman	2,880	2,660	8.3	16,000	9,500	18.0	28.0
4	R.P. Klein Associates	2,625	3,375	(22.2)	3,500	4,500	75.0	75.0
5	Robert H. Meyer & Associates	1,926	1,806	6.6	2,502	2,076	77.0	87.0
6	IMPACT	1,215	911	33.3	12,150	9,112	10.0	10.0
7	Alley Marketing	1,036	934	11.0	2,303	2,075	45.0	45.0
8	William A. Robinson	840	960	(12.5)	5,600	4,800	15.0	20.0
9	WORCO Marketing Resources	750	400	87.5	3,000	2,000	25.0	20.0
10	Henschel-Steinau Mktg. Svcs.	720	NA	NA	1,200	NA	60.0	NA
	Creative services							
1	Einson Freeman	7,200	4,465	61.3	16,000	9,500	45.0	47.0
2	OLM Associates (FKB)	4,928	3,986	23.6	9,855	7,247	50.0	55.0
3	Guild Group	4,800	5,610	(14.4)	6,000	6,600	80.0	85.0
4	Merchandising Workshop	2,465	2,448	0.7	8,500	8,000	29.0	30.6
5	Saugatuck Group (FKB)	1,372	NA	NA	5,486	NA	25.0	NA
6	William A. Robinson	1,120	960	16.7	5,600	4,800	20.0	20.0
7	Lee Hill Inc.	1,028	555	85.3	5,142	3,699	20.0	15.0
8	Herman & Mancino	850	720	18.1	1,700	1,200	50.0	60.0
9	PGM Inc.	738	693	6.5	2,108	1,872	35.0	37.0
10	D.L. Blair Corp.	726	675	7.6	24,200	22,500	3.0	3.0
	Direct marketing							
1	D.L. Blair Corp.	4,356	4,275	1.9	24,200	22,500	18.0	19.0
2	Flair Communications Agency	1,902	1,126	68.9	12,680	11,261	15.0	10.0
3	CCG/TCA	1,643	NA	NA	16,425	10,653	10.0	NA
4	Promotion Group	1,543	NA	NA	15,430	12,050	10.0	NA
5	Columbian Advertising	1,519	NA	NA	7,595	6,175	20.0	NA
6	Roger Maier Inc.	1,475	NA	NA	2,950	2,600	50.0	NA
7	Comart-KLP	1,233	903	36.5	13,700	12,900	9.0	7.0
8	Saugatuck Group (FKB)	1,097	NA	NA	5,486	NA	20.0	NA
9	Modular Marketing	903	677	32.0	2,977	1,933	30.0	35.0
10	Marketing Partnership	452	NA	NA	2,260	2,200	19.9	NA
	Sweepstakes, games & contests							
1	D.L. Blair Corp.	6,292	5,850	7.6	24,200	22,500	26.0	26.0
2	Flair Communications Agency	2,536	3,378	(24.9)	12,680	11,261	20.0	30.0
3	Smiley Promotion	2,156	NA	NA	3,975	3,600	55.0	NA
4	Don Jagoda Associates	1,838	1,948	(5.6)	4,275	4,100	43.0	47.5
5	Ameron Marketing Associates	1,072	NA	NA	5,361	2,500	20.0	NA
6	JKC Marketing	900	NA	NA	3,000	NA	30.0	NA
7	Promotion Group	772	NA	NA	15,430	12,050	5.0	NA
8	Herman & Mancino	680	NA	NA	1,700	1,200	40.0	NA
9	Communications Specialist	640	560	14.3	6,400	5,600	10.0	10.0
10	Lee Krost Associates	640	525	21.9	3,200	2,100	20.0	25.0

Notes: Dollars are in thousands. *includes promotion and design execution. Source: AA survey. Data compiled by Kenneth Wylie. AA chart: Kevin Brown.

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NEWSPAPER

May 8, 1989

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

High noon for Ogilvy

Sorrell gets closer to prize

By GARY LEVIN

NEW YORK—Martin Sorrell is on the verge of claiming his biggest prize yet.

Unless Ogilvy Group managers can find an escape hatch quickly, the WPP Group chief executive is about to pull off the biggest agency takeover in U.S. advertising history, many sources say.

These sources—including Wall Street analysts, competing agencies' executives and insiders at Ogilvy and WPP—believe that Mr. Sorrell will buy the agency for $860 million, or $53 a share.

Ogilvy Group officials are scurrying to find a white knight or leveraged buy-out partner to rescue the company, but so far no takers have emerged.

Possible white knight candidates who reportedly have been in contact with Ogilvy include Japanese agency Dentsu, French bank Societe General and West German media giant Bertlesmann AG.

Ogilvy also may have contacted investment banks Lazard Freres & Co., Wertheim, Schroder & Co. and Salomon Bros. to search for white knights. Rockefeller Group, which surfaced as a possible white knight in WPP's unfriendly takeover of JWT Group in 1987, is also rumored to be exploring the Ogilvy situation.

These potential white knights have discussed buying a sizable minority or majority position in the agency, but some have mentioned exacting tough measures to boost the agency group's profit margins, which would require radically restructuring the agency.

• How U.K. analysts look at WPP's bid—Page 72
• Potential client conflicts mount—Page 74

Another twist to the Ogilvy strategy is to convince Mr. Sorrell that client conflicts between Ogilvy & Mather Worldwide and J. Walter Thompson Co. will make the deal less attractive. ADVERTISING AGE is estimating that $500 million of client business is at risk around the world *(see story on Page 74)*.

But Mr. Sorrell is giving no sign that he's concerned about losing billings; JWT suffered substantial billings losses following the WPP takeover and recovered within two years.

"He's continuing his day-to-day activities and is treating the Ogilvy situation as just another event in the life of WPP," said Robert Dilenschneider, president-ceo at Hill & Knowlton, WPP's public relations arm.

To prove the point, Mr. Dilenschneider said last week WPP quietly bought United Public Relations in Melbourne, and combined it with Hill & Knowlton there.

Most observers are betting that, when the fight is over, WPP will emerge victorious. They predict the company will increase its offer from $45 a share to $50 a share or higher.

WPP stunned the advertising world once with its $566 million hostile takeover of JWT Group in 1987.

The latest proposal was made in the form a six-page letter, sent by Mr. Sorrell late on April 28, which offered his strategic rationale for the deal. That proposal quickly was denounced by Ogilvy Chair-

(Continued on Page 72)

Staff photo by Doug Goodman

Martin Sorrell will own two top agency names if his Ogilvy bid succeeds.

David Ogilvy says adpeople, not accountants, should run agencies.

ON THE RECORD

David Ogilvy: 'I feel very sad'

By LAUREL WENTZ

"It's like seeing one of my children sold into slavery—my only baby," David Ogilvy said poignantly of Martin Sorrell's pursuit of the agency Mr. Ogilvy founded and loves.

"I feel very sad about it, very miserable," said Mr. Ogilvy, reached by phone at his Paris apartment last week.

"I started this agency [Ogilvy & Mather] 40 years ago with my bare hands and it's done rather well. I'm 78 years old and I've done nothing else but that for the last 40 years. I worked as a slave. I don't like the idea of a young man I never met coming in with borrowed money and buying it.

"Clients never like mergers. They hate them," he continued. "They hated it when this young man bought [J. Walter] Thompson. They don't like their accounts being sold. We know a lot of our [Ogilvy] clients don't like it. If a client doesn't like it—what are we without clients? I don't blame them."

Mr. Ogilvy said that if his doctor said he had sold his patients to another doctor, whom Mr. Ogilvy must consult for all future healthcare, "I wouldn't jump up and down with joy."

"I don't like the idea of a young man I never met coming in with borrowed money and buying it."

He said he hopes the WPP Group chief executive won't get Ogilvy. He stressed that he isn't speaking as a member of the Ogilvy Group board of directors but as "an old fogy."

Mr. Ogilvy said he didn't know whether he would be drafted to help with Ogilvy's defense. "I'll do as I'm told by the board," he said.

Mr. Sorrell has never tried to contact him as far as he knows, Mr. Ogilvy said.

Alone among the living founders of the major U.S. agencies, Mr. Ogilvy continues to influence and exhort the shop that bears his name.

"My role is rather hard to define," he said. "I'm still a director and still on the executive committee. But I don't go to the office every day. I don't work every day the way I used to. I haven't written an ad in years, my stock in trade. I send an endless stream of maddening messages [to O&M management] suggesting they do this. I don't know why they put up with it."

Mr. Ogilvy's main residence is

(Continued on Page 74)

DCI comes calling on 'McCall's'

By PATRICK REILLY

Diamandis Communications Inc. can be expected to create a "magazine powerhouse" if negotiations to buy the venerable but battered *McCall's* are successful.

DCI, the U.S. unit of Paris-based Hachette, spent the weekend in negotiations to buy *McCall's* from Working Woman/-McCall's Group, sources said. The group is a joint venture formed in 1986 by entrepreneur Dale Lang and Time Inc.

McCall's, which would become a sister publication of DCI's *Woman's Day*, is expected to sell for a minimum of $70 million, sources said.

Principals involved in the sale of the unprofitable magazine wouldn't comment on negotiations, but the announcement of DCI as new owner of the 113-year-old *McCall's* is expected early this week.

Sources said Mr. Lang and Time Inc. would maintain their joint-venture agreement to publish the group's other magazines, *Working Woman* and *Working Mother*.

In joining *McCall's* with *Woman's Day*, DCI is expected to create a strong platform for advertisers in the hyper-competitive women's service magazine field.

McCall's 5.1 million paid circulation is heavily subscription based, while *Woman's Day's* 5.6 million circulation is virtually all single-copy sales.

"For us, it really makes sense to pick up *McCall's*," said a high-ranking DCI executive who asked not to be identified. "*McCall's* in combination with *Woman's Day* would be a powerhouse; it would look terrific."

The executive noted, however, that "when you are dealing with several partners, it gets touchy. It's going to be a long weekend."

Charles Elbaum, a magazine consultant, said the Hachette unit's purchase of *McCall's* could be a needed antidote to rampant rate negotiation in the women's service field.

"Possibly Hachette can bring some rate integrity back into the category," said Mr. Elbaum, senior VP, Periodical Studies Service. "With a larger portion of the field, Hachette could have the leverage to do that."

Time Inc.'s involvement in *McCall's* had been considered a safe way for the company to enter women's magazines. But Time Inc. is thought to have been unhappy lately.

Reginald Brack, president, Time Inc. Magazine Co., wouldn't comment on rumors of the sale, but sources close to the deal said Mr. Brack was eager to unload *McCall's*.

In recent months, *McCall's* regained many of the ad pages it lost in a disastrous 1988. Last year, ad pages dropped 9.7% to 1,035; for the first quarter of this year, pages were up 12% to 257. But sources close to the magazine attributed this year's surge in ad pages to selling off the rate card by as much as 70%.

After the sale, *McCall's* will need some fixing up on its editorial and business side. As of Dec. 31, its paid circulation totaled 5,142,463, a drop of 3.9% from 1987. Industry observers also said the editorial quality of the magazine has dropped in recent years.

"*McCall's* is not profitable, but it's still a good franchise," said Neal Vitale, VP, McNamee Consulting Co. "With the right combination of people, you can revitalize the product. At one point, *Ladies' Home Journal* was in the same position, but the right people turned it around."#

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Faberge eyes Minnetonka

By PAT SLOAN

NEW YORK—Faberge Inc. is emerging as a front-runner in the contest for Minnetonka Corp., the Minnesota-based marketer of Calvin Klein cosmetics.

Faberge Chairman Dan Manella flew to Minneapolis last week to meet with Minnetonka management. Sources said he has made the highest bid in a group of prospective buyers believed to include Moet Hennessy, Shiseido, Revlon and, possibly, Unilever.

Mr. Manella confirmed he visited Minnetonka, but said he has "no idea" if Faberge's bid was the highest offered.

Faberge and Unilever recently broke off negotiations for the sale of Faberge's beauty business to Unilever (AA, May 1).

Mr. Manella last week said Faberge was offering a bid for a second company, but he declined to identify it. He said the company wasn't Avon Products or its retail division, made up of Parfums Stern and Giorgio Beverly Hills.

Avon has been targeted by investor Irwin Jacobs and Amway Corp. Mr. Jacobs and Amway joined to buy 10.3% of Avon and told the Securities & Exchange Commission they may seek control of Avon.

Unilever is said to be interested in Avon, especially its retail division. Revlon also has been rumored to be interested in Avon.

Avon doesn't appear amenable to a takeover.

"I want to make it clear Avon is not for sale," Chairman Jim Preston said at last week's annual meeting. "We believe that Avon can provide the best value to shareholders by remaining independent." At the meeting, Mr. Preston said no offer had been received by Avon.

Jack Salzman, household products analyst, Goldman Sachs & Co., said he believes Unilever will look hard at any acquisition opportunity that would fit with its three main product categories: foods; soaps and chemicals; and personal care.

David Lustig, Unilever U.S. public affairs manager, wouldn't say what companies Unilever is studying. Industry analysts have suggested that besides Avon and Minnetonka, Unilever may be interested in RJR Nabisco food divisions and parts of Beecham Group.#

Laurie Freeman in Washington contributed to this report.

Nielsen ratings hit home videos in fall

By WAYNE WALLEY

Ratings for videocassette rentals, often touted as the solution for turning home videos into an advertising medium, will become a reality this fall.

Nielsen Media Research is testing a system that measures viewership of prerecorded cassettes and expects to offer a regular ratings report by September.

Agency executives are welcoming the service because it will make measurement of videocassette viewership comparable to that for TV. That could make the use of movie videos more palatable for advertisers by giving ad agencies a way to justify the cost in their media planning.

"This is not an evolution, but a revolution [in research]," said Paul

(Continued on Page 8)

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Convenience stores push fast-lane pace

Competing for working women and more upscale types creating a new form of venue

By David J. Wallace

The disintegration of the traditional American family is partly responsible for the new attention marketers are giving to the convenience store. Working mothers and time-pressed young professionals have made convenience the consumer buzz word.

In a 1988 Food Marketing Institute study, convenience-related criteria were key to consumers' store selection. Convenient location was ranked as important by 92% of the respondents; fast checkout garnered 88%; convenient store layout appealed to 78%.

With an eye on changing consumer lifestyles, convenience-store retailers are restructuring store management and merchandising. And suppliers are adapting marketing, packaging and inventory planning to serve this retail category.

A 1988 survey commissioned by Conde Nast Publications on the female American food buyer, found that although 91.9% of women say they do most of their shopping in traditional supermarkets, 35% say they do some food shopping in the convenience store—the second-highest category—and that number is growing.

Overall sales in the convenience-store industry climbed to $39.6 billion in 1987, a 10% increase from a year earlier, according to National Association of Convenience Stores. While marketers are taking note of this growth, serving the convenience-store trade means more than adding the stores to the list of retail-distribution outlets.

Christopher Vroom, an analyst with Alex. Brown & Sons, says companies will succeed by adding marketing and packaging divisions to deal specifically with the convenience-store trade.

Geo A. Hormel & Co. is giving special attention to convenience stores. According to Dan McHugh, Hormel's pricing information coordinator and former national sales manager for convenience stores, the company tailors its marketing efforts to the small store because it serves a different customer.

"By and large, it's point-of-purchase-driven advertising," Mr. McHugh says. Noting that convenience-store customers spend an average of three minutes in the store, he says people have to decipher a jumble of banners, shelf tags, mobiles, displays and other in-store marketing efforts. People may make impulse purchases once inside the store, but are less likely to be affected by advertising than supermarket shoppers, he adds.

"It's a right-now kind of thing," Mr. McHugh says. "Convenience stores are getting more into fast-food and you see tie-ins like 'Buy a hot dog, get a Coke.' "

According to Fred Hadtke, VP-structural packaging, ListerButler, a marketing communications and design company, the biggest obstacle for marketers is dealing with space constraints. "The basic problem for manufacturers in the convenience store is that there is so little space given to each product," he says.

Since 1987, Sara Lee Corp. has brought single servings of danish and cakes to convenience stores. This year, the company will introduce three flavors of individual-serving pies for the convenience-store customer, says Peg Ransom, PR manager of Sara Lee Bakery.

One element generating greater manufacturer interest in convenience stores is improved product movement data. Anheuser-Busch Cos., an active player in the convenience-store category, uses supermarket data from Nielsen Marketing Research's Scantrack and Information Resources Inc.'s Infoscan system.

While the research generated is useful, Kevin Stadler, director-retail systems for A-B, says it is considered a "soft benefit" at convenience-store level. The biggest plus is that scanners speed up the checkout process, he says.

Mr. Stadler says beer is more likely to be a planned purchase at a convenience store than at a supermarket. He says A-B works with convenience-store chains to develop tie-ins, promotions and other marketing efforts because beer is a crucial convenience-store commodity.

"At a convenience store, beer sales are more important to the total bottom line than at a supermarket," he says. "It may be 2% to 4% of total profits at a grocery store, but it's 20% to 25% at a convenience store."

In terms of actual purchases, beer is a big seller, averaging 13.6% of all non-gas convenience-store purchases in 1987, according to the NACS. Soft drinks accounted for 9.7% of all purchases, fresh sandwiches 13.1%. Tobacco commands 20.7% of purchases.

Mr. Vroom says the typical store customer is an 18-to-30-years-old, blue-collar male. Although this group indexes high in consumption of many convenience-store products, he says the potential of the "new" convenience-store customer attracts many suppliers today.

Retailers also are aware of the demographic and lifestyle changes working in their favor. Circle K, a chain with more than 4,600 stores, is upgrading its stores to improve their appeal.

Although the company did not have a specific demographic in mind when planning the redesign, Jack Nietzel, Circle K's senior VP-marketing services, admits the "upgraded color schemes and design touches make the stores more attractive and inviting. This is especially important to our women customers."

According to Chris Ebel, execu-

David J. Wallace is a Philadelphia-based free-lance writer.

Consumers pick their spots

Convenience stores may be getting more attention from manufacturers, but consumers still shop primarily at supermarkets. According to the Food Marketing Institute, the top-selling C-store category is tobacco. However, only 7% of respondents buy tobacco at C-stores compared with 26% at supermarkets. Toys represented the only category in which C-stores bettered supermarkets. But C-store owners should not lose heart. Research Performance Inc. conducted a survey of 200 "decision makers" attending the 1988 National Restaurant Association's Restaurant, Hotel-Motel Show and found 35% feel the C-store sector would experience its greatest growth in the 1990s. Only chain restaurants, at 42%, topped the format.

Instant data gratification

By Christy Fisher

In the convenience store business, timing is everything.

With this in mind, Nielsen Marketing Research launched Scantrack Convenience Store Service in March, giving grocery marketers what they want—up-to-the-minute sales information from the small size stores.

While scanner data has been available from supermarkets for more than a decade, Nielsen's service represents the first large-scale effort by a market researcher to track convenience-store sales. Information Resources Inc., another market researcher, plans to expand its Infoscan service into the convenience format later this month, according to Bob Bregenzer, IRI senior VP-corporate communications.

Nielsen launched the service in Dallas, and will collect information on product movement in Los Angeles beginning this month. Participating chains include Southland Corp., National Convenience Stores, and a number of smaller chains. According to Bill McNair, Nielsen's communications manager, 30 sample stores are using the optical scanning cash registers and computers.

Although convenience stores make up only 8% of total grocery sales, the information is particularly significant to candy, snack, soft drink, beer and tobacco marketers because a large percentage of product sales are made through these outlets, Mr. McNair says.

With data from the point-of-sale scanners, Nielsen and IRI will track product movement and buying influences, such as advertising, promotion and discounting.

Kevin Stadler, Anheuser-Busch Cos. director-retail systems, says accuracy and speed are the most important offerings of the new technology. He says A-B uses scanner data in conjunction with consumer demographics to formulate the company's promotion schedule.

"Before, you had spot-sample audits that were not nearly as accurate," Mr. Stadler says. "The margin of error might be 10% to 15%, but it could be 5% or less with a scanner." □

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tive director-market research at *Convenience Store News*, convenience stores are looking to broaden their appeal and improve their image with affluent segments of the population. "They're not going upscale, but they are upgrading," he says. "They're going after working women and a higher class of customer."

Donald Price, VP-purchasing and marketing for Wawa Inc.'s Wawa Food Markets, which operates 450 stores along the Eastern Seaboard, says convenience stores are moving away from the 18-to-30 year-old blue-collar male. "Every year for the rest of the century there are going to be less and less of them," he says.

Gallup Organization studies have yet to register the new demographics of the convenience-store customer, but says in-store changes reflect what the studies have yet to show, Mr. Ebel says.

"They've gotten rid of video machines and cleaned up the stores to avoid the image as a hangout for kids," he says. Improved parking, security, lighting and more competitive pricing are other indications of an awareness of changing consumer demographics, he adds.

NACS surveys confirm these trends. For example, the number of stores with videogames has fallen to just more than 50% from 73%. Stores offering banking services, videocassette rentals and gourmet foods-to-go are on the rise.

Mr. Price thinks independent and small stores will move faster in these segments than their chain counterparts. "Chain stores are more opportunistic," Mr. Price says, adding they will stock "whatever's hot this week," rather than offer riskier items such as produce, deli sandwiches and other high-cost, labor-intensive merchandise.

"Convenience stores are getting more into fast-food and you see tie-ins like 'Buy a hot dog, get a Coke.' "

Dan McHugh
Geo A. Hormel & Co.

Retailers are just as intent about perfecting marketing and merchandising strategies. Southland Corp. now uses a "Monthly Product Movement" analysis to track the 3,000 different items in an average 7-Eleven store, says Don Cowan, Southland's product publicity manager. That information is shared with distributors and marketers.

"Our intent is to make stores more neighborhood specific. In El Paso, Texas, we have a jalapeno hot dog that might not sell well in Washington," he says.

The availability of product information may spur major changes in the convenience-store industry, Mr. Cowan says. "You're going to have some manufacturers that are in the decline of a cycle and maybe can make their product live a while longer by using regional [convenience-store] sales."

Mr. Nietzel gives suppliers a lot of credit for bringing the convenience-store industry up to date. "It's really the industry that supplies [convenience stores] that's helping us change," he says. "We've got more space devoted to juice today than ever before, and that's not because we said juice is important, but because consumers said juice is important, and suppliers are supplying more of it.

"We're nothing more than a giant distributing arm." □

Future store? It's . . .

. . . *black-and-white for format leader, A&P's James Wood*

By Kristine Stiven

Store formats are being completely overhauled in an effort to get consumers in more often and out more rapidly—and making the journey in between enjoyable.

A&P, which operates 976 stores primarily in the East and Southeast, has gained a reputation for developing successful store formats.

A&P Chairman-CEO James Wood, the engineer of the format revolution, discusses store design and meeting changing consumer needs.

ADVERTISING AGE: *What is the hot format for the 1990s?*

Mr. Wood: The emphasis at this time at A&P is on the superstore format.

We have two types of superstores: the Futurestore and the Savacenter. Both are primarily food stores with some [health & beauty aids] and some general merchandise. But you won't find TVs and refrigerators in our stores.

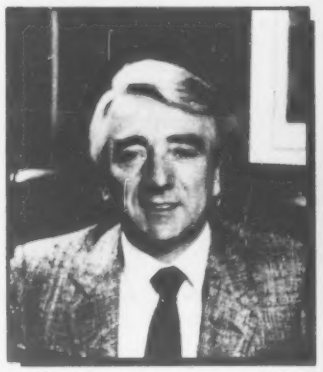
The Futurestore has a black-and-white design format. It's got expanded deli, floral, bakery and boutique departments. It's definitely an upscale look, a futuristic approach, very chic. Gourmet selections are much in evidence as well. We build these stores in affluent areas where the customers are looking for this kind of merchandise and willing to spend this kind of money.

The A&P Savacenter is also 40,000 square feet or more and also has a wide selection. The Savacenter is much more promotional in character, with a heavy price orientation. We're building these in areas where we compete with discount operations, warehouses and the like.

AA: *Has this move affected your existing stores?*

Mr. Wood: Our conventional stores are all around 30,000 square feet and although they're not going to be expanded, they've all been remodeled. The other format we're promoting is the Food Emporium, which offers a full range of grocery products but has a specialty gourmet emphasis. There's lots of prepared foods, lots of gourmet prod-

(Continued on Page S-18)



A&P's James Wood looks to a time of superstores and super-combos.

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	Number in Metro Area	Daily Times Readers	Daily Tribune Readers
Total Adults	1,582,700	44%	32%
Food Shoppers	946,900	45%	30%
Coupon Users	1,161,600	47%	31%

It's a sizable audience too. The Times is Tampa Bay's largest newspaper, delivering 44% of the nearly 1.6-million adults living in the four-county metro area and 49% of adults on Sunday. That's an audience larger than Tampa Bay's other two dailies combined. And 95% of the Times circulation is concentrated within the metro, so there's little waste distribution.

If you sell food products — or anything for people who like to eat — discover the difference quality and quantity makes in your Tampa Bay media buy. Call the Times General Advertising Department at (813) 893-8249 or contact the CWO&O office nearest you.

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Calendar

MAY

May 13-17, **International Mass Retail Association**, annual convention, Marriott's Orlando World Center, Orlando, Fla. (212) 354-6600.

May 16, **American Marketing Association**, "How to Profit in a Crowded Marketplace" conference, Plaza Hotel, New York, (212) 687-3280.

May 16, **Institute of Outdoor Advertising**, 47th OBIE Awards presentation, Parsons School of Design, New York, (212) 986-5920.

May 16, **International Radio & Television Society**, annual meeting/-Broadcaster of the Year Luncheon honoring Larry King, Waldorf-Astoria Hotel, New York, (212) 867-6650.

May 16-19, **Council of Sales Promotion Agencies**, "Decisions That Make or Break Agency Profitability," biannual meeting, L'Hotel, Toronto, (203) 325-3911.

May 17, **Chemical Communications Association**, May meeting, La Veranda Restaurant, New York, (212) 697-5600.

May 17-18, **1989 Direct Marketing Day,** New York Hilton, (203) 964-0365.

May 17-20, **American Association of Advertising Agencies**, annual meeting, Greenbrier Resort, White Sulphur Springs, W. Va., (212) 682-2500.

May 18, **American Marketing Association**, "1989 Financial Services" conference, Knickerbocker Hotel, Chicago, (312) 469-1770.

May 18, **American Marketing Association**, "Getting Results from Special Event Sponsorship" program, Seagram Building, New York, (212) 687-3280.

May 21-24, **National Cable Television Association**, 1989 national show, Convention Center, Dallas, (202) 775-3606.

May 21-24, **Treasure Chest Advertising Co.**, 34th Annual Locally Edited Sunday Magazine Advertising Conference, Inn on the Park, Houston, (816) 234-4223.

May 22-24, **Association of National Advertisers**, creative advertising, media strategy and promotion strategy seminars, Stouffer Westchester Hotel, White Plains, N.Y., (212) 697-5950.

May 22-26, **Magazine Publishers of America**, Spring Congress, Hilton Hotel, New York, (212) 752-0055.

May 24, **Direct Marketing Association**, Marketing Council Luncheon, Yale Club, New York, (212) 689-4977.

May 25, **Magazine Publishers of America**, Stephen E. Kelly Award, Waldorf-Astoria, New York, (212) 752-0055.

May 31-June 1, **The Marketing Institute**, Database Marketing Conference, Knickerbocker Hotel, Chicago, (212) 883-1770.

JUNE

June 3-6, **Electronic Industries Association**, consumer electronics show, Chicago, (202) 457-4900.

June 6, **Direct Marketing Association**, List Council Luncheon Roundtables, Halloran House, New York, (212) 689-4977.

June 6, **Direct Marketing Creative Guild-West Coast**, 6th Annual Pioneer Awards Ceremony, Los Angeles Athletic Club, Los Angeles, (213) 458-2633.

June 6-7, **International Advertising Association** and **Advertising Age**, "1992: the Challenge Worldwide," Time-Life Building, New York, (212) 210-0209.

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Big dailies singing circulation blues

By IRA TEINOWITZ

The latest newspaper FAS-FAX report by the Audit Bureau of Circulations doesn't contain a lot of good news for major-market dailies.

In market after market, papers reported downturns in their Sunday or daily circulation for the six months ended March 31. A few registered slight gains.

The list of losers includes *The Wall Street Journal, New York Daily News* and newspapers in Chicago, Detroit, Milwaukee, Philadelphia, Dallas and San Francisco.

The biggest percentage loss for any big-city paper was reported by the *Chicago Sun-Times*. The paper lost 11.3% of its daily and 6.6% of its Sunday circulation.

The San Francisco *Examiner* lost 8.9% of its daily circulation.

The *WSJ*, the nation's largest paper, reported a 4.6% circulation drop. Dow Jones Co. officials had earlier indicated the decline stems from the October 1987 stock market tumble.

The figures were released just days after conclusion of an American Newspaper Publishers Association convention that focused on new ways to lure readers (AA, May 1).

"We have seen no indications in our analysis of 1988 data that circulation is declining," said Martin Casey, ANPA's director for circulation readership. "I think the concern that people were expressing at our convention is that in many markets circulation growth doesn't keep pace with population growth."

Mr. Casey said declines in metropolitan newspaper circulation may be more than balanced by gains in suburban papers.

For example, the *Los Angeles Times'* daily circulation dropped 1.2% while Sunday circulation rose 0.3%. *The Los Angeles Herald Examiner's* daily figures rose 0.3% while Sunday circulation dropped 3.2%. Meanwhile, suburban competitors the *Orange County Register* and the *Los Angeles Daily News* posted gains in both daily and Sunday sales.

In Chicago, the *Chicago Tribune's* daily circulation fell 4.4% after that newspaper and the *Sun-Times* took over distribution from independent carriers and raised daily prices a dime to 35¢. However, the *Tribune's* Sunday circulation rose 0.7%.

Officials of the San Francisco *Examiner* noted the newspaper's home delivery price was raised in January when asked for an explanation of the paper's 8.9% daily circulation drop. The *San Francisco Chronicle* also saw a 2.3% loss in daily circulation. The Sunday *Examiner & Chronicle* reported a 3.1% decline.

The *Daily News*, which reported daily circulation fell 4.1% and Sunday dropped 6.0%, said the declines were due to efforts to develop a "more efficient" circulation base.

The New York Times grew 3.6% in daily circulation and 1.0% in Sunday circulation. *Newsday* reported its daily circulation up 4.9% and Sunday circulation up 0.8%. The *New York Post's* daily circulation fell 3.6%.

The Milwaukee Journal reported a 2.9% drop in daily circulation to 275,778 and a 1.2% drop in Sunday circulation to 506,517. The *Milwaukee Sentinel* reported a 2.9% drop in daily circulation to 176,154.

In Detroit, where a joint operating agreement is pending, the *Detroit News* reported daily circulation fell 1.8% with Sunday circulation down 1.9%. The *Detroit Free Press* reported daily circulation down 2.9% while Sunday circulation fell 3.8%.

In Boston, both papers reported daily gains but Sunday slippage. *The Boston Globe's* daily circulation rose 2.3% to 509,573, but Sunday circulation fell 0.3% to 787,385. The *Boston Herald* rose 1.6% in daily circulation to 360,046 while its Sunday total fell 0.1% to 251,851.

The Philadelphia Inquirer reported a 0.8% drop in daily circulation to 500,136, but a 0.9% increase in Sunday circulation to 1,010,530. The *Philadelphia Daily News* saw daily circulation drop 1.8% to 237,822.

The Dallas Morning News reported a 0.8% drop in daily circulation, but a 1.5% rise in Sunday circulation. The *Dallas Times Herald* reported a 1.8% drop in daily circulation, but a 2.7% jump in Sunday circulation.

Both the *Houston Chronicle* and the *Houston Post* reported major gains. The *Chronicle's* daily circulation was up 3.9% to 427,844 and its Sunday circulation rose 5.9% to 585,845. The *Post's* daily circulation was up 6.6% to 322,193 while the Sunday circulation rose 5.2% to 352,847.#

NEWSPAPER CIRCULATION

Average circulation for six months ending March 31, 1989, compared with average for six months ending March 31, 1988.

Newspapers	Daily	% chg	Sunday	% chg
National				
Wall Street Journal	1,931,410	−4.6%	—	—
USA Today*	1,341,811	−0.3	—	—
Washington				
Post	812,419	+0.3	1,149,856	+1.5
Times	103,652	+8.3	—	—
Baltimore Sun**	402,242	−1.4	485,269	+1.0
New York				
Times	1,117,376	+3.6	1,663,530	+1.0
Daily News	1,230,186	−4.1	1,526,413	−6.0
Newsday	697,509	+4.9	707,787	+0.8
Post***	535,407	−3.6	402,136	n.a.
Chicago				
Tribune	740,154	−4.4	1,137,447	+0.7
Sun-Times	554,670	−11.3	595,311	−6.6
Detroit				
Free Press	629,275	−2.9	693,943	−3.8
News	676,025	−1.8	820,655	−1.9
Denver				
Rocky Mountain News	365,493	+2.4	411,023	−3.4
Post	241,386	+4.7	401,843	−1.9
Dallas				
News	359,976	−0.8	534,843	+1.5
Times Herald	222,147	−1.8	333,713	+2.7
Los Angeles				
Times	1,119,840	−1.2	1,423,310	+0.3
Herald Examiner	238,392	+0.3	183,122	−3.2
Daily News	183,402	+5.0	201,533	+4.4
Orange County Register	344,965	+6.1	392,695	+6.2
San Francisco				
Chronicle	556,196	−2.3	—	—
Examiner	135,444	−8.9	—	—
Examiner & Chronicle	—	—	700,969	−3.1

Notes: *USA Today listed 1988 figures on Monday through Friday basis and 1989 on Monday through Thursday basis. USA Today says its Friday sales averaged 1,669,121 for the period, 24.4% above the other four-day average. **Baltimore Sun daily circulation combined AM & PM editions. ***New York Post began its Sunday edition March 5, 1989. Source: Audit Bureau of Circulations FAS-FAX report.

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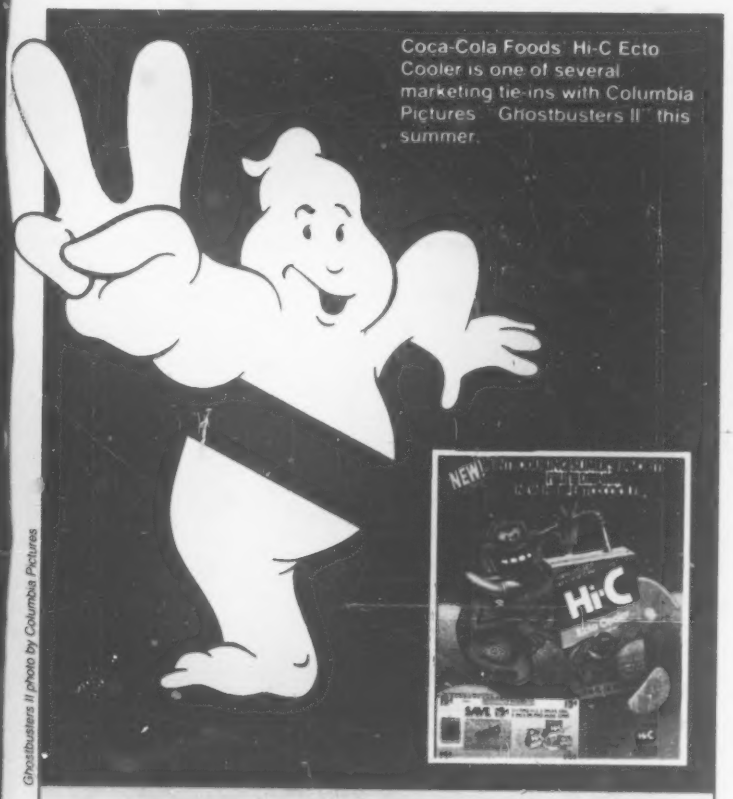

Coca-Cola Foods' Hi-C Ecto Cooler is one of several marketing tie-ins with Columbia Pictures' "Ghostbusters II" this summer.

Ghostbusters II photo by Columbia Pictures

'Ghostbusters' spook-tacular

$30M in tie-ins planned

By MARCY MAGIERA and KATE FITZGERALD

Columbia Pictures, haunted by its slipping market share, is scaring up an estimated $30 million in summer marketing tie-ins for "Ghostbusters II."

Coca-Cola Co., Ralston Purina Co. and Fuji Photo Film USA plan to devote substantial ad support to major promotions breaking late this month, said Mark Kogan, Columbia national promotions manager.

Columbia parent Coca-Cola is planning the most extensive promotion, to include its flagship Coca-Cola USA's Coca-Cola Classic soft drink and Coca-Cola Foods' Hi-C fruit drink.

Half of Hi-C's annual $10 million ad budget is going to the introduction of Hi-C Ecto Cooler, a citrus-flavor fruit drink developed through a licensing agreement with Columbia.

A "Ghostbusters II" sweepstakes is part of Coca-Cola USA's "Official soft drink of summer" blitz for Classic *(see story on Page 3)*. It will include advertising and promotions for fountain service tied in with Hardee's Food Systems.

In addition to the marketer tie-ins, Columbia's media budget for "Ghostbusters II" will be considerably higher than the average $7 million spent by the studios on a film—"no question about it," said a Columbia spokesman.

"Ghostbusters II," starring Dan Aykroyd, Bill Murray and Sigourney Weaver, opens in theaters June 16.

The original "Ghostbusters" pulled in $220 million at the box office in 1984, pushing Columbia to its peak box office market share of 16%. By 1987, however, Columbia's market share dropped to 4%, where it remains.

Ralston Purina, timed with the movie's release, will start an on-pack promotion with three of its

(Continued on Page 70)

Ogilvy, WPP talking deal

By GARY LEVIN

NEW YORK—The predicted shoot-out tomorrow between Martin Sorrell and Ken Roman looks more like a formal surrender.

After Ogilvy Group Chairman-CEO Mr. Roman agreed to start negotiations last week with WPP Group Chief Executive Mr. Sorrell, financial observers said it was "highly probable" Ogilvy would strike a deal for a $53-to-$55-a-share takeover.

Ogilvy has an annual shareholders meeting scheduled for tomorrow.

The total price would amount to $848 million to $880 million, about halfway between early valuations of Ogilvy stock at $48.50 a share and recent speculation that a bidding war could lead to a $60-per-share price.

If he closes the deal, Mr. Sorrell's WPP Group would become a $13.5 billion megagroup, one that's neck and neck with Saatchi & Saatchi Co. for the top spot.

WPP Group is now the world's third-largest agency group, with 1988 worldwide billings of $7.82 billion and gross income of $1.173 billion. Fifth-ranked Ogilvy reported worldwide billings of $5.7 billion last year and revenues of $838 million.

With a sale of Ogilvy all but certain, speculation late last week centered on the future shape of the company and who might run it.

Mr. Sorrell is expected to honor Ogilvy's commitment to sell a majority stake in Scali, McCabe, Sloves back to its management.

While WPP sources insist no other major assets will be sold, the word is that low-margin operations, such as Research International and SAGE Worldwide, might be spun off or consolidated with other WPP holdings.

Research International and its components could be merged with WPP's MRB Group research unit. SAGE could be reorganized or dismantled by splitting its sales promotion and retail consultancy businesses.

Ogilvy units that aren't spun off or absorbed within WPP's units will form a powerful second network for Mr. Sorrell, who sees the emerging WPP offering clients greater global marketing strengths and service synergies.

Ogilvy managers and investment advisers in the past two weeks frantically searched for a "white knight" and tried to line up financing for a leveraged buyout proposal they could present to shareholders and directors at the annual meeting tomorrow.

The possibility of a white knight remains, and Ogilvy management conceivably could have a counteroffer up their sleeves. In a statement released Friday, Ogilvy stressed that "there is no assurance that an agreement will be reached" in the current talks.

"The issues now are obviously price and who's going to stay," said Andrew Wallach, analyst at

(Continued on Page 72)

L'Oreal puts on a new face for skincare launch

By PAT SLOAN

NEW YORK—Cosmair will kick off its huge introduction of L'Oreal Plenitude skincare products with a $35 million campaign that resembles a department store introduction.

Plenitude, marketed only in mass-market outlets like grocery and drugstores, will bump heads with Oil of Olay, the leading mass-market skincare line. Oil of Olay, marketed by Procter & Gamble Co.'s Richardson-Vicks subsidiary, last year spent $31 million in measured media.

Cosmair's budget for Plenitude will include $15 million for TV and print, $10 million for promotion and another $10 million for in-store promotion.

The in-store promotion program will borrow a page from department store marketers.

Representatives will be trained to discuss skincare with consumers and analyze their skin. Local modeling agencies also will be used to tout the line and distribute product samples. At least 10 million product samples will be used.

Advertising, via Publicis, Paris, departs from the wholesome, mass-market look, incorporating more sophisticated, somewhat European imagery. Ads focus on the

(Continued on Page 70)

Last Minute News

Johnston, Matthews join

STAMFORD, CONN.—Former JWT Group Chairman Don Johnston and former American Association of Advertising Agencies President Len Matthews today open Matthews & Johnston, a consultancy advising multinational marketers and ad agencies. For example, the consultancy will help expansion-minded companies find partners in Europe or the Asia/Pacific. The office is at 6 Landmark Square, Suite 400, 06901.

BK delays decision

MIAMI—Burger King postponed a decision on its $60 million national account after one of the three agency finalists produced uninvited speculative creative work, a source said. The other shops may have to submit campaigns to compete. D'Arcy Masius Benton & Bowles and Saatchi & Saatchi Advertising, both New York, and J. Walter Thompson USA, Chicago, are in the review. The account is now at N W Ayer, New York.

Chesebrough protests ads

GREENWICH, CONN.—Chesebrough-Pond's asked the Big 3 TV networks to pull Campbell Soup Co. spots comparing Prego spaghetti sauce with Chesebrough's

(Continued on Page 8)

More 'Roe vs. Wade' fallout—P. 2 | Ad spending update—P. 24

'Roe' advertisers risk boycotts

By JUDITH GRAHAM

The bitter controversy over NBC-TV's *"Roe vs. Wade"* movie now threatens to expose the network's affiliates and their local advertisers to retaliation by the National Right to Life Committee.

The anti-abortion group last week asked its 2,500 local and 50 state chapters to tell local advertisers how strongly they objected to the TV movie. The goal was to convince advertisers to pressure affiliates into not airing *"Roe vs. Wade,"* scheduled for tonight.

There had been just one pre-emption among NBC's 208 affiliates as of late last week, said Curt Block, NBC VP-East Coast media relations. That pre-emption, in Kansas City, Mo., involved a station previously committed to a baseball telecast. NBC placed *"Roe vs. Wade"* with another station in the market, Mr. Block said.

NBC, hit by cancellations from several network advertisers, including Procter & Gamble Co., vowed it would air the movie even without advertiser support. The movie is the story of the woman whose case led to the 1973 Supreme Court ruling that abortion is legal.

The NRLC chapters will urge marketers to withdraw ad support during the next several months from NBC affiliates that air the movie. And marketers themselves may be subject to the chapters' wrath.

"I would not rule out [advertiser] boycotts, both nationally and locally," said Dan Donehey, NRLC director of public relations.

Mr. Donehey said his organization, which had been in contact with NBC about the movie since January, felt "conned" by the network.

Despite NBC's insistence that *"Roe vs. Wade"* would be a balanced, fair treatment of the abortion issue, he said, several local right-to-life groups that saw the program last week said it had a distinct pro-abortion slant.

Separately, the Rev. Donald Wildmon, executive director of the American Family Association, said his group would watch the program tonight and decide later this week whether to initiate a boycott of advertisers that bought time in the movie.

The 380,000-member association is separate from another Wildmon-related group, Christian Leaders for Responsible Television, that is monitoring network programs airing in May.

Top NBC officials made personal appeals to chief executives of some 100 leading national advertisers, urging them not to be intimidated by threats from pressure groups.

NBC President Robert C. Wright, in a telegram, told advertisers: "NBC firmly believes the decision about where your messages appear rests with you and your marketing people—not with those who have a predisposition to judge a program's merits based on their own agenda and no information."

Mr. Wright called several executives personally to ask for their support.

Although many advertisers have decided to pull out of the *"Roe vs. Wade"* movie, some are asking to be included on the show precisely because they believe high-quality programs of this sort should be aired, agency executives said. NBC expects to have takers for all its advertising availabilities, which had been selling at deep discounts, agency executives said.

"At least two clients have moved into the program because they feel strongly about the issue," said [illegible] Mandel, VP-director of national broadcast at Grey Advertising, New York. He declined to name the marketers.

General Foods USA reaffirmed its commitment to the program.

P&G said its decision to withdraw from *"Roe vs. Wade"* was based on existing corporate guidelines that specify the company will avoid controversial topics and wasn't the result of pressure tactics mounted by the program's critics.#

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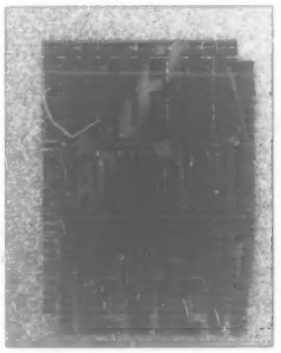

Independent direct shops feel the squeeze. See "Special Report," following P. 50.

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Breyers ices deal with bank for affinity card

By JULIE LIESSE ERICKSON

Kraft General Foods Group and Marine Midland Bank next month will start issuing a Visa card that features the logo of Breyers ice cream.

It's believed to be the first affinity card from a package-goods marketer.

The Breyers card will be announced during the Children's Miracle Network Telethon, airing June 3 and 4. The card will also be advertised in *People* and *TV Guide*, and in special newspaper inserts June 4.

Ads will be prepared by Young & Rubicam, New York, Breyers' agency.

For each card issued during the telethon or because of the ads, Breyers will contribute $2 to a fund-raising effort benefiting children's hospitals around the country.

Breyers and Marine Midland also will contribute to the charity, on an ongoing basis, a percentage of the finance charges paid by Breyers card users.

In addition to a portion of profits from the card, "Breyers will realize unusual benefits for an affinity card partner—it gets its brand identity in front of thousands of consumers," said Jeff Slawsky, VP-marketing for Marine Midland.

A customer also gets a Timex watch carrying the Breyers logo when approved for the card. And if purchase volume in the first year exceeds $3,500, the cardholder receives a $50 U.S. savings bond.

Marine Midland is the largest issuer of affinity cards, with more than 160 programs, including those of Continental Airlines and the New York Yankees.

More package-goods credit cards may be coming.

"We have been approached by a couple of other package-goods marketers," Mr. Slawsky said, "but we want to get this program in place before acting on those proposals."#

Laurie Freeman in Washington contributed to this story.

BDDP sweetens its offer for BMP

By LAUREL WENTZ

LONDON—France's BDDP Group might have delivered the knockout blow last week to clinch its hostile takeover of U.K. agency Boase Massimi Pollitt.

The BMP board met over the weekend to consider alternatives to BDDP's new offer of 345 pence per share, a 15% increase over earlier offers. The new offer values the company at $201 million.

BDDP also bought another 3% of BMP, bringing its stake to 14%.

Omnicom Group, New York, has been the most persistently rumored other suitor but hasn't made a bid or acquired the 1% shareholding that must be disclosed if acquired while any bid is under way.

Officials at Omnicom couldn't be reached for comment.

"I'd recommend my clients take 345 pence," said Chris Akers, an analyst at Citicorp Scrimgeour Vickers. "The only possibility BMP may have of escaping the clutches of BDDP is if a third party comes in. I can't believe TBWA [which owns a 2.6% stake in BMP] is capitalized enough, and BMP management—would be loath to do" a management buyout.

TBWA officials also couldn't be reached for comment.

David Grimbley, an analyst at UBS Phillips & Drew, said BMP still could seek a white knight.

BMP counterattacked BDDP's latest move with a round of hourlong presentations May 12 to convince the agency's biggest shareholders and analysts that BMP is worth more than $201 million.

Analysts said BMP told them an even higher offer is justified by the company's cash flow and by comparison with the price WPP Group is offering for Ogilvy Group.

At $50 a share—WPP's offer last

(Continued on Page 72)

Grocery retailers get tougher

Nabisco exec wants 'new rules'

By JUDANN DAGNOLI and JULIE LIESSE ERICKSON

CHICAGO—Grocery retailers are gaining more ground in their power struggle with grocery product marketers.

At the Food Marketing Institute's annual Supermarket Industry Show here last week, it was apparent that retailers are no longer satisfied with merely controlling shelf space and promotional allowances.

Instead, they're aiming at taking even more sales from national brands for their own house brands and demanding more control of in-store ad media.

Their desire for higher profits despite thin margins is also prompting supermarkets to institute such policies as "failure fees" in addition to slotting fees for new products.

Nabisco Foods Co. President-CEO William McKnight told food brokers in a speech 10 days before the FMI show that the concentration of retail grocery trade power is intensifying so quickly that federal intervention may become necessary.

Mr. McKnight said consolidation among grocery retailers is concentrating power in fewer hands.

"The top 10 customers of Nabisco Foods represented 25% of total sales in 1980," he said. "In 1989, the top 10 will represent more than 44%."

Although the top 10 food companies also account for about 40% of retail store sales, there's no balance, Mr. McKnight said.

"The emergence of extra goodies—like reclamation centers, co-op advertising fees far in excess of media costs, diverting, slotting allowances and other 'promotional expenses,' " he said, have given retailers the edge over marketers. Mr. McKnight called for "new rules for the promotion game."

One new twist on that game is from J.M. Jones Co., an Urbana, Ill.-based wholesaler and subsidiary of Super Valu Stores, Minneapolis, which is demanding a $2,000 per-item fee to remove marketers' new products that don't meet agreed-upon sales goals within the first 90 days.

If the marketer chooses to leave the product on shelves, it must pay a special surcharge to J.M. Jones, distributor to Eagle Stores and independent grocery stores throughout Illinois. The policy is designed to cover labor and other costs of removing failed products, the wholesaler said.

This type of policy is "one of hundreds" instituted by major grocery chains, said a food company executive, who noted such policies could lead national companies to run afoul of antitrust regulations.

"In some ways, they're [retailers] just getting even for years of manufacturers dictating what they would sell. Now, retailers want to decide what they're shelving and promoting," said a VP-sales at another national food company.

Some retailers are taking control of ad dollars as well as promotional dollars. Chains such as Safeway Stores, Lucky Stores, Save Mart Foods and Payless Drug Stores have already installed in-store radio ad systems in which they sell time to national marketers.

Ike Egan, president-ceo of Broadcast International, which sells satellite equipment to the stores for the in-house network, said retailers should control "the $57 billion spent annually on advertising and promotion in the food industry."

Mr. Egan said with his system, a retailer can, for instance, block Pepsi commercials on its radio network during a Coca-Cola promotion, or vice versa. "This [in-store advertising] is the domain of the retailer; he takes the risks, and it's pointless to give [control] over to a third party."

Another potential threat to national marketers is a resurgence of private-label brands.

Private labels are more profitable for retailers because minimal advertising allows for greater margins, said Peter O'Gorman, senior VP-development marketing at A&P. "Advertising [for national brands] and manufacturers' deals come right out of our margins," he said.

Tom Stephens, an executive at Loblaw International Merchants, Toronto, said some of his company's private-label products, under the President's Choice name, outsell manufacturers' brands, despite little ad support.

Mr. Stephens said the private-label concept is growing again in the U.S. because 25% of U.S. companies are now under European ownership. Private labels are more firmly entrenched in Europe; they've had an up-and-down sales history in the U.S.

Compared with previous years, the show offered few new products *(see list)*, which may reflect manufacturers' concern over distribution costs. Instead, many marketers pushed existing products or shelf-space management systems.

This year's show did offer a marked increase in the attendance of upper-echelon marketing executives of major food companies.

"They're getting more involved because they're realizing 66% of their ad budgets are controlled here," one attendee said.#

Staff photo by Michael A. Marcotte

Nabisco President William McKnight warns that slotting allowances and other retailer tactics may lead to regulation of the supermarket industry.

CORRECTIONS & CLARIFICATIONS

- The *Rocky Mountain News'* Sunday circulation of 411,023 for the six months ending March 31 was up 3.4% over the same period a year earlier, according to the Audit Bureau of Circulations (AA, May 8, P. 70).
- Peter Harckham was named account exec at *Harper's*, New York, not *Harper's Bazaar* (AA, May 8, P. 63).
- Perception Research Services, Englewood Cliffs, N.J., uses a combination of eye tracking, recall questioning and verbal interviews in its work. Reference to its use of focus groups in connection with its free standing insert research was incorrect (AA, May 1, P. 1).
- Procter & Gamble Co. and its Richardson-Vicks subsidiary have expressed an interest in an amusement-park product sampling and coupon program devised by Touch Marketing but haven't as yet signed up (AA, April 24, P. 3).#

Marketers still see wealth in health

By JULIE LIESSE ERICKSON and JUDANN DAGNOLI

CHICAGO—Last week's Food Marketing Institute show reiterated at least two new-product truisms:

- Healthy products are in. Yogurt marketers are jumping on the NutraSweet bandwagon, with Kraft General Foods Group and Dannon Co. both rolling products to follow General Mills' Yoplait Light and Weight Watchers' Ultimate 90. "Light" ice cream bars are also in style.
- Where there's one new product, there's a competitor on its heels. With Swift-Eckrich and Geo. A. Hormel & Co. both trumpeting new lean hot dogs, Sara Lee Corp.'s Bryan Foods subsidiary posted signs laying claim to the "first" lean hot dog. Meanwhile, Lender's Bagel Bakery and Kitchens of Sara Lee, which fight for control of the frozen bagel market, are both introducing oat bran bagels.

Here's a sampling of other significant new-product introductions unveiled at FMI:

Purina Biscuits dog snack
Ralston Purina Co.
Where: national
When: shipments start May 29
Agency: Martin Marshall Jaccoma Mitchell, New York
Ad support: $12 million introductory campaign, including TV, print and couponing breaking in July

Dole Pure & Light fruit juices
Castle & Cooke
Where: national
When: by end of May
Agency: Backer Spielvogel Bates, New York
Ad support: TV and FSIs

Ripplin's potato chips
Keebler Co.
Where: national
When: rolling now
Agency: Leo Burnett USA, Chicago
Ad support: TV spots break June 4; coupons and free standing inserts also support

Innkeeper's Choice breads
Continental Baking Co.
Where: testing in Washington and Oregon
When: this month
Agency: Noble & Associates, Springfield, Mo.
Ad support: TV and print

Milky Way and Snickers snack-size candy bars
M&M/Mars
Where: national
When: rolling now
Agency: Backer Spielvogel Bates, New York
Ad support: national TV and print by summer

Butter Buds flavoring
Boyle-Midway Household Products
Where: national
When: rolling now
Agency: Young & Rubicam, New York
Ad support: $15 million ad/promotional support; $8.2 million network TV campaign breaks June 26

Eckrich Lite meat products
Swift-Eckrich
Where: national
When: rolling now
Agency: Grey Advertising, New York
Ad support: TV and print

Light n' Lively 100 yogurt
Kraft General Foods Group
Where: testing in Southeastern, Midwestern markets
When: shipped to Southeast in March; entering the Midwest in June
Agency: McCann-Erickson Worldwide, New York
Ad support: TV and print

Dannon Light yogurt
Dannon Co.
Where: Midwest and South
Agency: HDM, New York
Ad support: spot TV breaks in early June

Andes Mint Patties and Mint Pearls candies
Jacobs Suchard Inc.
Where: national
When: late summer/early fall
Agency: Young & Rubicam, Chicago
Ad support: FSIs this fall

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Ad spending outlook brightens

By ROBERT J. COEN

The outlook for total U.S. ad spending could turn out to be less disastrous than many people have expected.

The year wasn't predicted to be a good one, since it's a post-Olympics period and economic expectations are lower. But some media categories have undoubtedly reached bottom and are about to start to move upward again.

Total U.S. ad expenditures are expected to rise 6% to 7%, with the outlook gradually brightening. By yearend, spending could rise above the $125 billion level.

But 1988 was definitely a disappointment.

Traditional stimulation from the Olympics and the political elections was expected to lead to significantly better growth in both national and local advertising.

Unfortunately, the memory of the October 1987 stock market plunge and the fear of an impending recession proved to be stronger than the traditional expansionary factors. And the TV writers strike didn't help, either.

The final U.S. advertising total of $118.05 billion represented a gain of only 7.7% in 1988, scarcely exceeding 1987's sluggish 7.4% growth.

National ad trends

National marketers added very little in "new" advertising dollars. They appeared to divert dollars from regular schedules to pay for Olympic commitments in the first half of the year because of uncertainties caused by the stock market plunge.

Caution persisted in the second half as the TV writers strike continued procrastination in spending commitments.

Network TV revenues in the 10 months without the Olympics rose only 1.1%. Revenues rose only 1.3% in the final quarter, despite some Olympic activity, because of the writers strike.

So, this year the network TV revenue comparison will be a little easier than in the last post-Olympic year of 1985. In fact, the networks can expect modest growth this year.

The usual double-digit Olympic year gains in spot TV spending failed to appear. The spillover from typically sold-out networks wasn't there and package-goods marketers' ad demand was soft as a result of few new-product introductions.

In 1989, the spot TV situation isn't expected to get any worse, but it won't expand much either.

National advertisers' spending in network radio increased 3% and spot radio rose 6.6% in 1988. These gains weren't of the magnitude seen in most recent Olympic years, but they were a welcome improvement from the declining trend of the previous two years. A continuing upward growth appears to be likely for 1989 and beyond.

The final magazine figures show a very good 8.3% gain, better than the gains posted by many broadcast sectors. That trend could carry into 1989 and beyond.

The relatively large 10.5% gain in direct-mail advertising is partly due to much higher piece volume in the first quarter of 1988 followed by sharply higher postal rates in the second quarter.

Piece volume growth nearly disappeared after the rate hike, and in 1989, ad expenditure growth in this medium isn't likely to be in the double digits.

In 1988, only the first quarter exhibited the traditional growth pattern expected in an Olympic year. Although there was some degree of growth in the second and third quarters, it was less than expected. In the fourth quarter, the writers strike accounted for a loss.

Local ad trends

From 1985 to 1987, national advertising budgets in the major mass media failed to keep pace with the economy, but the local media increases generally matched or exceeded gross national product growth. In 1988, severe corrections in advertising practices began to appear at the local level.

The exceptional pace of growth in classified real estate and help-wanted ads flattened out last year just when local retailers' newspaper ad linage began to decline.

The host of leveraged buyouts and the closing of a number of large department stores resulted in a disastrous ad marketplace for a number of major-market newspapers.

Until the economy clearly shifts into expansion, the inevitable recovery is not likely to get fully under way.

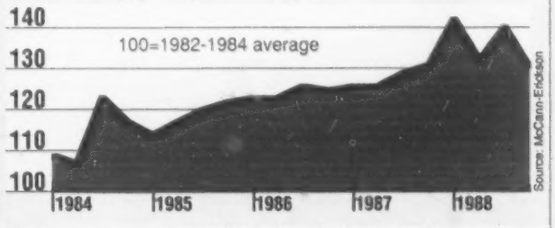
The newspaper situation should gradually start to get somewhat better this year, but it will take more than a year before the pendulum fully swings back upward.

In Olympic and election years, the local spending growth in the broadcast media is usually excellent. That didn't happen last year, and the seriously dampened state of local business probably will hold down both broadcast and newspaper ad demand until the current local economic stagnation ends.#

Mr. Coen is senior VP-director of forecasting at McCann-Erickson Worldwide, New York.

GENERAL INDEX HICCUPS

The McCann-Erickson national advertising indexes are key barometers of the month-to-month changes in national advertising spending. These indexes are seasonally adjusted measures of the monthly advertising revenues for the major national media. The general index is a composite of net tv, spot tv, magazines and newspaper expenditures by national advertisers.



Month	General index	Net TV	Spot TV	Mags.	News.
January	143	127	168	148	134
February	154	162	151	156	139
March	131	118	147	135	129
April	133	121	144	143	125
May	133	120	144	148	120
June	129	123	139	128	127
July	132	124	144	136	128
August	133	120	147	135	132
September	155	177	152	133	139
October	131	119	136	145	130
November	127	114	140	133	127
December	133	116	139	152	133
Average	136	126	146	141	130
Change over 1987	+6.3%	+7.9%	+4.4%	+8.3%	+2.6%

John Heiland

U.S. ADVERTISING VOLUME

The McCann-Erickson U.S. advertising volume reports represent all expenditures by U.S. advertisers—national, local, private individuals, etc. The expenditures, by medium, include all commissions as well as the art, mechanical and production expenses which are part of the advertisers' budgets for each medium. *Source:* Prepared for Advertising Age by Robert J. Coen, McCann-Erickson.

Medium	1987 Millions of dollars	1987 Percent of total	1988 Millions of dollars	1988 Percent of total	Percent change
Newspapers					
National	3,494	3.2	3,586	3.0	+2.6
Local	25,918	23.6	27,611	23.4	+6.5
Total	29,412	26.8	31,197	26.4	+6.1
Magazines					
Weeklies	2,445	2.2	2,646	2.2	+8.2
Women's	1,417	1.3	1,504	1.3	+6.2
Monthlies	1,745	1.6	1,922	1.6	+10.1
Total	5,607	5.1	6,072	5.1	+8.3
Farm Publications	196	0.2	196	0.2	0.0
Television					
Network	8,500	7.8	9,172	7.8	+7.9
Cable (nat'l)	760	0.7	942	0.8	+23.9
Syndication (nat'l)	762	0.7	901	0.8	+18.2
Spot (nat'l)	6,846	6.2	7,147	6.0	+4.4
Spot (local)	6,833	6.2	7,270	6.2	+6.4
Cable (non-net)	203	0.2	254	0.2	+25.0
Total	23,904	21.8	25,686	21.8	+7.5
Radio					
Network	413	0.4	425	0.4	+3.0
Spot (nat'l)	1,330	1.2	1,418	1.2	+6.6
Spot (local)	5,463	5.0	5,955	5.0	+9.0
Total	7,206	6.6	7,798	6.6	+8.2
Yellow Pages					
National	830	0.8	944	0.8	+13.7
Local	6,470	5.9	6,837	5.9	+5.7
Total	7,300	6.7	7,781	6.7	+6.6
Direct Mail	19,111	17.4	21,115	17.9	+10.5
Business Papers	2,458	2.3	2,610	2.2	+6.0
Outdoor					
National	615	0.5	628	0.5	+2.2
Local	410	0.4	436	0.4	+6.3
Total	1,025	0.9	1,064	0.9	+3.8
Miscellaneous					
National	9,703	8.8	10,461	8.9	+7.8
Local	3,728	3.4	4,070	3.4	+9.2
Total	13,431	12.2	14,531	12.3	+8.2
Total					
National	60,625	55.3	65,610	55.6	+8.2
Local	49,025	44.7	52,440	44.4	+7.0
Grand Total	109,650	100.0	118,050	100.0	+7.7

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FOCUS ON HEALTHCARE MARKETING

Healthcare shops globalize

Agencies play catchup to consolidating drug industry

By PATRICIA WINTERS and LAURIE FREEMAN

Healthcare ad agencies are building worldwide networks to cater to the rapidly consolidating, high-stakes global drug industry.

The proposed merger between U.K.-based Beecham Group and U.S.-based SmithKline Beckman Corp. is only one example of how the $127 billion drug industry is consolidating. Within the past year, other major players, such as Johnson & Johnson and Merck & Co., signed co-marketing agreements.

Now it's the agencies' turn to catch up.

"There is a deep desire to go global to satisfy clients' needs," said William Castagnoli, president of D'Arcy Masius Benton & Bowles' Medicus Intercon International, New York.

With Wall Street expecting more drug marketers around the world to merge, healthcare agencies are dealing with a potentially smaller client base by trying to follow their globe-trotting clients.

"The fact is healthcare almost has to globalize. It's one of the industries that will lead the way toward globalization [of industry in general], and agencies have to be prepared," said Alan Gross, president of Gross, Townsend, Frank, Hoffman, a Grey Advertising subsidiary.

Healthcare advertising is big business. Medicus Intercon, the No. 1 U.S.-based medical agency, reported gross income last year of $35.5 million, up 11% from 1987.

Besides Medicus, other major agencies looking to expand globally include Grey's Gross Townsend; Omnicom Group's Kallir, Philips, Ross; Young & Rubicam's Sudler & Hennessey; and M.E.D. Communications, Woodbridge, N.J.

Although these agencies have international presence, most are stepping up expansion. The escalating cost of developing new products is fueling drug companies' consolidation moves. The average research and development cost of bringing a new drug to the U.S. market is about $125 million.

Analysts cite large foreign drug companies with strong research and development centers, such as Hoffmann-La Roche, as likely suitors for U.S. companies, which offer strong marketing and sales forces.

Despite statements that they're not interested in acquisitions, Hoffmann-LaRoche, Ciba-Geigy, Imperial Chemical Industries and others are reportedly interested in buying Upjohn Co., after heavy trading of that pharmaceutical marketer's stock last week.

"Only [drug] companies with major research and development units will survive," said Norman Cooper, KPR's president.

International healthcare promotion, particularly prescription drug advertising, can be globalized fairly easily. Although drug regulations differ from country to country, a drug is basically the same in any market where it's allowed. Furthermore, physicians already communicate globally through medical journals.

"The launch of new prescription drugs is essentially the same in every country," said Robert Gouterman, exec VP at Sudler & Hennessey.

Many healthcare ad executives expect to see a more unified drug regulatory process. The European Community, planning to drop remaining tariffs by 1992, could be the first to unify regulations.

Currently, a drug must meet different requirements in each EC country, a time-consuming and costly process.

Because of 1992, Europe is the hot market for drug marketers and healthcare agencies.

To serve a shrinking number of potential clients and prepare for falling trade barriers, a top priority at Grey is to build its medical agency network in Europe (AA, April 24). Grey now has seven healthcare offices worldwide, mostly under the Gross Townsend or Grey Medical names. Mr. Gross said the plan is to expand to about 15 to 20 in the near future.

"We're not necessarily going to expand into every country, but we intend to have full healthcare agencies in every major market," said John Shannon, London-based chairman-ceo of the newly created Grey European Management Board.

Grey intends to build on both the Grey and Gross Townsend names through acquisitions, Mr. Shannon said, and the agency is in early negotiations with undisclosed agencies in two countries. Agreements are expected by June, he said.

Meanwhile, KPR hopes to acquire an agency in West Germany by yearend to add to its existing agencies in Brussels and London, Mr. Cooper said.

Although he didn't give details, Mr. Cooper said Johnson & Johnson —a major KPR client—is rolling its Acuvue disposable contact lenses across Europe (AA, April 3).

Paling Ellis KPR handled the introduction of Acuvue in the U.K.

KPR may also be eyeing the joint venture created by J&J and Merck to market over-the-counter formulations of prescription drugs.

"We have clients with very good research and development, and [with an international network] we'll be able to handle new products as they come along," Mr. Cooper said.

Sudler & Hennessey's Mr. Gouterman said his agency is expanding its existing international network of nine offices worldwide under both the Y&R and Sudler names.

Even smaller agencies are on the lookout. Recognizing that "the marketplace is shrinking," M.E.D. Communications has linked with foreign agencies in six countries to develop a network. Exec VP Tom Rosenwald said "business will dictate the rapidity of expansion."

In Australia, Sydney-based Cahill Wickham Fairweather Stennet Advertising is trying to keep up with its expansion-minded client, Swedish drug company Pharmacia.

Pharmacia tapped Cahill Wickham to handle a $9.5 million corporate drive into Europe, the U.S. and Japan. The agency now has offices in Sydney, Stockholm and La Jolla, Calif., and said it, too, is looking to expand.

Irwin Gerson, chairman-ceo of William Douglas McAdams Inc., New York, is "thinking about" expanding globally to better serve clients. Those marketers include Ciba-Geigy and Hoffmann-La Roche.

"Having an international presence is beneficial since most products are marketed overseas before they come to the U.S.," he said.

Mr. Gerson said the agency is holding exploratory talks with companies overseas to set up a medical agency network.#

Geoffrey Lee Martin in Sydney contributed to this story.

TOP 10 U.S.-BASED HEALTHCARE AD AGENCIES

All figures are in millions.

Agency	Worldwide income	U.S. income
1. Medicus Intercon International, New York	35.5	12.5
2. Sudler & Hennessey, New York	29.5	20.6
3. Kallir, Philips, Ross, New York	21.5	17.7
4. Thomas G. Ferguson Associates, Parsippany, N.J.	16.9	16.9
5. William Douglas McAdams, New York	15.2	15.2
6. M.E.D. Communications, Woodbridge, N.J.	14.2	14.2
7. Lavey/Wolff/Swift, New York	12.7	12.7
8. Klemtner Advertising, New York	12.0	12.0
9. Gross, Townsend, Frank, Hoffman, New York	11.3	11.3
10. Carrafiello-Diehl & Associates, Irvington, N.Y.	9.2	N/A

Source: Advertising Age

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No deals soon, say Swiss drug giants

By JOHN PARRY

BASEL, SWITZERLAND—Three big Swiss drug companies say they won't be a part of any global drug merger and acquisition derby.

Hoffmann-La Roche, Ciba-Geigy and Sandoz all emphasized their positions at recent news conferences scheduled for other reasons. Speculation about global consolidation in the $127 billion drug industry followed the proposed SmithKline Beckman Corp. and Beecham Group merger.

Despite reports that Swiss marketers are interested in Upjohn, analysts don't expect major U.S. takeovers by these companies soon.

"I don't think there is going to be any action in the next six months, but there are going to be a lot of rumors," said Lino Monsegrati, investment analyst at the Banque Cantale Genevoise, a Geneva bank.

"We're not ruling out acquisitions at the moment, but they're not the focus of this restructuring," Hoffmann Chairman Fritz Gerber said in announcing a corporate restructuring. "We're more into the joint-venture route, both in the U.S. itself and with companies in Europe."

Hoffmann was rebuffed last year in a $4.7 billion bid for Sterling Drug, which eventually went to Eastman Kodak Co. for $5.1 billion.

Ciba-Geigy Chairman Alex Krauer faced similar questions when his company held a news conference to discuss 1988 financial results.

"Not at all, not at all," Mr. Krauer responded when asked whether the company is seeking acquisitions in the U.S.

"The company feels its growth potential in the U.S. is going to come from within, not through an acquisition policy," he said.

At a meeting to release 1988 financial results, Marc Moret, Sandoz chairman, said the company has had excellent results in the U.S. in the past year but plans no major acquisitions.

"We think that we are best building from within and making strategic alliances," Max Link, head of Sandoz's pharmaceutical division, said after the meeting.

Officials at the International Federation of Pharmaceutical Manufacturers Associations said if the Beecham-SmithKline merger works, it could encourage others.

"The Americans are buying into Europe to get into that market [before 1992], but why shouldn't the Europeans buy the other way to enhance their research base in the U.S. and make their products more competitive in the single European market?" one official said.#

Special Report

Independents feel the squeeze

By Alison Fahey

It was inevitable. After years of booming billings growth, direct-marketing agencies are confronting a softening U.S. market.

Responding to the maturing U.S. market and anticipating the united European market in 1992, the nation's largest direct-response agencies are seeking more fertile turf overseas, where technological changes are creating the type of potential U.S. direct marketing enjoyed in its developmental days.

The future is less certain for the smaller independents, however. Without the capital to establish or acquire a foreign presence, they are facing the domestic slowdown in real terms: Survival of the fittest.

While wholesale agency closings are not imminent, the increasing scarcity of multimillion dollar accounts is creating hardship for independents. "It's really much tougher today to be wholly independent, you don't get a shot at the clients that general agencies have and then share with their direct-marketing subsidiaries," says Jim Kobs, chairman-ceo, Kobs, Gregory, Passavant, a newly formed agency partly owned by Bayer Bess Vanderwarker, Chicago.

Domestically, many direct-response agencies this year expect flat to single-digit revenue growth. Representing a sharp decline from average gains of 30% earlier this decade, direct-response growth rates now parallel expected single-digit gains for general ad agencies.

According to ADVERTISING AGE's survey of 246 direct-response agencies, billings grew 9.7% from 1987 to 1988, and only 51.8% of agencies had greater than 5% growth. The slowdown can be traced to the proliferation of agencies and the natural maturation of the U.S. direct-marketing industry.

However, according to Mr. Kobs, "The U.S. future is good if [direct-response] agencies react to what clients are concerned about, they're going to have to adjust. Overall, there will be much more emphasis on strategic planning."

Hope also lies in attracting new categories to the field, industry experts say.

While services-related companies like financial institutions have embraced direct marketing, direct-response agencies are still awaiting the expected emergence of U.S. package-goods companies as a major source of revenue.

"Direct marketing still has to prove itself to some [categories] like package goods," says Richard Stollenwerk, exec VP-group general manager, Wunderman Worldwide, New York.

But while some shops are waiting for those market segments to catch on to direct marketing's potential, some key players are shifting their focus overseas.

"All the big agencies understand one of the biggest growth areas of the future is Europe 1992," says George Wiedemann, chairman, Grey Direct International, New York. Grey has 18 international offices primarily in Europe.

Ogilvy & Mather Direct has moved aggressively into foreign markets, opening offices in Turkey, Greece and Portugal within the last two years. The largest global direct-response network with about 46 offices worldwide *(See story on Page S-12)*. O&M Direct plans to open a "few more offices" probably in Asia and Latin America, says President William Morrissey.

Backer Spielvogel Bates' Kobs & Draft unit also has moved to set down international roots "to take advantage of growth opportunities now and in 1992," says Sid Liebenson, exec VP-director of marketing.

With only two U.S. offices, Kobs & Draft, Chicago, began expanding overseas in December 1987 with a start-up in Madrid. In April, K&D announced the addition of Wolff & Partner, Stuttgart, West Germany. K&D also this month opened an office in Brussels, bringing to 11 the number of offices overseas.

Saatchi & Saatchi Direct Worldwide recently merged its French operations with the Cezame Conseil direct-response agency to form Cezame/Saatchi & Saatchi Direct.

One independent shop, The Townsend Agency, believes it has found a way to expand internationally without hooking up with a general ad agency.

The Rosemont, Ill.-based direct-response agency has recently become a member of InterDirect, a year-old international network of nearly 25 independent direct-response agencies.

InterDirect member agencies work on one other's accounts when a client wants to advertise in a market where its current agency lacks a presence.

"We know zip about European markets. We'd work with the agencies that have the most expertise in a particular market," says Gary Tillery, Townsend chairman.

So far, InterDirect has one member agency per country but four in the U.S. "The Network is a good alternative for companies that want to go international, but don't want to turn to a J. Walter Thompson or Ogilvy & Mather or the other giants. And where the emphasis of major agencies is primarily image and awareness advertising, ours is on direct-response," he says.

But at least one executive criticized the arrangement, saying, "advertising is not an exportable commodity."

Meanwhile, the bigger agencies are buying foreign offices at a fast pace. One agency executive, referring to the practice as a "buying frenzy," says several companies are buying shops indiscriminately.

"There's a number of agencies that are buying over there at prices they shouldn't be. And people are buying things that don't have value," says one agency executive.

On the domestic front, some direct-response agencies are divesting and consolidating offices to protect themselves from a slow growth market.

One of the bigger consolidations came in February when Omnicom Group merged Rapp & Collins USA and Marcoa DR Group, two units of Diversified Agency Services. The new Rapp Collins Marcoa is the nation's third largest direct-response shop.

Grey Direct also has consolidated its U.S. presence, shutting down its Chicago and San Francisco offices. "It's difficult to maintain a local presence all over the place," Mr. Wiedemann says.

HDM Worldwide Direct, a global joint venture of Eurocom, Dentsu and Y&R, appears to be one of the few direct-response agencies concentrating on U.S. expansion.

In January, the agency acquired Y&R's Stone & Adler, Chicago. And in May, HDM opened a Boston office (*See story on Page S-6*).

Like general ad agencies and sales promotion agencies before them, the direct-response agency acquisition binge of several years ago has left only a handful of sizable, quality independents.

"We plan to remain independent and we hope to grow our business from our own resources and possible acquisitions of our own," says Barry Blau, chairman-ceo of Barry Blau & Partners, the nation's largest independent direct-response shop, with billings of $85 million in 1988, according to AD AGE.

Emerging as a hot commodity are companies offering complementary services like video production, graphic design and lettershops.

While the acquisition binge appears to have subsided for now in the U.S., the consolidations may continue. Some agency execs predict another surge of acquisitions. "There's a new wave of independents cropping up," says Mr. Wiedemann. "Absolutely, at some time the big systems will buy these direct-response agencies.

Mr. Blau believes independents service direct-response clients better than those agencies affiliated with a general ad agency. "Our business is different, we develop direct-response business on our own, we don't get business fed to us," he says. □

INSIDE

Top direct-response shops
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Kasten, Brooks square off
P. S-10, S-11

O&M's direct route to top
P. S-12

No more a fish out of water
P. S-14

Graphic by Avid Productions/Chicago

Top U.S.-based direct-response agencies by volume

Rank 1988	Rank 1987	Agency, headquarters	Total direct response volume 1988	Total direct response volume 1987	DR volume plus internal operations 1988	DR volume plus internal operations 1987	Top DR media as % of '88 direct response volume	Top executive, title	Telephone
1	1	**Ogilvy & Mather Direct**, New York	$272,000	$260,000	$272,000	$260,000	Direct mail/65.6%	Jerome Pickholz, chmn	(212) 340-3500
2	2	**Wunderman Worldwide**, New York	266,133	260,000	266,133	260,000	Direct mail/45.8%	Lester Wunderman, chmn	(212) 909-0100
3	3	**Rapp Collins Marcoa**, New York, N.Y.	236,300	218,600	282,500	256,000	Direct mail/31.1%	David Hefter, chmn	(212) 951-7200
4	4	**Foote, Cone & Belding/Direct**, Los Angeles	169,000	150,600	169,000	150,600	Direct mail/80.2%	Freeman F. Gosden Jr., chmn	(213) 312-7000
5	5	**Direct Marketing Group**, New York	136,700	134,700	152,900	149,800	Direct mail/68.0%	John A. De Pasquale, chmn	(212) 355-2530
6	6	**Grey Direct International**, New York	108,000	92,500	108,000	92,500	Print/29.1%	George Wiedemann, president	(212) 303-2300
7	7	**Kobs & Draft Advertising**, Chicago	90,215	85,278	90,215	85,278	TV/13.4%	Howard Draft, chmn, ceo	(312) 944-3500
8	9	**Barry Blau & Partners**, Fairfield, Conn.	85,304	72,335	85,304	72,335	Direct mail/100.0%	Barry Blau, chmn	(203) 254-3700
9	8	**Chapman Stone & Adler**, New York**	83,646	74,919	83,646	74,919	Direct mail/85.5%	William Sutherland, president	(212) 614-3880
10	15	**Devon Direct Marketing & Advertising**, Malvern, Pa.	66,200	53,000	66,200	53,000	Direct mail/96.8%	Ronald Greene, managing dir	(215) 644-0333
11	12	**Unispond Inc.**, Oakbrook Terrace, Ill.	62,576	57,002	62,576	57,002	Direct mail/72.8%	Gerald E. Graunke, chmn	(312) 932-8400
12	13	**Saatchi & Saatchi Direct**, Rochester, N.Y.	59,148	55,493	61,248	57,643	Direct mail/90.0%	Richard A. Peters, chmn, president	(716) 272-2500
13	17	**Customer Development Corp.**, Peoria, Ill.	58,096	49,786	65,505	54,384	Direct mail/89.6%	Thomas C. Lund, president	(309) 686-1900
14	NA	**HDM Direct Marketing Group**, Los Angeles**	57,042	NA	57,042	NA	Direct mail/67.1%	Murray R. Bowes, ceo	(213) 930-5100
15	16	**Lowe Marschalk**, New York	55,000	51,000	55,000	51,000	Direct mail/50.0%	James D. Johnson, exec vp	(212) 708-8800
16	24	**D.A.D./FKB**, Nashville, Tenn.	54,527	31,656	54,527	31,656	NA	Jim Edwards, chmn	(615) 366-1844
17	14	**McCann Direct**, New York	51,000	54,000	51,000	54,000	Direct mail/45.0%	George Lynaugh, exec vp	(212) 286-0460
18	19	**Lintas: Marketing Communications**, New York, N.Y.	50,939	48,077	50,939	48,077	Print/14.5%	Thomas J. Turner, chmn, ceo	(212) 605-8000
19	18	**Eric Mower & Associates**, Syracuse, N.Y.	50,451	48,776	50,451	48,776	Print/17.1%	Eric Mower, president, ceo	(315) 466-1000
20	11	**Ross Roy Group**, Bloomfield Hills, Mich.*	48,606	57,828	51,706	59,628	NA	Glen W. Fortinberry, chmn	(313) 433-6000
21	10	**McCaffrey & McCall Direct Marketing**, New York	46,480	64,273	46,480	64,273	Print, direct mail/30.0%	Robert Cherins, chmn, ceo	(212) 350-1600
22	21	**D'Arcy Masius Benton & Bowles**, New York	43,727	37,317	43,727	37,317	NA	John S. Bowen, chmn, ceo	(212) 758-6200
23	23	**Ayer Direct**, New York	39,400	33,400	39,400	33,400	Direct mail/99.0%	Jerry Siano, ceo	(212) 708-5000
24	22	**GSP Marketing Services**, Chicago	37,030	35,421	37,030	35,613	Direct mail/9.8%	Richard Grunsten, president	(312) 944-3000
25	NA	**Saugatuck/FKB**, Westport, Conn.	36,591	NA	36,591	NA	NA	Gary W. Oakley, chmn	(203) 226-6042
26	NA	**Della Femina, McNamee WCRS**, New York*	35,265	NA	35,265	NA	NA	Jerry Della Femina, chmn, ceo	(212) 886-4100
27	27	**Russ Reid Co.**, Pasadena, Calif.	34,278	26,000	34,278	26,000	Direct mail/54.7%	Russ Reid, chmn	(818) 449-6100
28	20	**Bozell Direct**, New York	34,100	40,100	34,100	40,100	Print/6.5%	Tim Fenton, president	(212) 727-5000
29	26	**DMCA**, St. Louis	33,087	26,407	48,715	39,316	NA	Michael T. McSweeney, president, ceo	(314) 436-1122
30	28	**Lally, McFarland & Pantello**, New York	30,000	25,000	30,000	25,000	Direct mail/100.0%	Ronald G. Pantello, president, ceo	(212) 532-1000
31	29	**Hill, Holliday, Connors, Cosmopulos**, Boston	28,805	20,798	28,805	20,798	TV/33.4%	Ronnie Cohn, vp dir	(617) 437-1600
32	43	**Leo Burnett Co.**, Chicago*	28,600	12,813	28,600	12,813	NA	Hall Adams, chmn, ceo	(312) 565-5959
33	NA	**Earle Palmer Brown Cos.**, Bethesda, Md.	25,200	NA	25,200	NA	Direct mail/66.3%	Jeb Brown, ceo	(301) 657-6000
34	25	**Lawrence Butner Advertising**, New York	24,088	26,762	24,088	26,762	TV/63.9%	Lawrence Butner, president	(212) 682-3200
35	36	**Kallir, Philips Ross**, New York	23,212	14,734	23,212	14,734	NA	John Kallir, chmn, ceo	(212) 878-3700
36	30	**Steinert & Associates**, New York	21,277	17,208	21,277	17,208	Direct mail/70.0%	Jan Allan Steinert, president, ceo	(212) 889-5000
37	38	**Muldoon Direct**, New York	19,659	14,100	19,659	14,100	Catalogues/2.5%	Katie Muldoon, president	(212) 979-7200
38	37	**Marketing Resources**, Overland Park, Kan.*	19,000	14,250	19,000	14,250	NA	Frank G. Weyforth, president, ceo	(913) 648-8333
39	35	**Admarketing Inc.**, Los Angeles*	18,800	15,000	18,800	15,000	NA	Jack Roth, president, ceo	(213) 203-8400
40	39	**Manus Direct Response**, Seattle, Wash.	18,643	13,220	25,587	18,662	Direct mail/100.0%	Cliff Asplund, president	(206) 325-2200
41	32	**Cramer-Krasselt/Direct**, Chicago	18,409	16,708	18,409	16,708	Print/31.4%	Peter Krivkovich, president	(312) 977-9600
42	31	**Sandven & Associates**, Kansas City, Mo.	18,400	16,900	18,400	16,900	Direct mail/19.8%	Frederick M. Sandven, president	(816) 753-6633
43	51	**Brierley & Partners**, Dallas	17,925	9,675	17,925	9,675	NA	H.M. Brierley, president	(214) 760-8700
44	34	**E. James White Co.**, Falls Church, Va.	17,670	15,170	17,670	15,170	Print/9.1%	E. James White, president	(703) 820-8400
45	44	**Herring/Newman**, Seattle	17,124	12,250	17,124	12,250	Print/24.9%	Phil Herring, president	(206) 343-9654
46	33	**Wakeman & deForrest**, Irvine, Calif.	16,647	15,906	16,647	15,906	Print/4.1%	William W. Junkin, president, ceo	(714) 261-2424
47	41	**Walter Latham Co.**, Broadview, Ill.	16,000	13,000	16,000	13,000	Direct mail/81.3%	Robert Soljacich, president, ceo	(312) 345-8787
48	48	**Wilson Sculley Associates**, St. Louis	14,700	10,100	14,700	10,100	Direct mail/54.0%	Valarie M. Wilson, chmn, ceo	(314) 434-1870
49	42	**Townsend Agency**, Rosemont, Ill.	14,686	12,936	14,686	12,936	Direct mail/88.4%	Gary G. Tillery, chmn	(312) 318-9010
50	53	**Cabot Direct Marketing**, Boston, Mass.	14,634	8,960	14,634	8,960	Direct mail/92.3%	Suzanne Delise, vp, gen. manager	(617) 242-6200
51	NA	**Direct Marketing Agency**, Stamford, Conn.	14,000	NA	14,000	NA	NA	Norman J. Suslock, president, chmn	(203) 325-2800
52	40	**Frank J. Corbett Inc.**, Chicago	12,900	13,218	12,900	13,218	NA	Frank J. Corbett, chmn	(312) 664-5310
53	45	**Tracy-Locke Direct**, Dallas	11,400	11,500	11,400	11,500	Direct mail/100.0%	Phil Slott, chmn, chief cd	(214) 969-9000
54	46	**Griffin Agency**, South El Monte, Calif.	10,904	11,431	10,904	11,431	Direct mail/80.0%	Martha Margowsky, president, ceo	(818) 401-2100
55	50	**Abelson-Taylor Inc.**, Chicago*	10,041	9,891	10,041	9,891	NA	Marvin Abelson, chmn, ceo	(312) 781-1700
56	49	**Gross Townsend Frank Hoffman**, New York*	10,000	10,000	10,000	10,000	NA	Alan Gross, president	(212) 886-3000
57	52	**Hal Langerman Co.**, Blue Bell, Pa.	9,619	9,257	9,619	9,257	Direct mail/100.0%	Hal Langerman, president	(215) 653-0366
58	63	**Nash Direct**, New York	9,558	5,876	9,558	5,876	Direct mail/100.0%	Edward Nash, president	(212) 758-0120
59	NA	**Communique Inc.**, Brookfield, Wis.	9,462	NA	9,462	NA	Direct mail/9.5%	W.T. Mac Arthur, chmn	(414) 785-0400
60	58	**Gillespie Advertising**, Princeton, N.J.	9,200	7,175	9,200	7,175	Print/22.8%	Richard Gillespie, president	(609) 799-6000
61	NA	**Sandage Inc.**, Burlington, Vt.	8,500	NA	8,500	NA	TV/2.0%	Barbara Sauer-Sandage, president	(802) 658-4360
62	61	**Hemmings, Birkholm & Grizzard**, Los Angeles	8,377	6,233	8,377	6,233	NA	Robert L. Hemmings, chmn	(213) 254-6147
63	55	**Colle & McVoy**, Minneapolis	8,145	7,790	8,445	8,040	Direct mail/38.6%	Clarence M. Thompson, chmn, ceo	(612) 851-2500
64	59	**Kleminer Advertising**, New York*	7,900	7,000	7,900	7,000	NA	Albert P. Molinaro, Jr., chmn, ceo	(212) 463-3400
65	65	**Associates & Larranaga**, Minnetonka, Minn.	7,335	5,800	7,335	5,800	Print/15.1%	Bob Larranaga, president	(612) 933-1446
66	60	**Lortz Direct Marketing**, Omaha, Neb.	7,084	6,263	7,084	6,263	Print/81.0%	Gary Lortz, president	(402) 331-5740
67	71	**Fox MMJM Direct**, New York	6,500	4,500	7,476	5,175	Print/92.3%	Neil S. Fox, president, ceo	(212) 683-0002
68	NA	**Sharp Hartwig Direct**, Seattle	6,472	NA	6,837	NA	Direct mail/56.8%	David Sharp, president	(206) 282-6242
69	56	**Huntsinger & Jeffer**, Richmond, Va.	6,433	7,512	6,433	7,512	Direct mail/48.5%	Jerald E. Huntsinger, ceo	(804) 266-2499
70	66	**MMI Direct**, New York	6,219	5,631	6,219	5,631	Direct mail/80.8%	Harry Kraus, president	(212) 581-4692
71	67	**Kern/Mathai Direct Marketing**, Santa Monica, Calif.	6,100	5,202	6,100	5,202	Direct mail/50.0%	Russell Kern, president	(215) 452-0663
72	64	**Smith Lask Associates**, Chicago	5,965	5,844	5,965	5,844	Direct mail/3.1%	Barbara Lask, president, creative dir	(312) 222-1900
73	68	**Sheldon Fredericks Advertising**, New York	5,373	5,128	5,373	5,128	Print/17.1%	Frederick A. Schwartz, president	(212) 867-0110
74	47	**W.B. Doner & Co.**, Southfield, Mich.*	5,319	11,379	5,319	11,379	NA	W.B. Doner, chmn	(313) 354-9700
75	57	**Grant/Jacoby**, Chicago*	5,000	7,350	5,000	7,350	NA	Robert L. Flink, chmn	(312) 664-2055
75	74	**Ronald James Direct**, Englewood, Colo.	5,000	3,700	5,000	3,700	Direct mail/96.3%	James Pennington, president	(303) 793-3400
77	75	**Haynes & Pittenger Direct**, Indianapolis	4,961	3,643	4,961	3,643	Direct mail/69.6%	Thomas J. Haynes, chmn	(317) 262-4800
78	72	**Ally & Gargano**, New York*	4,500	4,000	4,500	4,000	NA	William Luceno, ceo	(212) 688-5300
78	73	**William Douglas McAdams Inc.**, New York*	4,500	3,900	4,500	3,900	NA	Irwin C. Gerson, chmn, ceo	(212) 698-4033
80	82	**Medicus Intercon International**, New York*	4,380	3,236	4,380	3,236	NA	Lawrence J. Lesser, chmn, ceo	(212) 826-0760
81	92	**Girgenti, Hughes, Butler & McDowell**, New York*	4,250	2,400	4,250	2,400	NA	Steven Girgenti, president	(212) 481-7080
82	76	**Direct Marketing Network**, New York	4,219	3,632	4,219	3,632	Direct mail/100.0%	Edwin Forti, president	(212) 247-5847
83	54	**Ketchum Communications**, Pittsburgh	4,162	7,817	4,162	7,817	NA	William H. Genge, chmn, ceo	(412) 456-3500
84	69	**Creative Direct Marketing Group**, Torrance, Calif.	4,159	4,786	4,159	4,786	Direct mail/84%	Craig Huey, president	(213) 212-5727
85	62	**Ephron, Raboy & Taao Advertising**, New York*	4,131	5,924	4,131	5,924	NA	Dick Raboy, chmn, ceo	(212) 463-6900
86	101	**Rosenfeld, Sirowitz, Humphrey & Strauss**, New York*	4,000	2,000	4,000	2,000	NA	R. Rosenfeld/L. Sirowitz/H. Strauss, chmn	(212) 505-0200
87	88	**Martin A. Lave Marketing**, Indianapolis*	3,916	2,663	3,916	2,663	NA	Martin A. Lave, president	(317) 872-0971
88	NA	**Directech Inc.**, Lexington, Mass.	3,868	NA	3,868	NA	NA	Barry Silverstein, president	(617) 861-9797
89	70	**Peter Vane Advertising**, New York	3,809	4,686	3,809	4,686	Direct mail/73.5%	Peter Vane, president, ceo	(212) 679-8260
90	83	**Sader & Associates**, New York	3,800	3,150	3,800	3,150	TV/42.2%	Archie A. Sader, president	(212) 725-0770
91	99	**Target-Sales Response Marketing**, San Francisco	3,675	2,014	3,675	2,014	NA	Robert E. Blomquist, managing dir	(415) 398-2669
92	84	**Shaughnessy MacDonald**, Elk Grove, Ill.	3,668	3,140	3,668	3,140	Print/92.8%	David Shaughnessy, chmn	(312) 437-8850
93	81	**Bernstein & Sucherman**, Chicago	3,631	3,301	3,631	3,301	Print, direct mail/29.1%	Ronald Bernstein, chmn, ceo	(312) 440-3700
94	85	**William R. Biggs/Gilmore Associates**, Kalamazoo, Mich.	3,509	3,065	4,189	3,625	Print/9.8%	Ronald Davis, president, ceo	(616) 349-7711
95	78	**Al Paul Lefton Direct Co.**, Philadelphia	3,500	3,400	3,500	3,400	Direct mail/100.0%	Al Paul Lefton, Jr., president	(212) 867-5100
96	79	**Sacks & Rosen**, New York*	3,400	3,400	3,400	3,400	NA	Leonard Sacks, president	(212) 826-4004
97	NA	**Pihas Schmidt Westerdahl Co.**, Portland, Ore.	3,336	NA	3,336	NA	Direct mail/85.3%	John S. Pihas, president	(503) 279-4000
98	106	**David Deutsch Associates**, New York	3,300	1,701	3,300	1,701	Direct mail/56.1%	David Deutsch, chmn	(212) 867-0044
99	90	**Slater Hanft Martin**, New York*	3,287	2,436	3,287	2,436	NA	Gerold Martin, chmn	(212) 674-3100
100	107	**Dahlin Smith White**, Salt Lake City*	3,278	1,647	3,278	1,647	NA	John D. Dahlin, president	(801) 364-0919

Notes: Dollars are in thousands. 1987 ranking based on 1987 figures provided for this report. * Indicates listing obtained from media breakout section of questionnaires supplied for the Agency Income Report (AA, March 29). ** Chapman Stone & Adler in January sold Stone & Adler, Chicago to HDM Worldwide. S&A volume is included in No. 9, CS&A, now called Chapman Direct Advertising, and also is included in No. 14, HDM Direct Marketing Group. See Page S-4 for methodology.

AA chart: Kevin Brown

Top U.S.-based direct-response agencies by volume *(con't.)*

Rank 1988	Agency, headquarters	Total direct response volume 1988	1987	% chg
101	**Beaumont, Heller & Sperling**, Reading, Pa.*	$3,074.2	$2,357.4	30.4
102	**Lois/GGK New York**, New York*	3,000.0	NA	NA
103	**Karl Rove & Co.**, Austin, Texas	2,950.0	3,500.0	(15.7)
104	**Berenson, Isham & Partners**, Boston	2,712.5	2,434.9	11.4
105	**Carmichael Lynch**, Minneapolis	2,708.0	2,261.0	19.8
106	**Aragon Sales Development Services**, St. Louis	2,650.0	3,310.0	(19.9)
107	**Advertising, Boelter & Lincoln**, Madison, Wis.	2,608.5	2,370.8	10.0
108	**Robert J. Scott Associates-Direct Mail Plus**, Indianapolis*	2,501.3	1,420.7	76.1
109	**Mullen Advertising**, Wenham, Mass.*	2,500.0	2,233.0	12.0
110	**Kilgannon Group**, Atlanta	2,477.5	NA	NA
111	**J. Richard Smith Ltd.**, Old Bethpage, N.Y.*	2,385.0	2,900.0	(17.8)
112	**Barnum Communications**, New York*	2,257.3	2,269.3	(0.5)
113	**Jack Levy & Associates**, Chicago*	2,222.5	2,479.6	(10.4)
114	**Taurus Marketing**, Hampton, N.H.	2,100.0	2,700.0	(22.2)
115	**J.W. Prendergast & Associates**, New York	2,000.0	2,400.0	(16.7)
115	**S.J. Weinstein Associates**, New York*	2,000.0	2,000.0	0.0
117	**Kresser, Craig/D.I.K.**, Los Angeles	1,983.0	1,224.1	62.0
118	**Liggett-Stashower**, Cleveland*	1,919.2	1,741.0	10.2
119	**McKinney & Silver**, Raleigh, N.C.	1,761.0	2,000.0	(12.0)
120	**Emerson Marketing Agency**, New York	1,754.0	NA	NA
121	**Haddon Advertising**, Chicago*	1,750.0	1,500.0	16.7
122	**Warren Kremer Advertising**, New York*	1,725.0	1,900.0	(9.2)
123	**Launey, Hachman & Harris**, New York	1,721.0	1,621.0	6.2
124	**Soghigian & Macuga Advertising**, Washington*	1,712.8	1,612.0	6.3
125	**Clarity Coverdale Rueff Advertising**, Minneapolis*	1,580.0	1,570.0	0.6
126	**Eisner & Associates**, Baltimore*	1,575.0	1,475.0	6.8
127	**Intercommunications Inc.**, Newport Beach, Calif.*	1,573.4	1,410.3	11.6
128	**Hallowell Associates**, Burlington, Vt.	1,557.2	993.7	56.7
129	**Rolf Werner Rosenthal**, New York*	1,500.0	1,250.0	20.0
130	**Harris Brandt Advertising**, Woodmere, N.Y.	1,465.2	NA	NA
131	**MARC Direct**, Pittsburgh	1,457.3	811.2	79.7
132	**Felix Ruslin Direct Response**, Chicago	1,425.0	650.0	119.2
133	**Ad Hoc Marketing Resources**, New York	1,416.9	1,553.3	(8.8)
134	**McConnaughy Barocci Brown**, Chicago*	1,400.0	NA	NA
135	**Stone & Simons Advertising**, Southfield, Mich.*	1,356.4	1,320.1	2.8
136	**Gilbert, Whitney & Johns**, Whippany, N.J.*	1,280.0	1,010.0	26.7
137	**Fogarty & Klein**, Houston*	1,250.0	519.6	140.6
138	**CDHM Advertising**, Stamford, Conn.*	1,200.0	NA	NA
138	**Pool/Sarraille Advertising**, Los Angeles*	1,200.0	NA	NA
140	**Rizzo Simons Cohn**, Boston*	1,127.0	538.0	109.5
141	**Margeotes Fertitta & Weiss**, New York*	1,120.0	1,275.0	(12.2)
142	**Smith/Greenland**, New York*	1,101.0	1,010.0	9.0
143	**Moreno Design**, Quincy, Mass.	1,038.3	524.9	97.8
144	**Geer, DuBois**, New York*	1,000.0	1,000.0	0.0
144	**Keroff & Rosenberg Advertising**, Chicago*	1,000.0	600.0	66.7
146	**Wyse Direct**, Cleveland	933.8	NA	NA
147	**Marketing Place/MDA West**, Sun Valley, Calif.	918.6	570.1	61.1
148	**AC&R Advertising**, New York*	900.0	1,100.0	(18.2)
148	**Dudnyk Co.**, Horsham, Pa.*	900.0	800.0	12.5
148	**Long, Haymes & Carr**, Winston-Salem, N.C.*	900.0	1,500.0	(40.0)
151	**Henderson Advertising**, Greenville, S.C.*	876.0	956.0	(8.4)
152	**Group 243**, Ann Arbor, Mich.*	875.0	1,450.0	(39.7)
153	**Ruhr/Paragon**, Minneapolis*	873.0	790.0	10.5
154	**Mintz & Hoke**, Avon, Conn.*	830.0	1,185.0	(30.0)
155	**Smith & Yehle**, Kansas City, Mo.*	801.2	797.2	0.5
156	**Lyons Inc.**, Wilmington, Del.*	800.0	928.4	(13.8)
156	**McCaffery & Ratner**, New York*	800.0	NA	NA
158	**Creswell, Munsell, Fultz & Zirbel**, Cedar Rapids, Iowa*	792.2	NA	NA
159	**Smith Burke & Azzam**, Baltimore*	750.0	1,630.5	(54.0)
160	**Dorland & Sweeney**, Philadelphia	700.0	160.0	337.5
161	**Earle Bower Associates**, New York	688.2	701.1	(1.8)
162	**Penny/Ohlmann/Neiman**, Dayton, Ohio*	683.4	443.9	54.0
163	**MarketAide Inc.**, Salina, Kan.*	675.5	987.1	(31.6)
164	**Blaisdell & Westlie**, St. Paul, Minn.*	650.0	500.0	30.0
164	**Harris & West Advertising**, Minneapolis*	650.0	NA	NA
164	**Roggers, French & Co.**, Newport Beach, Calif.*	650.0	489.5	32.8
167	**John Risdall Advertising**, New Brighton, Minn.*	645.0	411.0	56.9
168	**Partners & Shevak**, New York*	632.0	1,952.0	(67.6)
169	**Larkin, Meeder & Schweidel**, Dallas*	606.5	388.4	56.2
170	**R.F. Broadus & Associates**, Atlanta	585.0	406.8	43.8
171	**S.R. Knapp Associates**, Arlington Hts., Ill.*	562.2	395.3	42.2
172	**Waldbillig & Besteman**, Madison, Wis.	560.0	554.0	1.1
173	**BBDM Advertising**, Chicago*	526.8	NA	NA
174	**Keyes Martin Gaby Linett**, Springfield, N.J.*	$525.0	$537.0	(2.2)
175	**Marquardt & Roche**, Stamford, Conn.*	520.7	522.9	(0.4)
176	**Vickers & Benson/FQB**, Buffalo*	485.6	421.3	15.3
177	**Warner, Bucking & Fenwick**, New York*	477.0	600.0	(20.5)
178	**Pedone & Partners**, New York*	450.0	NA	NA
179	**CTS Associates**, Detroit	435.5	340.2	28.0
180	**DFK Advertising**, New York*	435.0	412.5	5.5
181	**Elkman Advertising**, Bala Cynwyd, Pa.*	420.9	1,445.5	(70.9)
182	**Kolon, Bittker & Desmond**, Troy, Mich.*	400.0	260.0	53.8
183	**Ken Schmidt Co.**, Milwaukee*	390.0	300.0	30.0
184	**Emerson Lane Fortuna**, Boston*	356.0	308.0	15.6
185	**Lohmeyer Simpson Communications**, Morristown, N.J.*	325.0	325.0	0.0
186	**Newmark, Posner & Mitchell**, New York*	320.0	215.0	48.8
187	**Hallmark Advertising**, Pittsburgh*	314.0	220.0	42.7
188	**Giardini/Russell**, Watertown, Mass.*	301.0	273.0	10.3
189	**Charnas Inc.**, Glastonbury, Conn.*	300.0	200.0	50.0
190	**McKinney Inc.**, Philadelphia*	281.3	297.9	(5.6)
191	**Haller Schwarz**, Los Angeles*	277.8	261.4	6.3
192	**Greenwald/Christian Advertising**, Philadelphia*	276.0	220.8	25.0
193	**Hume Sindelar & Associates**, Miami*	250.1	50.0	400.1
194	**Adair-Greene Advertising**, Atlanta	238.0	85.3	179.0
195	**Smith Badofsky & Raffel**, Chicago*	233.8	244.8	(4.5)
196	**Fitzgerald & Co.**, Atlanta*	226.9	217.2	4.4
197	**Concepts & Strategies**, Westport, Conn.*	222.8	NA	NA
198	**Scharfberg & Associates**, Jenkintown, Pa.*	209.0	285.0	(26.7)
199	**Adelante Advertising**, New York	205.0	200.0	2.5
200	**Christopher Thomas/MullerJordanWeiss**, New York*	200.0	NA	NA
200	**Albert Frank-Guenther Law**, New York*	200.0	200.0	0.0
200	**Grant Marketing Communications**, Conshohocken, Pa.*	200.0	200.0	0.0
200	**Stan Merritt Inc.**, New York*	200.0	210.0	(4.8)
200	**Qually & Co.**, Chicago*	200.0	NA	NA
205	**MSA Advertising**, Philadelphia	174.5	134.5	29.7
206	**Stimpson-Clarke Advertising**, Seattle*	169.6	171.8	(1.3)
207	**AdCorp International Hawaii**, Honolulu*	161.2	35.5	354.0
208	**Birdsall-Voss & Associates**, Mequon, Wis.*	160.0	NA	NA
209	**Communication & Design Agency**, Latham, N.Y.*	159.4	11.4	1,303.7
210	**Arnold & Co.**, Boston*	151.9	135.7	12.0
211	**KK&M Advertising**, Boston*	150.0	170.0	(11.8)
212	**Rich, Gardner Advertising**, Atlanta*	140.0	NA	NA
213	**Laven, Fuller & Perkins**, Chicago	136.6	143.9	(5.1)
214	**Breakstone & Hughes Co.**, Greenwich, Conn.	125.0	100.0	25.0
215	**Hautigan Advertising**, Chicago*	120.0	74.0	62.2
216	**LH Advertising Agency**, Scarsdale, N.Y.	100.0	NA	NA
217	**Tri-State Advertising Co.**, Warsaw, Ind.*	78.1	60.7	28.6
218	**J.P. Hogan & Co.**, Knoxville, Tenn.*	69.9	16.5	323.5
219	**Wyble Advertising**, Millville, N.J.	64.5	NA	NA
220	**Humphrey, Herbert & Aiber**, Pittsburgh*	63.5	NA	NA
221	**Valiquette & Shamon**, Burlington, Vt.*	60.0	NA	NA
222	**MacDonald Boyd White**, Boston*	53.5	NA	NA
223	**Noble Arnold & Associates**, Schaumburg, Ill.*	53.0	NA	NA
224	**White, Good & Co.**, Lebanon, Pa.*	50.4	40.5	24.4
225	**Stiegler, Wells & Brunswick**, Hillsdale, N.J.*	50.0	NA	NA
226	**DK Group**, Hillsdale, N.J.	49.6	NA	NA
227	**Poindexter Associates**, Roanoke, Va.*	48.5	67.6	(28.2)
228	**Shelly Berman Communicators**, Westerville, Ohio*	45.0	40.0	12.5
229	**Asher Agency**, Fort Wayne, Ind.*	40.0	32.0	25.0
230	**Harris & Love Advertising**, Salt Lake City*	32.2	31.6	2.0
231	**NKH&W Marketing Communications**, Kansas City, Mo.*	30.0	27.0	11.1
232	**Praco Ltd.**, Colorado Springs, Colo.*	28.8	NA	NA
233	**Fraser Advertising**, Atlanta	28.7	NA	NA
234	**Tepe, Hensler & Westerkamp**, Cincinnati*	26.9	23.2	15.9
235	**Bauer Communications**, Chicago*	25.0	13.0	92.3
236	**James & Thomas**, Chicago*	23.6	34.8	(32.3)
237	**Blair Advertising**, Rochester, N.Y.*	23.0	37.5	(38.6)
238	**Estey-Hoover**, Newport Beach, Calif.*	18.1	13.5	34.2
239	**Creel Associates**, Oak Brook, Ill.*	17.4	6.8	153.9
240	**Dennis R. Green Associates**, Southfield, Mich.*	17.2	15.1	14.0
241	**Rosenthal, Greene & Campbell**, Bethesda, Md.*	13.8	NA	NA
242	**Covey & Koons**, Canton, Ohio*	10.0	NA	NA
243	**Bulloch & Haggart Advertising**, Colorado Springs, Colo.*	8.8	6.3	39.0
244	**Leff & Squicciarini Advertising & PR**, Columbus, Ohio*	6.3	56.5	(88.9)
245	**William Mills Advertising & Marketing**, Atlanta*	5.0	42.6	(88.3)
246	**Landers & Partners**, St. Petersburg, Fla.*	1.5	15.2	(89.9)

Notes: Dollars are in thousands. **Methodology:** Data on agencies ranked in this issue were obtained through two different questionnaires, one sent to direct response agencies and another to advertising agencies with direct response billings. Rankings were based on total volume (capitalized billings) of the direct response agencies and media totals of ad agencies with direct response operations. That number is labeled "direct response volume" in the chart. An ad agency whose ranking is based on its direct response media is identified with an asterisk (*). Internal operations such as catalogue printing, data base, letterpress or telemarketing operations were excluded from volume totals on which rankings were based.

AA chart: Kevin Brown

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One + one = 'third advertising'

HDM adds two disciplines and comes up with an equation for stunning growth

By Alison Fahey

HDM Direct Marketing Group is on the fast track, reaching $78 million in worldwide billings in its first year of operation. "We could easily go over $100 million in 1989," projects Chairman-CEO Murray Bowes.

HDM's growth has "certainly exceeded my expectations," he says, adding its success stems from filling a void in the marketplace.

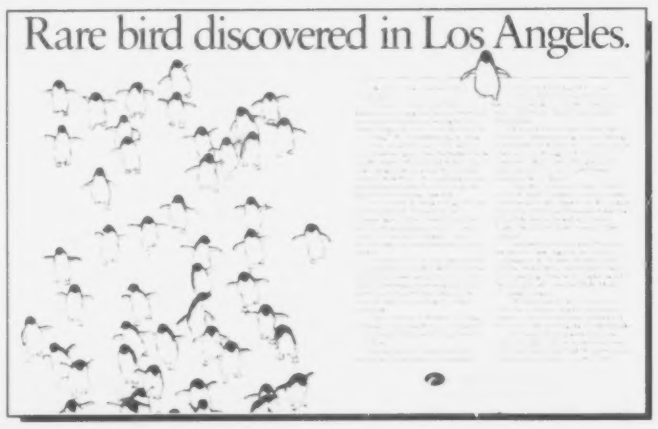
HDM employs a philosophy called "the third advertising," a term coined by Mr. Bowes that refers to the marriage of general awareness advertising and direct marketing.

While direct-response advertising is known for its measurability, it often is criticized for lacking creative inventiveness. HDM's goal is to shatter that perception.

"We take creative here more seriously" than at other direct-response agencies, says one staffer.

"We're so different from other di-

HDM touts teamwork in ads, claiming "the account group and creative department actually talk to one another."



rect-response agencies," Mr. Bowes says. "We've taken the strategic and creative principles of general advertising and combined them with the transactional elements of direct response."

At least one HDM client says the agency is living up to its claims. "The early creative that I've seen is really, really good work," says Hal Logan, director of Smart Resource Center and marketing services at Pacific Bell Directory.

While most direct-response agencies recognize the need to switch from a tactical to a strategic approach, attracting clients has proved difficult. But HDM, born with that philosophy, appears to have a head start. And the agency plans to adhere to its philosophy even in the face of adversity.

For example, HDM resigned two clients who resisted the agency's strategic approach. "It was a very tough decision. [The clients] wanted that tactical, down-and-dirty direct-marketing approach," Mr. Bowes says. "But from the first day we said we weren't going to approach this business the same way as other direct-response agencies."

As a result, HDM lost a crucial $2 million in business.

Mr. Bowes says he has no regrets. "Clients like to perceive their agencies as ones with substance."

When HDM Worldwide Direct, Los Angeles, picked up another account last month it marked HDM's sixth piece of new business since January. The new accounts combined have generated about $12 million in billings, says Mr. Bowes, who also is chairman of HDM Direct Marketing Group.

Ending 1988 with $57 million in U.S. billings, HDM—a global joint venture of Young & Rubicam, Dentsu and Eurocom—is the 14th largest U.S. direct-response shop, according to ADVERTISING AGE.

In addition to grabbing the Fondo Mixto de Promocion Turista de Acapulco and Pacific Bell accounts, HDM also won business this year from Dow Corning, Dauntless Marketing, Los Angeles Music Center and International Videocassette Marketing. Other HDM clients include Nintendo, Du Pont, Amoco, American Medical Association and American Suzuki Motor Corp.

As HDM builds its client base, it also is expanding geographically. On May 8, the agency opened a Boston office led by Richard Hill, former VP-new business, HBM/Creamer Direct, Boston.

HDM's individual offices are kept small by design, ranging between 25 to 40 people.

"Our philosophy attracts the right kind of people," Mr. Bowes says. "Everyone's voice counts. We refer to this agency as an agency that is all crew and no passengers."

At least one HDM staffer agrees. "This place is small enough so that no one has a place to hide."

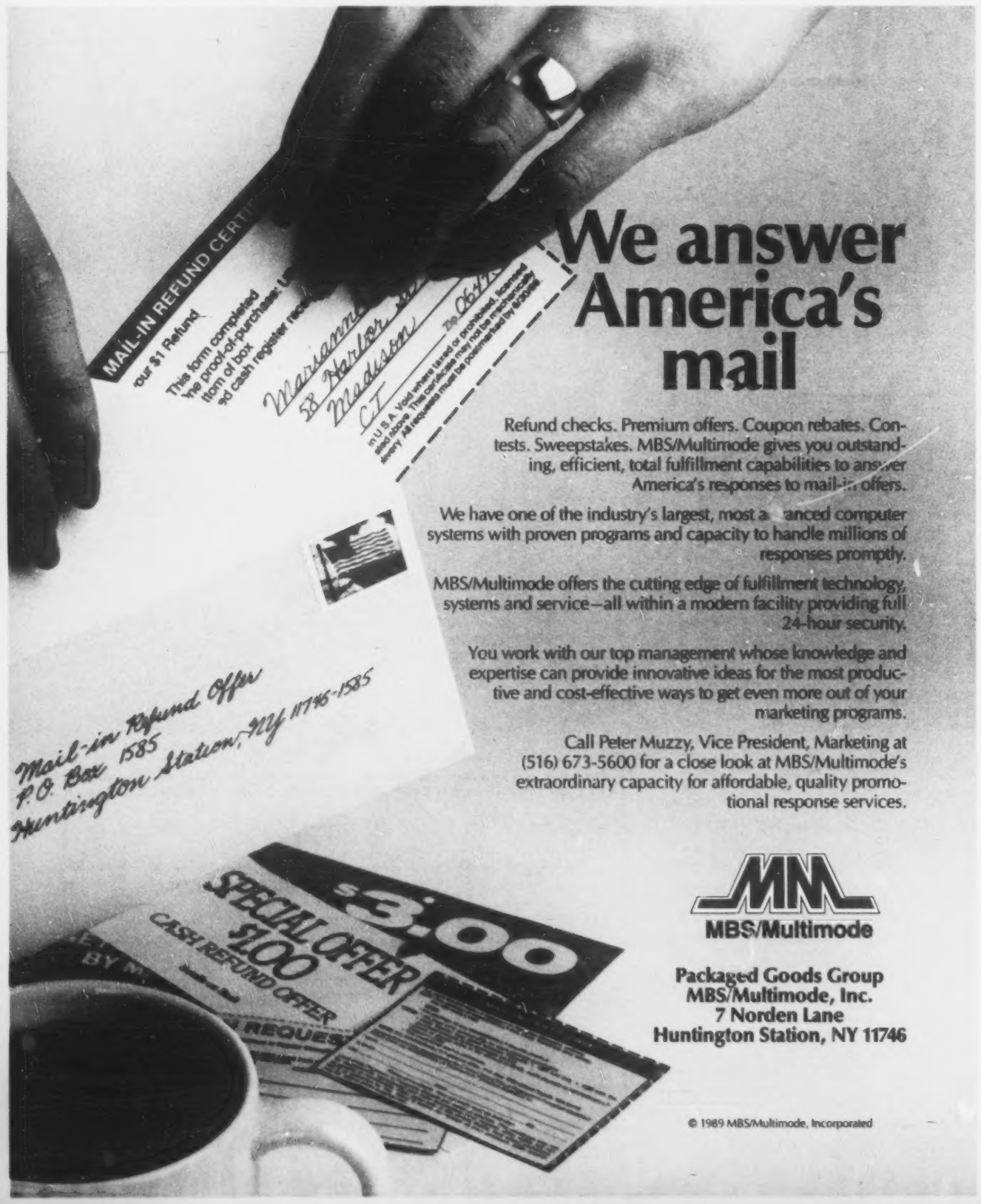
Both Mr. Bowes and working conditions at HDM are said to be "intense," but staffers appear to like it that way and take pride in the results.

HDM is now looking to transport its philosophy overseas where it is hoping to gain a stronger presence. It currently has offices in Paris and Hong Kong, says Mr. Bowes.

HDM's U.S. offices are in Los Angeles, New York, Boston and Chicago, where it bought Young & Rubicam's Stone & Adler in January. That acquisition is what most boosted the agency. Stone & Adler's billings of $35 million represent the lion's share of HDM's U.S. billings, says Stone & Adler CEO Craig Thomas. Rumors are circulating that HDM may still be pursuing acquisitions in the U.S.

HDM projects its 1989 U.S. billings will surpass $70 million, a more than 20% increase.

"In terms of major markets in the U.S., we're there and we're a major player," Mr. Bowes says. □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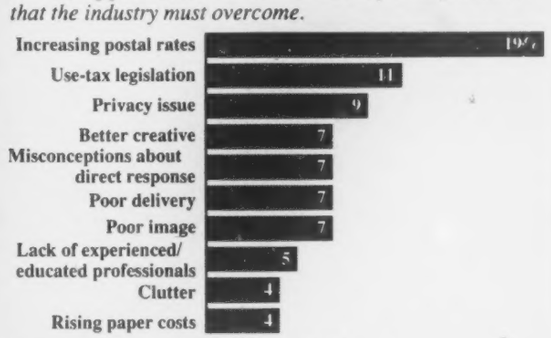
Taxing situations: Regulatory concerns rise

In a survey of 86 direct-response agency executives, increasing postal rates stands out as the primary obstacle that the industry must overcome.



Source: Advertising Age survey Advertising Age graphic: John Hall

Combatants square off on 'use-tax' bills

Efforts to force direct marketers to widen tax collection role called everything from 'harmful' to 'only fair' by congressmen

Sen. Robert Kasten sees the 'use-tax' bill as being unconstitutional.

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Worst idea yet this year on taxes, says Sen. Kasten

By Robert W. Kasten Jr.

Probably the worst tax idea to come out of Congress so far this year has been a proposal that we turn America's mail-order companies into tax collectors for each state in which they have customers.

One proposed bill would require direct-marketing companies to collect taxes from customers in 46 states and the District of Columbia. Under current law, these mail-order companies only have to collect taxes on items they sell and ship to customers in their own states.

This proposal isn't just harmful to the 88 million Americans who shop at home. It's harmful to the economy as a whole. And it's unconstitutional. The Supreme Court has ruled twice in the last 50 years that states have no right to ask out-of-state sellers to collect state sales taxes. These rulings are based on the liberty of interstate commerce guaranteed by the Constitution.

If the congressional proponents of this new tax succeed in passing their bill, it's going to mean higher prices and more inconvenience for the users of mail-order services. And that means the elderly, the disabled and rural residents will be hit especially hard, because [they] tend to be especially reliant on mail-order businesses for necessary purchases.

These [consumers] use mail order because of its simplicity. Under the proposed "use-tax" legislation, consumers would be forced to contend with an intricate maze of state tax calculations. Goodbye simplicity, hello $14.95 + ($14.95 × 0.08) = your price. This tax would impose an even harsher cost on another group —those who rely on the mail-order business for their livelihood.

There are about 1,000 companies

Sen. Robert W. Kasten Jr. (R., Wis.) recently joined the Direct Marketing Association in its fight against the interstate tax bill by introducing a resolution in the U.S. Senate in opposition to what has been tagged the "abuse tax."

in America that would be hurt by this tax proposal—and that means real hardship for them and their employees. It's a bad idea concocted by state legislators eager to turn distant companies into tax collectors for their state treasuries.

I have a suggestion for these lawmakers: Don't go behind your constituents' backs and try to get out-of-state companies to do your dirty work. Go to the people and let them decide whether your state treasury really deserves more tax revenues.

The use-tax proposal is an unnecessary and unfair burden on millions of Americans. I've introduced a resolution in the Senate asking all senators to oppose it.

The choice is clear on this issue. All that's necessary now is for the people to make their voices heard. □

Jarvis Grant

Rep. Jack Brooks wants to close what he sees as a loophole in the law.

Inequitable load on local retailers, says Rep. Brooks

By Jack Brooks

America's Main Street retail merchants are unfairly being forced to compete with one arm tied behind their backs against out-of-state mail-order giants.

A loophole in the law is allowing mail-order retailers to avoid collecting and remitting sales taxes, while local merchants are penalized for their honesty in doing just that. I am supporting legislation to straighten out this perverse and unfair situation by closing the interstate tax loophole.

Currently, all states that levy a sales tax require merchants in that state to collect the tax and remit it to the state or local government. In addition, an equivalent tax—generally called a "use" tax—is levied on goods sold and delivered to state residents by out-of-state or mail-order companies.

Multi-state companies such as Sears, Roebuck and J.C. Penney routinely collect and remit such sales taxes for all states on their mail-order sales.

However, a 1967 Supreme Court decision prevents states from requiring out-of-state companies to collect the tax if a company maintains no retail outlet in the state. As a result of this loophole, the out-of-state tax goes uncollected.

Honest local retailers start out at a competitive disadvantage of as much as 8% against mail-order dealers from Maine to California, and state and local governments suffer a revenue loss that is estimated at $2.9 billion annually. That revenue has to be made up by other, higher taxes on local citizens.

Legislation that I am proposing to close this loophole would not impose any new tax, and it would not increase any taxes. Rather it would enable the collection of the *existing* tax. States could require the collection of taxes on interstate sales if the retailer engages in "regular or systematic soliciting of sales" in that state.

The bill would apply only to the largest interstate retailers—those with gross sales of over $12.5 million annually or $500,000 in a particular state.

It is intended to make sure that the mail-order companies do what they should be doing: paying the taxes they owe.

Nobody likes to pay taxes, and it is predictable that the mail-order lobby would be unhappy about the possibility of giving up this unfair competitive edge. But, when a tax exists, it should be applied equitably—in this case, both on in-state and out-of-state sales.

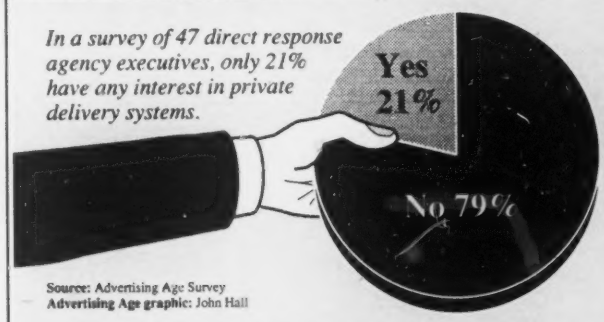
Closing the interstate tax loophole will provide an even break for the local merchants across the nation who provide jobs and services to our local residents and who pay the taxes that support our hometown schools, police departments and other services.

Ending this inequity will correct a real abuse in our state and local tax system. □

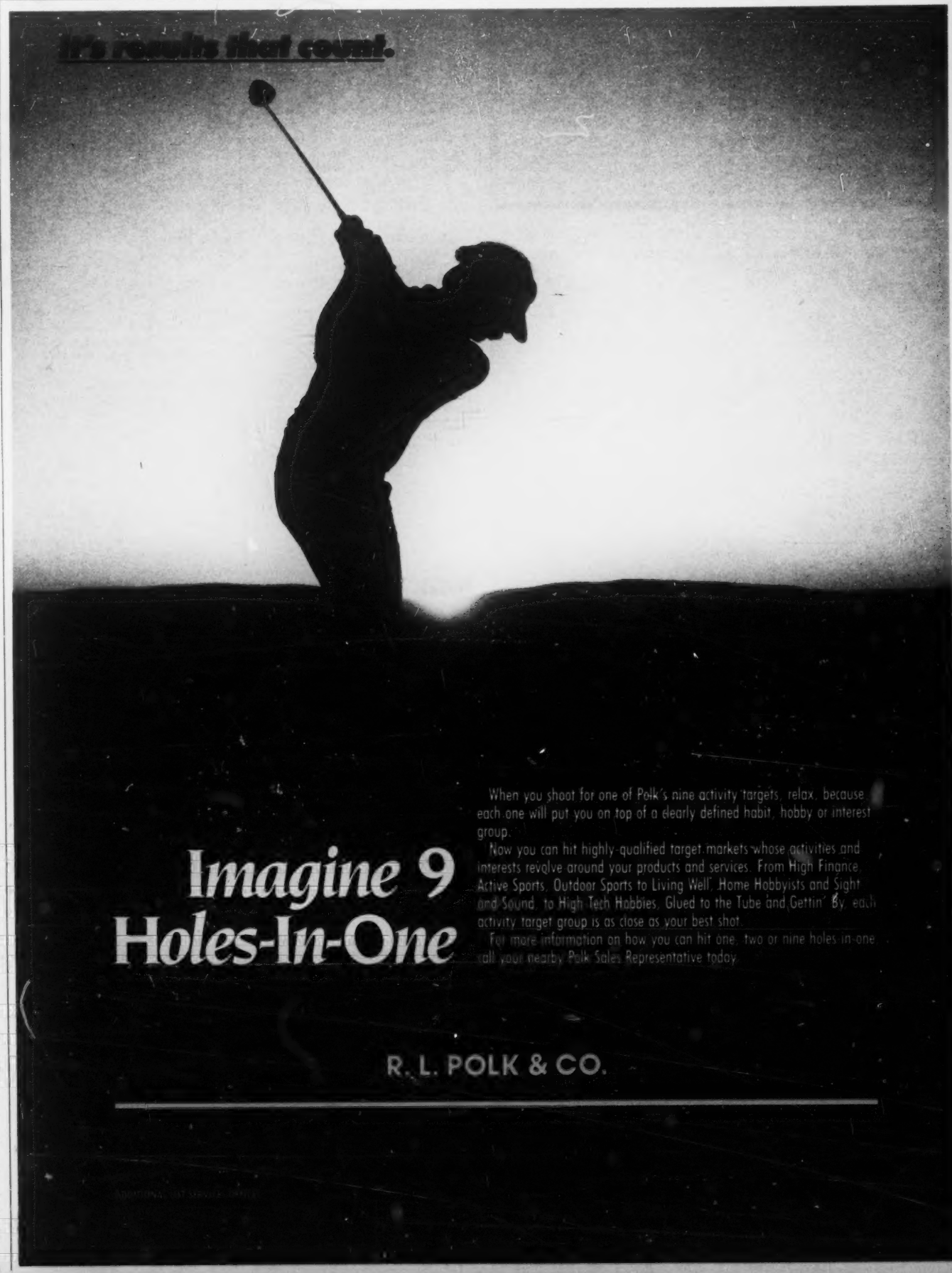
U.S. Rep. Jack Brooks, (D., Tex.), chairman of the House Judiciary Committee, introduced the interstate tax bill in October 1987, but it failed to be called before the House adjourned last year. Rep. Brooks will reintroduce the legislation this year.

Private delivery doesn't rate

In a survey of 47 direct response agency executives, only 21% have any interest in private delivery systems.



Source: Advertising Age Survey
Advertising Age graphic: John Hall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O&M takes direct route to the top

Package deal: Finance, products fuel growth

In a survey of 120 direct-response agency executives, finance, package goods and business-to-business marketing efforts topped the list of advertising categories that are providing growth for direct marketers.

Source: Advertising Age survey **Advertising Age graphic:** John Hall

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Jerry Pickholz sees problems with mergers, targets healthcare and overseas as areas for growth in direct response

By Leslie Gilbert

Jerry Pickholz, chairman of Ogilvy & Mather Direct, has seen his agency grow from a handful of people writing direct mail ads to the largest direct-marketing agency in the world with 46 offices worldwide and 1988 billings of $272 million, according to ADVERTISING AGE.

But O&M Direct mirrors the fortunes of direct marketing in general. Its 4.6% growth rate from 1987 to 1988 illustrates direct marketing's boom days in the U.S. may be over.

But an optimistic Mr. Pickholz says plenty of growth opportunities remain. "The growth in Europe has been phenomenal," he says, adding that package goods, healthcare and financial services can fuel domestic growth.

"Are there growth opportunities? Yes. Can we get to them? The answer is yes—with a lot of work," says Mr. Pickholz.

To maintain its No. 1 position, O&M has developed an intensive employee training program, and is working on a software program for data base marketing. It also is conducting studies on market segments such as the over-50 market.

"For a few years now I've recognized [the over-50 group] because I happen to be in it," he says. "Ogilvy just did a study last year and we're adapting it now to direct marketing to the over-50 market. From an institutional point of view it's relatively new."

Mr. Pickholz' formula for success: Provide services "not available from other suppliers and to do terrific work for your clients."

Leslie Gilbert is a New York-based free-lance writer.

Doug Goodman

O&M Direct Chairman Jerry Pickholz says that while some major companies have $1 billion ad budgets, direct marketing is still "other" on the list of activities.

AA: *How do you explain the apparent slowdown in direct marketing growth?*

Mr. Pickholz: Without a doubt the growth rate has tapered off if you compare 1988 to 1978. That's because in 1978 there was virtually no industry.

In the early 1980s we had growth rates of 25%, 30%, 40%, which were all very healthy. You had real growth, and you also had an explosive entry into direct marketing by a number of different companies and industries that fueled inflated growth.

AA: *Your agency had a little less than 5% growth last year. Is that satisfactory in the current business environment?*

Mr. Pickholz: Now virtually every agency has a direct-reponse arm. There are much higher billing levels as well.

When you add 5% or 10% [growth] on that base there's nothing shabby about total dollars.

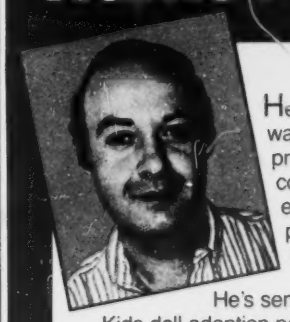
So when you look at the numbers it's a question of what standards you set. If you want to see 30% increase, sorry, I've disappointed you. But if you want to see $10 million increase in absolute numbers, we've delivered.

AA: *We've seen internal start-ups, acquisitions and mergers. Is one formula most effective for agency* growth?

Mr. Pickholz: The advantage in growing your own is the corporate culture. For an agency without a direct-response division to grow its own now means they'd have to catch up and that's a disadvantage.

Stone & Adler was founded by one of the great people in direct

Jim Mehern Wants Fulfillment



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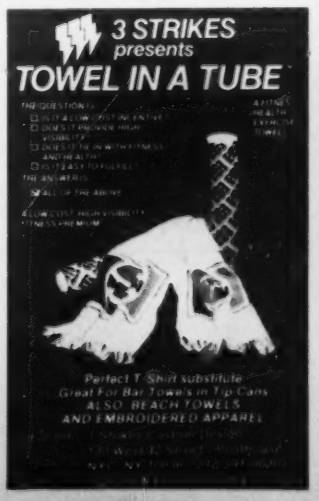

marketing, Bob Stone. But the agency, in my opinion, never really acquired the Y&R culture. Now they were sold [to HDM Worldwide] and I don't know how they're going to do, but it strikes me as less than perfect.

We have acquired agencies, and there's always a degree of luck in choosing the right partners.

AA: *What about competing agencies that merge such as Marcoa and Rapp & Collins?*

Mr. Pickholz: I've not seen that take root yet. I've seen a lot of agonizing there. Ask them. I've not seen great things come out of that combination.

AA: *Where are new client opportunities?*

Mr. Pickholz: By and large, package-goods [marketers] are still tinkering [with direct response]. They don't have big budgets, major commitments and direct marketing efforts even remotely comparable to their television advertising. So they're not there yet.

The question is why haven't they gotten there? First, we succeed in direct marketing by getting the advertiser to deal directly with the consumer. The package-goods manufacturer deals with a middleman, namely the supermarket, who deals with the consumer.

Second, we deal with a very low margin, frequently replenished product. You can't spend a lot on direct marketing to generate that kind of dollar volume.

I think the direct marketer should be the entity closest to the consumer, and that's the supermarket.

AA: *More co-op advertising?*

Mr. Pickholz: Supermarkets have available data that lends itself to more personalized promotions. They can identify dog owners ... find the families with babies. All that data is available, and it's not being incorporated into their promotions.

Now, why should they spend all that money? To generate higher profit margins. Does it make economic sense? Maybe not. Unless they co-op it with the manufacturer, so the manufacturer who's selling dog food subsidizes the supermarket's finding dog owners.

When you put that whole package together maybe then you have the formula to capture the largest group of advertisers who are not using direct marketing now.

AA: *Are you convincing your package-goods clients that they should be doing this?*

Mr. Pickholz: They're all so secretive, they don't like us discussing it. But the answer is yes, we're doing it. It looks as though it works but I would still call it experimental. Some of the major companies have $1 billion advertising budgets. This is still "other" on their list of activities.

AA: *What are some the other growth categories?*

Mr. Pickholz: The aging of America has opened up new segments of the population that have been neglected by marketers. The people who are 50 to 62 are in their highest earning capacity and are probably benefiting from their children who have finished college and moved out on their own. They eat out a lot, they travel, they buy quality, they buy value-added.

Then you have the 63 and over people who have a whole other set of interests and concerns.

AA: *Are there any new industries that we can expect to push into direct marketing?*

Mr. Pickholz: Healthcare is a major factor. This may be a subset of the aging of America, but I think it's important.

More and more companies are reluctant to extend healthcare beyond retirement age because of the enormous cost. Those people, who need that care more than anyone else, are finding less and less available through company resources.

It's a whole category, maybe under the heading of financial services, where we are finding growth.

The environment is another issue. We have Kinetico Co., a water purifier, as a new client.

Water may be the utility of the 21st century, and it may be as critical a subject then as fuel oil was in the 1970s. Changes in the physical environment, the demographic environment, the technological environment ... all of those things feed the business.

AA: *What kinds of changes and growth do you see for direct marketing worldwide?*

Mr. Pickholz: We now have 46 offices. [The most recent openings are in Lisbon, Athens, Istanbul, Taipei.] If you think that the U.S. is the leader [in direct marketing] and the rest of the world follows then you are an American chauvinist. It just isn't so.

In Europe, they are extraordinarily sophisticated. They do a much better job of list compilation and list maintenance.

Now that there's more commercial television in Europe, we're doing pan-European direct-response advertising for American Express. We use the same TV commercial with different language voiceovers and different telephone numbers.

AA: *Have you encountered places where consumers are uncomfortable with direct marketing?*

Mr. Pickholz: We sort of paper train them. You don't go out and mail a Sears catalog in Bangkok and hope they'll buy.

We dole it out and increase the volume as the evidence of success accelerates.

AA: *What kind of potential is in the Far East?*

Mr. Pickholz: It is a sleeping giant. We're in Hong Kong, Singapore, Thailand, Kuala Lumpur, Korea, Taiwan. We're not in Japan, but I could include Japan in this. The thing is just getting up and running. It won't take long for them to catch up. And then you're dealing with huge populations.

I think Russia has an enormous future in direct marketing because you have people waiting in line for hours to buy a pair of shoes. Isn't it better to send in a coupon and say 'send me a size 9'?

It will start with books, records, magazines. It doesn't take a leap of faith to buy those things through the mail. ... and then it will expand.

AA: *What new media are you experimenting with in direct marketing?*

Mr. Pickholz: I think we can adapt to some of the things Whittle [Communications] is doing: highly specialized publications; the student market.

If videotex can give us enough programming—sufficient reason for people to tune in—they'll be able to sell us advertising [space]. I don't think they've done that yet.

Telephone is an extraordinarily important medium. I'm not a strong supporter of unsolicited outgoing telephone calls, but there are ways to combine the telephone with an advertising message. For example, you use a celebrity in your advertising and then you have the celebrity's voice answering your phones.

With more sophisticated telephone-answering capabilities you could edge into prime-time TV.

It puts the onus on creativity. You need more appealing messages, but the logistics of answering could be resolved by personalized, robotic telephone answering. □

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The Art and Science of Direct Marketing

Stewart Tiger

Herring/Newman President Phil Herring is a firm believer in "You can't make rules about breaking rules."

Herring builds successful shop from simple strategy

Approaching field as 'strategic creative,' exec feels many 'in direct marketing do it backwards; we start with techniques'

By Kevin Gudridge

Score direct marketing's version of the hat trick for Herring/Newman.

In 1988, the small, unheralded Seattle-based direct-response agency stunned the industry by taking home the Direct Marketing Association's top awards: three Gold Echos and the Gold Mailbox Award.

The topper came when the agency—under the creative hand of President Phil Herring—was awarded the high visibility role of promoting and designing the DMA's 1989 Echo awards campaign.

The creative accolades have been accompanied by a billings boom. Listed by *Inc.* as one of the fastest growing privately held companies in the U.S., Herring/Newman has seen billings soar from $200,000 when it opened in 1983 to $17.1 million in 1988.

Herring/Newman's client list, which includes American Express, Apple Computer and United Way, reflects its growing stature in the industry.

"What sets us apart from other agencies is we put more emphasis on the creative product," says Mr. Herring.

"We also have a good balance between marketing values and creative values. I think it's what you might call 'strategic creative.'

"And, I think more so than other direct-marketing agencies, we have tried to study what the top general agencies such as Chiat/Day and Fallon McElligott are doing and why, and then try to incorporate what we learn into our creative," he says.

Below, Mr. Herring speaks candidly about direct-response creativity, which continues to be beleaguered by complaints of creative lapses.

AA: *What are some of the misconceptions clients have about creative work in direct marketing?*

Mr. Herring: The biggest is the belief that a campaign won't work if you don't follow the traditional rules. It's interesting that some clients who take big risks in their awareness advertising won't take any risks at all with their direct marketing.

To a degree that's understandable because direct marketing is so measurable that if you make a mistake it's painfully obvious. And sometimes it really is safer to imitate your competitors. My view is that if you do the same thing, it might not work.

To make your creative different, you have to break the rules. And I guess the hottest topic in direct-marketing creative is the issue of the rules and formula creative.

AA: *Are any of the rules valid?*

Mr. Herring: The tough part is turning your back on all these great rules you've been taught when you learned the business. Rules like self-mailers never work; long copy sells; all headlines must have benefits, and hundreds more.

Granted, all these statements are true. But only in a given marketplace, at a given time, with a given product. They are not universally true.

Kevin Gudridge is a free-lance writer based in Seattle.

AA: *Have you found any of these rules especially fruitful to break?*

Mr. Herring: You can't make rules about breaking rules.

Great creative comes from setting all rules, preconceptions and inhibitions aside, then trying to visualize an individual in the target audience.

If you understand that target, you can develop a strategy for selling to him.

And out of that strategy will come the single message that will find his hot button. It's different in every single situation.

AA: *What do you do when you find that key message?*

Mr. Herring: You can concentrate on saying it in a dramatic,

Herring's picks: Fishing for the best

Herring/Newman's President Phil Herring has praise for Bill Jayme's work for The New Yorker: "There couldn't be a better writer for that product. The work is warm, witty and cosmopolitan. It's perfectly matched to the prospect, who isn't likely to get excited about a free clock radio."

Of Jo Von Tucker's "The Carroll Journals," Mr. Herring says: "I find many catalogs look alike, but this one was unusual—like nothing I've ever seen. It made you want to buy the products because you wanted to live the lifestyle you saw on the pages . . . Jo Von made it easy to imagine yourself there by leaving the models out."

A print campaign for the Paperback Book Club done by Ogilvy & Mather Direct, Mr. Herring says, "Covered the mandatories, which was to show lots and lots of book covers. But in spite of that, they still managed to give the campaign tremendous personality."

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compelling and believable way. That's where the techniques become important.

But techniques have to grow from that selling strategy.

I think a lot of us in direct marketing do it backward. We start with the techniques.

That might be because we tend to leave the creative people out of the strategy process. All the strategy efforts are focused on how to use the data base and on developing offers.

Our agency has tried to overcome that by involving the copywriter and art director in everything, including media and testing.

It all boils down to this: Direct-marketing creative can be so much more than tactics—it can be just as strategic as any other element of the campaign.

AA: *How important is creative in determining whether a campaign will work?*

Mr. Herring: The rules say that the success of direct marketing is dependent 40% on media, 40% on offer and 20% on creative. That formula is dead-on if you're marketing in a vacuum—if you're selling a brand-new product to an untried market.

In the real world, creative can have an unlimited impact. I like the way [former creative director at Krupp Taylor] Gary Wexler explains it: Nothing matters unless the recipient opens the envelope. That makes creative 100%.

AA: *What are the major problems in communicating a message?*

Mr. Herring: Too many direct marketers use the same words and phrases. We've become a medium of cliches.

After a person has read the same line a few hundred times it tends to lose its sincerity.

Of course, general advertisers are guilty of using cliches, too, but at least theirs change every year or so. Direct-marketing copy cliches haven't changed in 20 or 30 years.

AA: *What explains the creative stagnation?*

Mr. Herring: Our breakthroughs have been in data processing, order processing, telemarketing, you name it. When direct marketers want a breakthrough, they tend to look everywhere except at creative. There could be many more creative breakthroughs.

Look at general advertising, for instance. Talk about a clutter problem: They've got to use creative to be heard. And they prove every day that great creative can overcome small budgets, parity products, almost anything.

AA: *Do you foresee a time when there will be no distinction between general media and direct-response advertising?*

Mr. Herring: Absolutely. And whoever figures it out first is going to be very, very successful.

But it won't happen in the near future because of stubbornness on both sides.

We have to decide that general advertising isn't the enemy. We have to be willing to look at good—not all, but good—general advertising and figure out why it works.

There's a lot we can learn from people like [Hal] Riney and [Tom] McElligott about how to motivate people.

And, of course, the general-advertising folks have to understand that we stand for a lot more than junk mail and cluttered print ads.

One problem is structure. If general and direct-response agencies have to battle for budgets, there will be no integration.

Even when they're affiliated, Mega Advertising and Mega Direct still fight each other for budgets. And they always will as long as the respective managers are compensated based on their respective sales.

AA: *What about the battle between direct-response and general agencies for creative people?*

Mr. Herring: I haven't seen a real battle for people yet. That may be coming in the future.

I do think we will hire more people from the general side—not because we need that special talent, but because the disciplines are getting closer. Yet, I don't think it will be necessary or desirable to recruit en masse from general agencies, if only because of the retraining required.

The more interesting question is what kind of work will the client give to the general agency, and what kind to the direct-response agency? The way I see it, direct-response agencies know how to immediately influence consumer behavior. General agencies know how to influence consumer attitudes.

As direct-response agencies learn the value of image and awareness and general agencies learn the value of accountability, it becomes tougher to decide who to use for what.

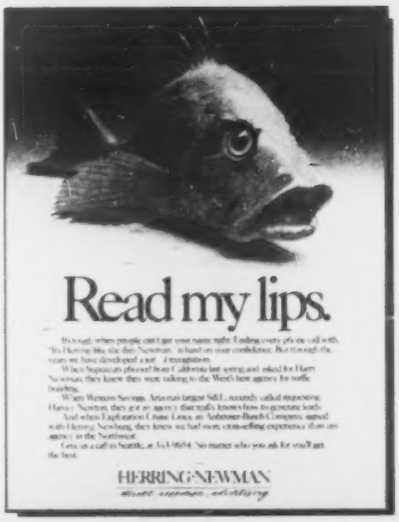
AA: *Where do clients draw the line now?*

Mr. Herring: Some do it by media. They use us to handle direct mail, and the general agency to handle print, radio and TV.

The more enlightened clients do it by marketing objective. If they want a measurable response, they use us. If they want awareness, they use the general agency.

That makes more sense, because our agency and many other direct-response agencies can do a fine job with print. I've seen some really good radio and TV coming out of direct-response agencies, too.

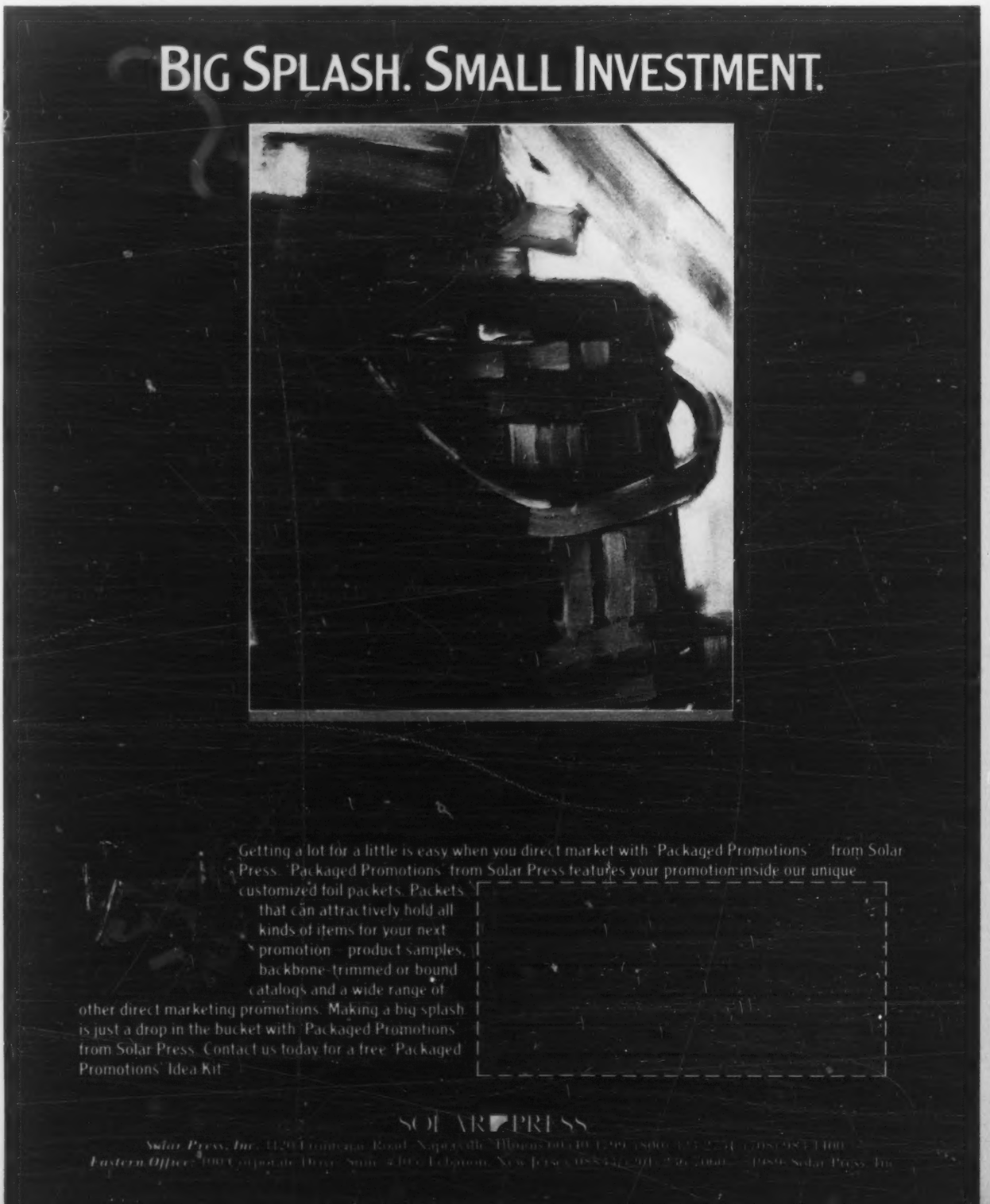
It's a shame to restrict those talents to direct mail. The disciplines of direct marketing work across all media. □



Herring/Newman's days as a fish out of water seem over as the agency piles up direct-marketing awards and builds billings in five years from $200,000 to $17.1 million last year.

The agency created this print ad to generate new business. The tale of woe told in the copy—"It's tough when people can't get your name right. Ending every phone call with, 'It's Herring-like-the-fish-Newman,' is hard on your confidence."—obviously hooked some prospects.

It resulted in $800,000 in new business, and grabbed three direct-marketing awards last year: a Gold Echo, Gold Caples and Gold Pioneer.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SPEAKING WITH AUTHORITY

Where will growth in 1990s come from?

As the U.S. direct-marketing growth rate softens—hitting 9.7% among the 246 direct-response agencies surveyed by ADVERTISING AGE—generating new business has become a critical issue for agencies. We asked executives at leading shops: "Where do you see growth coming from in the 1990s?"

Wunderman

Muldoon

Hefter

Gosden

Wiedemann

Draft

Lester Wunderman, chairman, Wunderman Worldwide

"The main engines of growth will be the development of data bases into information and knowledge systems with which we can communicate so as to make advertising messages relevant to individual consumer needs. One-way advertising will give way to buyer-seller dialogues, which will be enabled by an increasing variety of interactive media.

"The marketer's question of 'Here's what I make. Don't you want it?' will become the consumer's request of 'Here's what I need. Do you have it?' The concentration of products will give way to the science of building lifetime customer relationships.

"Concepts such as share of market will change to share of customers. Marketing executives will manage customers, not just brands. When all this takes place, as it will, direct marketing will become the next advertising, and it will grow and grow and grow."

Katie Muldoon, president, Muldoon Direct

"Increasingly, agencies will have to address their clients' problems on more of a marketing basis, rather than strictly creative. For example, cluttered mail and a shrinking universe mean that agencies will have to be actively involved in recommendations for new methods of customer acquisition.

"Research, direct-response TV, electronic on-line ordering, will need to be extensively tested and creatively implemented.

"Data-base usage, the buzz word of the late 1980s, will have to become more than just a word. Selective mailings of segmented offerings will need to be produced for clients.

"There will be a new universe of mailers who will wish the agencies to use the inherent synergies that are available through a variety of different disciplines.

"Retailers and package-goods companies, for instance, will be looking for hybrid shopping concepts that utilize new forms of direct shopping modes.

"As an agency primarily involved in cataloging, I can only attribute the growth we have seen in the last year to our ability to provide marketing aid in every aspect of a cataloger's operation. Agencies need to fully integrate themselves with their clients' operations and financial goals."

David Hefter, chairman-CEO, Rapp Collins Marcoa

"I'm optimistic. I believe that direct-response agency growth in the 1990s will be healthy, both domestically and internationally.

"In my view, the growth will come from four primary areas: the entry of new direct-marketing advertisers, especially in the business-to-business community and in consumer package goods; the recognition of additional longer-term objectives for direct-response advertisers, such as long-term prospect nurturing and continuing customer relations; new services to be provided by agencies, such as more sophisticated marketing data-base development and management or worldwide direct-response coordination; and direct-response advertisers' continuing market expansion beyond the U.S."

Freeman Gosden Jr., chairman, Foote, Cone & Belding-Direct Worldwide

"By the end of the 1990s, most classical advertising will *not* be mass-image advertising, rather a combination of image, lead generation and sales on a more targeted basis.

"Response advertising, using split-run techniques and response to offers, will provide classical advertising with a more accurate way to choose between campaigns, offers, prices and even media selection.

"Worldwide, this is even more important as the lack of a middle class makes targeting more economic. It is those with backgrounds in direct-response techniques who will lead this change and be the advertising stars of tomorrow."

George Wiedemann, president, Grey Direct

"We should be concerned with growth for the direct-marketing discipline, because our momentum has slowed.

"Restoring it will take a strategic effort to establish the proper role for direct marketing and direct-response media.

"For traditional direct marketers, growth must come from a fresh approach to media. Great advances have been made in data-base technology.

"Now we have to establish television and print as adding value to a direct-marketed product, and we must match data-base science with enough media science to make television and print pay.

"For agencies, accelerated growth is possible from national advertisers (the *new* direct marketers) if we strategically establish the direct discipline in the life of a brand. If we succeed, our growth in the 1990s will be unprecedented."

Howard Draft, president, Kobs & Draft

"Growth in the '90s for direct-marketing companies is a very regional subject. In Europe, and much of the world outside the U.S., we have no doubt that direct-marketing spending will grow at about 20% a year for the next five years. Growth will be fueled to a large extent by relatively new technical developments like toll-free telephone service and expanded commercial television.

"U.S. direct marketing will grow at about half that rate and will favor full service agencies with well balanced multi-media experience that have strong media planning and buying departments.

"I hope a greater portion of revenues will come from marketers that shift from promotional agency assignments to direct-marketing agencies as they continue to realize the value of their data base for ongoing marketing activities." □

Associate Editor Anita M. Busch coordinated this report on Direct Marketing. Kevin Brown and R. Craig Endicott tabulated the data on the agencies and provided the analysis.

Coming

Next week ADVERTISING AGE's Special Report will focus on **Maturity Marketing.**

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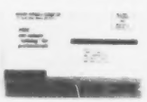

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April consumer magazine ad linage

	Current month 1989	1988	Year-to-date 1989	1988
Auto/cycle/rec. vehicles				
ATV Sports	20.3	30.2	86.1	119.1
AutoWeek (52X)	156.7	163.6	551.8	602.5
Car & Driver	121.0	111.9	408.6	431.4
Car Collector & Car Classics	15.3	15.2	67.7	68.1
Car Craft	69.3	86.6	269.7	287.8
Circle Track	92.4	82.3	340.1	317.4
Cycle	53.0	67.5	158.3	177.8
Cycle World	54.0	64.4	163.9	189.5
Dirt Rider	36.9	46.5	127.0	151.3
Dune Buggies & Hot VWs	68.0	76.6	269.6	281.2
Family Motor Coaching	166.4	160.9	725.2	710.4
4 Wheel & Off-Road	92.5	91.0	299.3	308.0
Four Wheeler	87.6	91.0	306.3	324.0
Hot Rod	121.1	91.9	346.8	337.1
Motorcyclist	62.2	71.4	171.5	181.3
Motor Trend	74.1	112.3	313.4	333.3
Motorhome	104.6	87.9	376.2	337.5
Rider	51.8	54.0	141.5	153.1
Road & Track	109.5	116.3	388.0	435.0
Trailblazer	87.0	74.3	231.0	205.0
Trailer Life	92.6	92.1	378.1	359.5
Total Group	**1,736.2**	**1,787.8**	**6,120.0**	**6,310.3**
% change	**-2.9%**		**-3.0%**	
Boating & yachting				
Boating	166.2	181.2	712.2	763.9
Chesapeake Bay	58.1	50.6	199.9	182.5
Cruising World	159.2	159.0	488.3	481.6
Lakeland Boating (11X)	110.5	94.5	400.0	354.9
Motor Boating & Sailing	158.6	157.3	703.4	736.1
Sail	126.4	119.7	497.3	430.3
Trailer Boats(11X)	100.3	89.0	355.5	313.6
Western Boatman(6X)	—	—	101.8	109.6
Yachting	115.7	150.4	571.4	629.5
Total Group	**995.0**	**1,001.7**	**4,029.8**	**4,002.0**
% change	**-0.7%**		**0.7%**	
Civic/fraternal				
American Legion	42.3	24.7	201.5	145.4
Elk (10X)	13.1	14.4	64.8	70.9
Kiwanis	18.0	13.9	61.2	55.1
Lion (10X)	3.3	7.3	22.3	62.0
Rotarian	10.1	14.2	52.5	67.6
V.F.W. (11X)	25.6	27.6	124.3	122.4
Total Group	**112.4**	**102.1**	**526.6**	**523.4**
% change	**10.1%**		**0.6%**	
General				
American Health (10X)	89.8	59.9	256.3	219.9
American Heritage (8X)	46.1	32.5	126.4	103.1
American West (6X)	53.0	—	74.5	—
Art & Antiques	60.5	73.4	260.5	263.4
The Atlantic A.	77.4	64.8	224.3	201.5
Bon Appetit A.	85.7	80.2	482.4	467.1
Cable Guide	41.3	38.6	137.9	124.7
Changing Times	69.8	65.0	228.7	247.5
Children	—	—	79.6	47.2
Conde Nast's Traveler	96.0	56.5	311.9	190.9
Connoisseur	92.1	98.7	303.8	315.4
Consumers Digest (6X)	—	—	47.7	43.3
Ebony	92.4	98.7	380.9	385.5
European Travel & Life	52.8	44.0	149.0	132.1
Finance (10X)	29.5	38.3	103.5	142.6
Food & Wine	74.2	52.6	239.3	196.0
Games (6X)	—	—	26.6	18.0
Golden Years (6X)	18.0	41.0	112.8	171.2
Gourmet	127.8	118.0	373.3	381.9
Harper's Magazine A.	31.1	33.7	136.7	126.6
Harrowsmith (6X)	—	—	123.8	121.9
Islands (6X)	—	—	120.7	67.6
Let's Live	42.0	68.0	190.0	209.0
Life	88.6	68.2	282.5	188.8
Modern Maturity (6X)	40.7	36.0	81.8	74.9
Money	120.5	121.8	399.4	462.7
Money Maker	6.5	7.3	9.2	15.3
Mother Earth News	—	—	171.9	160.6
National Geographic	22.9	24.9	90.8	103.4
National Geographic Traveler (4X)	—	—	60.2	43.0
Natural History	52.8	50.4	192.8	163.0
New Choices	34.7	39.7	147.9	139.6
Prevention	53.5	66.6	226.0	239.4
Psychology Today	34.0	33.3	116.8	96.3
Reader's Digest A.	87.9	122.5	348.5	408.6
Saturday Evening Post (9X)	41.9	33.4	134.9	109.8
Smithsonian	88.6	81.0	354.8	363.4
Town & Country	140.1	136.9	483.0	511.1
Travel-Holiday	59.1	51.4	191.7	172.9
Travel & Leisure	188.0	132.7	543.5	442.3
Travelhost	1,316.0	1,230.0	4,931.0	4,778.0
Vanity Fair	146.1	89.1	411.0	304.1
Writer's Digest	22.8	27.7	101.0	113.1
Yankee	56.0	75.7	251.8	312.3
Total Group	**3,780.1**	**3,492.4**	**14,020.7**	**13,379.0**
% change	**8.2%**		**4.8%**	
Home				
Americana (6X)	24.3	20.9	45.7	37.5
Architectural Digest A.	154.9	149.1	548.7	556.7
Better Homes & Gardens	133.3	120.5	451.0	421.2
Colonial Homes (6X)	—	—	121.0	109.8
Columbus Monthly-Homes (4X)	31.1	49.3	60.9	79.5
Cooking Light	—	—	109.7	68.8
Country Home (6X)	111.1	60.8	156.8	102.7
Country Living	114.2	110.9	383.8	338.1
Family Handyman (10X) A.	58.2	63.7	172.4	198.6
Florida Home & Garden	78.8	61.3	367.9	224.0
Flower & Garden (6X)	—	—	110.6	101.9
Home	76.4	87.1	240.1	256.4
Home Mechanics	74.7	63.8	211.3	199.2
The Homeowner (10X)	37.5	32.7	114.8	120.5
Horticulture	40.7	47.8	177.3	184.4
House Beautiful	73.4	72.6	257.1	255.9
House & Garden	82.1	91.9	283.1	334.5
Metropolis	62.1	57.4	200.6	175.1
Metropolitan Home	135.9	147.3	386.7	358.3
Midwest Living	84.3	69.4	155.9	105.0
1,001 Home Ideas	58.9	65.5	230.0	221.5
Organic Gardening	42.6	53.5	196.9	240.8
Phoenix Home/Garden	77.5	76.2	299.2	305.0
Practical Homeowner	26.1	—	98.9	—
San Diego Home/Garden	75.2	73.0	265.3	257.3
Southern Accents (6X)	—	—	201.2	207.4
Southern Living	144.6	171.1	480.1	490.3
Sunset Magazine A.	144.9	159.1	450.4	499.5
Workbench (6X)	—	—	92.4	91.8
Total Group	**1,942.8**	**1,904.6**	**6,869.7**	**6,541.7**
% change	**2.0%**		**5.0%**	
In-flight & other passenger				
Aboard Group (6X)	—	—	71.1	60.2
Alaska Airlines	63.7	57.0	238.6	223.8
America West Airlines	57.0	62.7	259.2	243.8
American Way (24X)	181.7	131.5	557.9	508.2
East/West Network:				
Continental Profiles	76.8	50.5	252.4	211.6
Eastern Review	62.8	67.8	265.9	291.9
Northwest	53.6	41.3	209.4	159.5
Pan Am Clipper	54.3	42.4	183.6	166.5
Southwest Spirit	79.6	61.3	270.6	249.8
TWA Ambassador	56.3	37.0	214.4	189.4
Vis `A Vis	89.6	71.3	347.4	275.6
Halsey Publication:				
Delta Sky	89.0	81.0	325.5	324.9
Pace Communications:				
Braniff Magazine	82.0	—	164.2	—
US Air Magazine	61.9	62.2	210.4	264.9
Spirit of Aloha (6X)	23.0	20.0	96.4	81.6
Total Group	**1,031.4**	**786.0**	**3,666.9**	**3,251.7**
% change	**31.2%**		**12.8%**	
Men's				
Esquire A.	115.0	101.7	410.5	327.4
Firehouse Magazine	34.7	40.0	144.7	161.3
Gentlemen's Quarterly A.	198.1	183.9	665.3	612.1
M Magazine	78.0	80.0	292.0	290.0
Muscle & Fitness	138.0	117.0	439.2	480.6
Penthouse A.	43.7	43.6	193.4	177.6
Playboy A.	52.4	43.9	247.2	195.2
Salute (10X)	22.0	27.9	84.1	78.3
Total Group	**681.9**	**638.0**	**2,476.3**	**2322.5**
% change	**6.9%**		**6.6%**	
Metropolitan				
Aloha	30.2	37.5	59.8	68.8
Atlanta	83.1	75.5	245.3	248.9
Baltimore	58.1	67.9	253.1	246.0
Boston	137.4	157.3	523.7	558.8
California	64.3	69.8	236.9	241.8
Chicago	117.3	104.6	434.3	400.4
Chicago's North Shore	96.0	89.7	384.7	347.1
Cincinnati	51.9	45.7	155.9	135.1
Cleveland	57.6	64.9	203.9	223.0
Coast (39X)	223.0	205.7	478.0	509.2
Columbus Monthly	72.1	105.4	270.8	270.1
Connecticut	129.2	120.5	411.1	398.5
D/Magazine	78.2	113.4	278.2	345.5
Denver	26.2	40.5	99.5	137.7
Detroit Monthly	77.3	120.3	237.0	302.9
Grand Rapids	43.0	49.2	137.3	140.8
Gulfshore Life (10X)	113.5	87.0	478.3	394.0
Honolulu	42.3	53.4	195.0	229.1
Houston Metropolitan Mag.	70.5	86.4	204.0	250.5
Inside Chicago (6X)	—	—	78.7	231.5
Los Angeles	149.5	155.8	575.9	540.1
Louisiana Life	—	—	65.5	55.9
Madison	42.0	45.0	162.0	160.0
Memphis	65.0	77.0	258.5	290.0
Mid Atlantic Country	44.5	34.5	141.0	108.9
Milwaukee	68.3	61.2	206.8	214.4
Minneapolis/St. Paul	114.6	135.5	437.7	394.0
Minnesota Monthly Mag.	47.7	44.5	174.3	150.9
Nashville	60.0	46.0	232.0	178.0
New England Monthly	60.3	55.3	204.4	178.8
New Jersey Monthly	100.9	115.2	342.4	376.8
New Mexico	38.7	32.0	178.2	159.5
Ohio	46.8	50.6	187.3	191.5
Orlando	111.7	96.8	380.3	365.1
Palm Beach Life	73.2	65.2	387.5	355.0
Palm Springs Life	111.2	132.9	615.8	549.4
Philadelphia	150.7	173.9	539.7	556.1
Pittsburgh	73.2	73.2	239.2	269.7
Rhode Island Monthly	53.1	—	194.9	—
Sacramento Magazine	60.0	73.0	210.0	213.0
St. Louis	51.1	39.7	174.4	183.6
San Diego	148.1	151.4	497.8	600.1
San Francisco Focus	110.9	96.2	394.4	333.6
South Florida Magazine	115.0	110.6	474.9	383.1
Texas Monthly	82.9	116.6	348.0	361.4
Ultra	44.2	24.0	181.0	94.3
The Virginian (6X)	—	—	118.8	119.5
Washington (7X)	—	—	146.0	121.6
The Washingtonian	170.3	157.3	663.2	584.1
Total Group	**3,764.9**	**3,857.7**	**14,097.2**	**13,767.7**
% change	**-2.4%**		**2.4%**	
Music/entertainment				
Audio	87.9	60.2	358.5	324.5
Dance Magazine	59.5	57.6	236.9	238.5
Playbill	45.9	46.1	199.1	179.6
Video Magazine	53.0	52.0	238.0	244.3
Total Group	**246.3**	**215.9**	**1,032.5**	**986.9**
% change	**14.1%**		**4.6%**	
Outdoor & sport				
Alaska	43.9	44.5	169.1	163.2
The American Handgunner (6X)	—	—	105.0	98.0
American Hunter	15.5	22.2	69.1	77.1
American Rifleman	26.9	26.2	88.5	98.1
Backpacker (6X)	43.5	33.0	69.1	64.9
Bass Master (10X) A.	98.3	95.3	394.8	402.3
Bicycling (9X)	154.1	143.0	379.8	364.4
Cross Country Skier	16.9	20.3	87.4	97.5
Ducks Unlimited (6X)	—	—	58.7	43.2
Field & Stream	115.2	170.0	337.3	407.1
Fishing World (6X)	—	—	108.3	111.4
Florida Sportsman	141.2	153.1	608.0	634.0
Golf Digest	136.6	135.2	561.1	473.4
Golf Illustrated	46.2	33.1	236.2	145.5
Golf Magazine	110.8	121.2	561.2	512.2
Gun Dog (6X)	—	—	88.2	64.2
Guns	37.0	33.0	144.0	134.0
Guns & Ammo	42.7	39.3	186.1	188.4
In-Fisherman (6X)	90.1	145.0	265.5	283.0
Outdoor Life	113.0	100.3	362.9	334.5
Outside Magazine	86.3	71.5	223.3	200.0
Petersen's Hunting	39.8	31.7	161.4	180.2
Runner's World (12X)	58.4	35.5	142.1	138.9
Salt Water Sportsman	114.0	116.4	596.6	572.4
Shooting Times	30.7	31.0	122.5	145.2
Sierra (6X)	—	—	96.9	82.7
Ski (8X) A.	57.3	33.2	341.6	293.4
Skiing (7X) A.	—	—	218.7	263.1
Skin Diver	117.8	121.3	441.3	439.9
Southern Outdoors (9X)	56.9	61.3	262.7	288.0
Southern Saltwater(8X)	51.1	49.0	234.6	171.4
Sport Magazine	28.5	49.0	136.4	152.2
Sports Afield	80.4	102.2	294.0	334.1
Tennis	88.3	91.5	254.4	289.1
Waterski (8X)	94.3	81.3	267.3	224.0
Western Outdoors (10X)	45.6	45.2	184.4	208.1
Wildfowl (6X)	16.4	14.9	32.3	29.2
WindRider (8X)	54.0	60.0	104.3	106.0
Wing & Shot (6X)	—	—	31.5	28.2
World Tennis	77.0	86.9	197.7	248.4
Total Group	**2,328.5**	**2,396.5**	**9,224.1**	**9,090.7**
% change	**-2.8%**		**1.5%**	
Photography				
American Photographer	45.6	29.9	128.4	118.1
Petersen's Photographic	36.8	29.3	107.0	95.9
Popular Photography	98.1	83.8	326.9	320.7
Total Group	**180.4**	**143.0**	**562.2**	**534.7**
% change	**26.2%**		**5.1%**	
Science/electronic/mech				
Discover	31.5	40.7	164.2	157.6
Home Office Computing	42.2	43.2	179.3	175.9
Omni	61.3	64.0	244.4	229.9
Personal Computing	170.3	205.4	700.4	942.5
Popular Mechanics	99.0	95.7	308.7	330.8
Popular Science	124.4	85.7	341.7	280.3
Scientific American	49.0	50.1	159.9	153.7
Spectrum	55.0	51.3	250.3	254.2
Total Group	**632.6**	**636.0**	**2,348.8**	**2,524.9**
% change	**-0.5%**		**-7.0%**	
Woman/fashion/service				
Beauty Digest (6X)	25.5	16.3	40.7	36.7
Bride's Magazine (6X) A.	488.6	372.0	1,230.0	1,075.6
Cosmopolitan A.	222.5	199.8	728.1	714.3
Elle Magazine	217.0	207.5	704.2	690.5
Essence	71.9	66.0	299.2	275.2
Family Circle (17X) A.	213.2	200.1	653.5	566.4
Glamour	230.3	196.9	638.2	665.9
Good Housekeeping A.	127.5	139.7	475.7	474.0
Harper's Bazaar	150.9	134.1	472.0	473.8
Health	34.5	41.5	123.8	155.7
Imagen	107.4	106.4	296.1	255.6
Ladies' Home Journal	148.8	110.6	489.5	417.3
Mademoiselle	178.0	170.1	524.6	521.9
McCall's	87.3	79.8	344.5	309.1
Military Lifestyle (10X)	31.1	32.1	167.7	165.0
Modern Bride (6X)	359.2	297.1	986.6	852.9
Ms.	38.7	23.5	138.0	120.0
New Woman	112.4	97.8	346.6	330.6
Parents Magazine A.	120.8	107.0	435.8	379.6
Redbook	98.5	98.0	357.6	386.2
Savvy	48.5	45.8	192.2	174.5
Self	131.4	105.4	424.9	384.1
Seventeen	138.3	155.4	435.8	450.1
Soap Opera Digest (26X)	43.3	24.7	142.3	89.7
Soap Opera Update	11.3	9.0	38.0	36.0
Teen Magazine	50.6	69.8	151.7	184.0
True Story A.	50.5	41.4	206.9	184.9
Vogue	327.2	243.6	1,182.1	1,076.0
W Magazine	115.3	108.6	535.4	512.5
Weight Watchers	40.3	37.3	139.9	150.0
Woman (10X)	29.7	46.3	115.0	128.6
Woman's Day (15X) A.	135.4	115.9	554.3	489.3
Workbasket	21.9	24.4	101.2	112.3
Working Mother	75.3	71.3	254.2	274.8
Working Woman	103.4	97.9	357.3	360.7
Total Group	**4,386.4**	**3,893.1**	**14,283.5**	**13,473.6**
% change	**12.7%**		**6.0%**	
Youth				
Boys' Life	21.5	16.3	83.6	70.7
Campus Life (10X)	37.7	36.2	190.7	190.3
Total Group	**59.2**	**52.5**	**274.3**	**261.0**
% change	**12.8%**		**5.1%**	
Business/national				
Barron's	138.6	202.3	541.9	732.5
Black Enterprise	50.5	48.8	280.1	267.3
Business Month	63.1	37.7	154.7	109.9
Business Week (52X) A.	430.1	454.6	1,321.4	1,278.4
Entrepreneur	161.3	91.0	628.8	405.9
Financial World (26X)	77.6	78.7	233.6	217.2
Forbes (26X)	240.1	351.3	868.2	953.6
Fortune (26X)	366.5	351.8	988.6	981.3
Frequent Flyer	52.9	57.3	172.2	213.6
Futures	40.8	38.7	172.0	232.0
Inc. Magazine	136.8	91.9	367.8	304.7
Income Opportunities	84.9	94.9	271.5	302.9
Industry Week (23X) A.	97.4	96.5	325.6	293.9
Nation's Business (12X) A.	40.0	50.9	145.8	152.8
Venture	37.7	53.6	170.7	205.2
Total Group	**2,018.0**	**2,099.7**	**6,642.7**	**6,651.0**
% change	**-3.9%**		**-0.1%**	
Business/regional				
Advantage-Nashville's Bus. Mo.	76.0	—	272.0	218.0
Arizona Bus. Gazette (52X)	54.0	59.9	226.4	256.7
Baltimore Bus. Jrnl.	75.9	94.3	291.5	322.6
Boston Bus. Jrnl. (52X)	111.5	124.7	442.0	491.2
Bus. First of Buffalo	70.9	79.4	297.6	242.4
Bus. Jrnl.-Milwaukee	117.1	121.6	581.2	601.7
Bus. Jrnl.-Sacramento	82.3	67.6	310.3	318.7
Bus. North Carolina	53.0	30.5	147.2	127.8
Capital Dist. Bus. Review (52X)	73.9	81.2	326.0	315.4
Caribbean Business	133.0	135.5	428.4	407.6
Corporate Rpt. Minnesota	59.6	68.0	243.5	270.0
Crain's Chicago Bus. (52X)	147.5	156.0	515.3	548.0
Crain's Cleveland Bus. (52X)	87.1	71.1	280.4	241.8
Crain's Detroit Bus. (52X)	73.1	74.4	284.0	287.8
Crain's New York Bus. (52X)	63.0	59.0	207.0	190.0
Florida Trend (13X)	111.5	124.1	257.5	302.8
Georgia Trend	62.3	90.1	203.6	246.2
Grand Rapids Bus. Jrnl.	41.4	36.5	175.6	182.6
Hawaii Business	39.8	38.8	167.6	146.8
Houston Bus. Jrnl. (52X)	92.0	54.0	278.5	225.0
Indianapolis Bus. Jrnl. (52X)	167.1	161.7	585.4	511.2
Manhattan Inc.	47.2	64.3	162.6	220.7
New England Bus. (20X) A.	41.0	59.1	179.3	213.6
New Orleans City Bus.	36.3	161.0	51.7	200.6
Pacific Bus. News (52X)	105.3	102.3	394.3	376.1
Pittsburgh Bus. Times (52X)	17.8	10.0	188.8	204.7
Providence Bus. News	86.8	79.4	308.2	283.1
Regardie's/Washington Review Publication:	181.0	188.0	638.0	593.0
Broward Review	92.7	74.8	348.2	160.8
Miami Review	65.0	91.9	269.0	215.3
Palm Beach Review	72.1	83.7	275.5	157.2
San Jose Bus. Jrnl.	105.6	62.1	291.4	246.7
St. Lous Bus. Jrnl. (52X)	118.9	134.7	430.6	433.2
Warfield Monthly Baltimore	88.1	91.1	248.9	261.9
Total Group	**2,850.0**	**2,930.8**	**10,307.5**	**10,021.1**
% change	**-2.8%**		**2.9%**	
National Sunday mags				
Parade (52X)	65.3	53.1	233.6	213.9
USA Weekend (52X)	60.3	53.5	211.7	200.9
Vista Magazine (52X)	23.4	19.7	80.5	58.8
Total Group	**149.1**	**126.4**	**525.8**	**473.6**
% change	**18.0%**		**11.0%**	
Newspaper Sunday magazine				
Boston Globe	246.0	198.0	852.0	826.0
Chicago Tribune	109.1	106.5	398.0	410.1
Cleveland Plain Dealer	93.9	79.3	252.4	253.8
The Dallas Morning News	90.0	75.0	272.0	279.0
Detroit Free Press	82.4	51.7	182.7	177.4
L.A. Times	105.2	109.2	408.6	303.4
Louisville Courier-Jrnl.	29.0	32.0	113.0	136.0
New York Times Mag.	460.8	392.6	1,330.5	1,331.5
Philadelphia Inquirer	137.0	93.5	361.0	330.0
Seattle Times	79.0	68.0	254.0	239.0
St. Louis Post Dispatch	116.1	70.9	335.4	281.2
Toledo Blade Magazine	37.8	40.4	132.8	129.3
Washington Post	173.3	111.9	532.7	420.8
Total Group	**1,759.6**	**1,429.0**	**5,425.1**	**5,117.5**
% change	**23.1%**		**6.0%**	
Weeklies/bi-weeklies				
The Advocate (26X)	132.6	141.9	510.6	562.8
Army Times Military Group:				
Air Force Times (52X)	162.2	149.4	604.0	604.8
Army Times (52X)	162.0	144.5	583.1	576.6
Navy Times (52X)	180.7	170.2	667.3	672.1
Capper's (26X)	30.3	18.6	153.7	102.9
Commonweal (22X)	7.9	9.9	37.2	40.4
Grit (52X) A.	40.6	28.7	153.5	124.7
National Journal (50X)	117.7	92.7	262.1	258.7
National Review (25X)	28.1	51.6	95.6	147.6
New Republic (48X)	39.6	36.5	163.6	149.4
New York Magazine (50X)	258.7	327.3	855.1	950.2
New Yorker	202.2	226.6	658.0	741.7
Newsweek (52X) A.	199.7	199.3	746.9	742.3
People (51X)	312.7	298.9	1,116.8	1,043.2
Rolling Stone (25X)	175.4	166.4	586.9	542.4
Sporting News (52X)	64.5	54.5	196.9	198.6
Sports Illustrated (52X) A.	270.7	231.5	974.9	991.4
Time (52X) A.	226.2	213.7	830.7	773.9
TV Guide (52X) A.	314.7	315.3	1,207.6	1,319.4
US Magazine (26X)	61.5	49.6	207.4	181.2
U.S. News & World Report (50X) A.	156.0	153.5	600.8	567.7
Total Group	**3,144.0**	**3,080.6**	**11,312.7**	**11,281.9**
% change	**2.1%**		**0.2%**	

NOTES: (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. All figures represented in this table are supplied by the magazines. Ad Age makes no attempt to verify them and therefore is not responsible for inconsistencies or errors. Compiled by Kathy Welyki.

Addendum to agency income report

The following corrections and additions are for the "U.S. and Foreign Advertising Agency Income Report" of March 29.

Corrections

Lord Einstein O'Neill & Partners, New York. Gross income of $4.56 million was confirmed by auditors, compared with an unaudited $4.71 million submitted by the agency to meet ADVERTISING AGE's late January deadline (P. 16).

DDB Needham Worldwide, Chicago. Agency's billings under the major office breakout of parent DDB Needham Worldwide should have been $534.4 million (P. 50).

Rosenfeld, Sirowitz, Humphrey & Strauss, New York, didn't receive the Eastern regional ad program for Burger King Corp. as stated (P. 65).

Avrett, Free & Ginsberg, New York, notes its reporting of $54.5 million and $46.7 million in cable TV for 1988 and 1987, respectively, should have been for network TV (P. 40).

Warwick Advertising, New York. Media billings of $84.9 million in 1988 weren't in spot TV as noted, but for all TV, and broke out to $41.6 million in network, $10.2 million in cable and $33.1 million in spot (P. 63).

J. Walter Thompson Co., New York, notes its vice chairman for client relations is William C. Thompson Jr. (P. 67).

WPP Group, London. Executive listings should have included Simeon Galpert, director-group treasury; Martyn Roberts, director-group tax; Feona McEwan, director-corporate communications; and David Stevens, director-legal affairs (P. 80).

Grey Advertising, New York. Agency's New York office billings were $1.317 billion rather than $1.396 billion, and the agency lost only the Bold and Bold 3 business of Procter & Gamble Co. (P. 53).

BBDO Worldwide, New York. Agency's billings of $1.152 billion for U.S. BBDO-named shops should have ranked it No. 10 among U.S. brand agencies on a chart on P. 1; and Grey Advertising's brand billings of $1.102 billion placed it No. 11 among agency brands, rather than No. 9 as shown. The two agencies were listed in correct order on the top 50 brand chart on P. 56.

Interpublic Group of Cos., New York. Organizational chart failed to note "McCann International Agencies" as the counterpart to McCann-Erickson USA under Interpublic's McCann-Erickson Worldwide operation. Under McCann-Erickson USA, McCann Healthcare should have been added (P. 81).

Lintas:Spain, Madrid. For 1988, gross income should have been $19.4 million, and billings, $129.5 million, putting Lintas at No. 4 in the market (P. 76).

McCann-Erickson, Sao Paulo. For 1988, gross income should have been $41 million, and billings, $273.8 million, making McCann-Erickson No. 5 in Brazil (P. 72).

Advico/Young & Rubicam, Zurich. Gross income and billings for 1988 should have included data for Advico. Corrected figures are $14 million and $93.3 million, respectively, giving Advico/Young & Rubicam the No. 2 spot (P. 76).

Lintas:Cameroon, Douala. Gross income and billings figures for 1988 should have been $601,591 and $4 million, respectively (P. 73).

Pars/McCann-Erickson, Istanbul. Gross income and billings figures for 1988 were $2.7 million and $17.8 million, respectively (P. 77).

Interplan, Helsinki. Listing of this agency, affiliated with Saatchi & Saatchi Advertising, was duplicated under the name of Oy Interplan (P. 73).

Gruppo Armando Testa, Turin, Italy. Gross income and billings figures for the Testa Group exclude data for its New York and Barcelona offices (P. 74).

Daehong Advertising, Seoul. Gross income and billings for 1988 should have been $13.5 million and $127.6 million, respectively, ranking Daehong No. 4 in South Korea (P. 76). Daehong dissolved its affiliation with Saatchi & Saatchi Advertising and entered in a new agreement with DDB Needham Worldwide in January.

Ted Bates A/S, Oslo. Billings for 1988 should have been $175.8 million (P. 75).

Additions

Siddall, Matus & Coughter, Richmond, Va. Gross income of $3 million on billings of $30.2 million in 1988. Gross income of $3.5 million on billings of $24.6 million in 1987. Top executive: John N. Siddall, chairman-ceo. Employees: 39. Agency returns were confirmed by an independent accountant.

Ogilvy & Mather, Singapore. Gross income and billings for 1988 were $3.2 million and $21.1 million, respectively, ranking O&M No. 2 in the market.

Bassat Ogilvy & Mather, Barcelona/Madrid. Gross income and billings for 1988 were $14.3 million and $95.2 million, respectively, placing O&M No. 7 in the market.

Lintas:Australia, Sydney. Gross income and billings for 1988 were $11.5 million and $76.9 million, respectively, making Lintas No. 11.

Lintas:Sweden, Stockholm. Gross income and billings for 1988 were $3.6 million and $24.1 million, respectively, giving Lintas the No. 8 spot.

Moxon Dolphin Kerby, London. Gross income and billings for 1988 were $10.2 million and $68.2 million, respectively, making Moxon Dolphin Kerby No. 34.

P.T. Citra:Lintas, Jakarta, Indonesia. Gross income and billings for 1988 were $2.6 million and $17 million, respectively, making P.T. Citras:Lintas No. 1 in Indonesia.

Mudra Communications, Ahmedabad, India. Gross income and billings for 1988 were $4.4 million and $29.4 million respectively, making Mudra No. 4 in India.

Raka Advertising, Bombay. Gross income and billings for 1988 were $271,606 and $1.5 million, respectively, placing Raka No. 15 in India.

Madco Gulf, Deira, Dubai, reported gross income and billings figures for the following offices in 1988: Dubai—$1.6 million and $5.1 million; Beirut—$70,000 and $450,000; Bahrain—$902,000 and $3.2 million; Saudi Arabia—$794,000 and $4.6 million; Kuwait—$340,000 and $2.3 million.#

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Malcolm J. Spry, Chairman & CEO, Mojo MDA Group Ltd.; Topic: *1992 and the Pacific Rim Countries.*

Tim Breene, CEO, WCRS Worldwide; Topic: *1992 and European Media Buying.*

Leonard Lavin, Chairman of the Board, President & CEO, Alberto Culver Co.; Topic: *How Will 1992 Affect Corporate Structure?*

Colin Moore, Director of International Marketing, Pepsico; Topic: *How to Gear-Up for 1992.*

Mike Johnson, Editor-in-Chief, International Management; Topic: *The Mirage of 1992 - Why the Program May Just Fade Away.*

Joseph J. Doherty, Vice President, Marketing Communications, Owens-Corning Fiberglas Corp.; Topic: *The Advertising Environment in the 1990's.*

Len Sugarman, Director of FCB, Inc., International Authority on Advertising Creativity; Topic: *The Satellite Salesman.*

Shahab Fatheazam, Managing Director, PaineWebber International Development; Topic: *1992 and the Financial Markets.*

Gerald Postlethwaite, Managing Director, London, KLP/Comart; Topic: *Strategies that U.S. Companies Should Take When Considering a Pan-European Approach.*

Karen Elliott House, Vice President, Dow Jones International Group; Topic: *1992 — Europe as Global Competitor.*

Linos Kogevinas, Managing Director, TIME-Europe; Topic: *Results of a Survey on the Impact of 1992 on Trade.*

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Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Saatchi breakup?

Ogilvy under WPP wing

By GARY LEVIN

NEW YORK—Changes are ahead for Ogilvy Group under WPP Group's ownership. The only question is—how quickly.

Ogilvy officials contend few changes will come after the $864 million takeover bid, but some people doubt that will be the case.

"Management may be a little naive to believe nothing will change, which is the current sort of speech," said one Ogilvy & Mather executive. "I think there will be some significant changes. It won't happen quickly, but there will be."

"There are clearly going to be changes in the way the company is going to be run," said Andrew Wallach, analyst at Drexel Burnham Lambert.

The $54-a-share acquisition of Ogilvy by WPP, creating a $13.5 billion agency supergroup that rivals No. 1 Saatchi & Saatchi Co., will mean immediate change in at least three areas.

- The Media Partnership, a joint venture between O&M and Omnicom Group, will be joined by JWT in selected countries, and executives are looking for other "tactical" means to link JWT and Ogilvy without compromising client confidentiality or altering either unit's basic structure.

JWT earlier discussed joining the partnership but later pulled out. Omnicom officials say they have no problem with the new arrangement.

- The company will seek greater "cross-referrals" for clients between non-advertising businesses, since existing WPP units and Ogilvy share complementary and often unduplicated strengths in sales promotion, research and other areas including design, graphics and merchandising display companies.

"We want to say to clients, 'Somehow there's something more for you rather than something less.'" Ogilvy Chairman-CEO Ken Roman said.

- WPP will cut operating expenses at Ogilvy by consolidating "back-office" functions and writing off Ogilvy's "good will" under more liberal U.K. accounting procedures.

Strategically, however, WPP Chief Executive Martin Sorrell insists no business will be consolidated and no assets will be sold, except for an existing agreement to sell a majority stake in Scali, McCabe, Sloves back to its management.

"We're totally committed to building the individual brands that exist within the group," he said, referring to Ogilvy & Mather, O&M Direct, Research International and SAGE Worldwide, Ogilvy's retail consultancy and sales promotion arm.

"It is our intention to keep the

(Continued on Page 72)

For more on WPP/Ogilvy, see editorial (P. 16), a look back at David Ogilvy (P. 70), details on Interpublic's offer (P. 71), what O&M's clients think (P. 71) and letters from the buyout (P. 71).

Bankers test waters about selling parts

By LAUREL WENTZ

LONDON—Young & Rubicam, Dentsu and Publicis are among several major agencies and groups that have received informal calls to find out whether they'd be interested in buying parts of Saatchi & Saatchi Co.

Saatchi's disappointing financial performance and continuing undervalued share price apparently are sparking interest in its breakup value.

One of the reports making the rounds last week was that Saatchi was asking merchant bankers to shop its parts, a move that would enable Saatchi to defend itself from outsiders.

It's known that one merchant bank, Morgan Grenfell here, is assessing whether other major agency groups have any interest in acquiring parts of the Saatchi empire. Sources say other merchant banks are doing the same.

Tokyo-based Dentsu; Paris-based Publicis and Young & Rubicam, Omnicom Group and Interpublic Group of Cos. in the U.S. have been contacted by merchant bankers or other financial institutions, sources confirmed.

Although some of the financial institutions appear to be just trawling for possible business opportunities, sources indicated that in at least one case, they're representing a client or group actively interested in acquiring Saatchi and selling off units.

Interest in that possibility began before Saatchi's March annual meeting, when Chairman Maurice Saatchi announced a downturn in profits.

Dentsu was approached six months ago, said Tsuneo Kuromizu, director of corporate communications.

"Dentsu received notice unofficially from a [Japanese] securities company to see if the company was interested in a part of the Saatchi & Saatchi deal," he said. "We had no interest and, therefore, did not pursue the matter."

Morgan Grenfell and other fi-

(Continued on Page 72)

Burger King gangs up on McD

By SCOTT HUME

The Battle of the Burgers is back.

Burger King Corp.'s decision to split its $215 million marketing budget between two agencies—and between image advertising and retail promotion—signals the No. 2 chain's intention to fight more aggressively against McDonald's Corp. for its share of the $60 billion fast-food market.

Although Burger King might not revive the "broiling vs. frying" comparative effort of the first Battle of the Burgers several years ago, its two-fisted approach guarantees the fast-food advertising arena—in which the combatants spent $1.5 billion last year—is going to heat up.

Divide and conquer seems to be the strategy being pursued by Burger King CEO Barry Gibbons and Exec VP-Marketing Gary L. Langstaff.

D'Arcy Masius Benton & Bowles, New York, will take over "brand identity," or chain-image advertising. Saatchi & Saatchi Advertising will handle "brand retailing," short-term and product-specific advertising.

"The sales promotion component has been given short shrift in Burger King's advertising message," Mr. Langstaff said. "It's going to be elevated from second-class citizenship to equal weight. We will establish an identity and also drive traffic into the stores."

Burger King's management structure has already been divided. The 22-market field organization announced earlier will tackle all operations problems; marketing will be handled centrally at Miami headquarters by Mr. Langstaff and VP-Creative Jeff Meyers.

Still, Mr. Langstaff said, "regionalized ad executions" may occur from time to time.

But with no real regional marketing, there was no longer any need for N W Ayer, which initially had been stripped only of its handling of the $90 million national account (AA, April 24). Last week, it was relieved of regional work as well.

J. Walter Thompson USA, Chicago, the third finalist, came up empty-handed.

JWT had lost the account to Ayer 18 months earlier and reportedly fought to regain the business with the unasked-for last-minute presentation of speculative creative (AA, May 15). But JWT apparently already was out of the running by then.

"We narrowed the review to the two agencies

(Continued on Page 74)

Staff photo by Doug Goodman

Saatchi & Saatchi Vice Chairman Dick O'Brien (l.) and D'Arcy President Roy Bostock got the good news about winning the Burger King account while attending the Four A's meeting in West Virginia.

Last Minute News

Massachusetts mulls ad tax

BOSTON—A bill to extend Massachusetts' 5% sales tax to advertising and other professional services was introduced May 19 by state Sen. Sal Albano (D., Sommerville). John Howat, the senator's legislative director, said the measure would raise about $200 million annually, about $16 million of that from advertising. A spokeswoman for Gov. Michael Dukakis said the governor hasn't expressed an opinion on taxing advertising.

Elvis fragrance launch set

ATLANTA—Frances Denney Corp. plans a global launch of a men's fragrance called Elvis in Jan-

(Continued on Page 8)

Omnicom charges in with BMP bid

By LAUREL WENTZ

LONDON—Omnicom Group was welcomed as a "white knight" by Boase Massimi Pollitt on Friday, making a $202 million cash offer that topped the earlier hostile bid of France's BDDP Group.

Omnicom quickly picked up 16.9% of BMP's shares after the British agency agreed to recommend its shareholders accept the bid.

BDDP, whose 345 pence-per-share offer for BMP is 5% lower than Omnicom's 365 pence offer, has 21 days to make a higher bid after Omnicom publishes its bid document this week.

BMP is hoping BDDP will give up.

If the deal with Omnicom goes through, a new entity, Omnicom U.K., will be formed as the holding company for BMP, DDB Needham Worldwide and BBDO Worldwide operations in that country.

The existing BMP Davidson Pearce agency would merge with DDB Needham to form BMP DDB Needham, with $62.5 million in gross income, making it the No. 7 U.K. agency.

The new agency and BBDO U.K. would report as subsidiaries to Omnicom U.K., headed by Martin Boase and Peter Jones, currently BMP's chairman and ceo, respectively.

BDDP President-CEO Jean-Claude Boulet "was potentially so damaging to us," Mr. Boase said. "His network was unconvincing, and he had no money to make it better. And he was highly autocratic."

Financially stretched BDDP hasn't decided whether to raise its offer, and it's unclear how high Omnicom will go. BDDP now has a 14% stake in BMP.

"Omnicom is not really a white knight," Mr. Boase said. "They're kind of an old girlfriend we haven't been seeing for a while."

Mr. Boase said BMP had been on the verge of a deal with Omnicom when BDDP made its March 29 bid. Omnicom was one of the "four or five companies [that] asked to be kept informed," he said.

Another interested party, TBWA, New York, plans to sell its 2.6% stake to Omnicom.

TBWA Chairman-CEO William Tragos said, "I think [the 365 pence bid] is a tremendous price. But it's not a hostile offer, so I think it will work."

BMP on Wednesday asked Omnicom to make a bid. New York-based Omnicom's biggest need in the U.K. is to build up BBDO Worldwide, ranked No. 41 in gross income among British agencies (DDB Needham is No. 23), but BMP preferred to merge with the more creative and culturally similar DDB Needham.

Bruce Crawford, Omnicom president-ceo, said in a phone interview from Marrakesh, Morocco, "[BMP] thought in particular, and we agreed [that DDB Needham] would be better."

BMP tried for several months last year to hire DDB Needham's creative director, Tony Cox.

"We hope within a fairly short time we can also strengthen BBDO with another or other acquisitions in the U.K.," said Fred Meyer, Omnicom's chief financial officer.

Mr. Crawford acknowledged that BBDO needed help and wanted to be involved, but he said that is partly solved by the formation of Omnicom U.K.

Mr. Meyer said Omnicom has "borrowings lined up with a number of international banks" to pay for the BMP deal.

Mr. Boase estimates client conflicts will amount to less than 10% of the $365 million billings of the merged BMP and DDB Needham agencies.

However, there's a long list of potential conflicts, including brewers Courage at BMP and Bass at DDB Needham in the U.K. and DDB Needham international client Anheuser-Busch *(see chart)*.

BMP-owned Ammirati & Puris, New York, is BMW of America's agency and DDB Needham works for Volkswagen worldwide. One agency source said Omnicom didn't think the auto accounts would pose a conflict problem.

Mr. Meyer said there are no plans to sell Ammirati & Puris. Mr. Crawford said it's "premature" to discuss Ammirati & Puris; but Angotti, Thomas, Hedge, New York, and Goodby, Berlin & Silverstein, San Francisco, have escape buyback clauses, "and should they wish to exercise it, we will honor that."#

Gary Levin in New York and Julie Skur Hill in Chicago contributed to this story.

POTENTIAL CLIENT CONFLICTS BETWEEN BOASE MASSIMI POLLITT AND DDB NEEDHAM

BOASE MASSIMI POLLITT	DDB NEEDHAM
Courage (U.K.)	Bass Ale (U.K.)
Unilever divisions:	Anheuser-Busch (int'l)
Batchelor Foods	Knorr (soups)
Elida Gibbs (cosmetics)	Lyons Tetley (tea, coffee)
Lever (detergents)	Henkel (int'l)
Coke/Schweppes (U.K.)	Pepsi (U.K./int'l)
Irish Distillers	Seagram (int'l)
National Dairy Council (U.K.)	Dutch Dairy Bureau
Chesebrough-Pond's	Bristol-Myers
BMW (U.S.)	Volkswagen (U.K./int'l)
Terry's of York (confectionery)	Trebor (U.K.)
	Cote d'Or (int'l)

Source: ADVERTISING AGE

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Sears sets nat'l direct-mail deal

By KATE FITZGERALD

Sears, Roebuck & Co. has signed a new contract with ADVO-System for national direct-mail advertising.

Although Sears has worked with ADVO before, its new contract will pay a single, national direct-mail rate for all its companies, including Coldwell Banker, Allstate Insurance Co. and Dean Witter.

This single-rate deal is the same type of contract the nation's largest retailer has been negotiating to get from major newspaper chains (AA, Jan. 30, *et seq.*). However, contract negotiations with a dozen major newspaper chains are behind schedule.

The ADVO contract isn't exclusive.

The nation's largest direct-mail advertising company, ADVO primarily has handled "marriage mail" advertising for Sears on a project basis, with varying rates per project. ("Marriage mail" refers to bundled ad circulars sent through the post office.)

Sears announced earlier this year it planned to cut costs by streamlining its advertising operations and eliminating the 24 regional offices that previously handled its newspaper and direct-mail advertising.

It says the ADVO deal is a part of, and advances, that plan.

Sears is well behind schedule in its goal of negotiating similar, flat corporate rates with major newspapers, as major chains, including Knight-Ridder, continue to hold out.

Originally, Sears said it hoped to renegotiate its newspaper contracts this year, following a major corporate restructuring. In April, the company signed new contracts with Gannett Co., the nation's largest newspaper chain, and Harte-Hanks Communications, another major chain (AA, April 10).

The stalled negotiations with other major chains are holding up negotiations with smaller chains and independent newspapers. And that may push the talks well into next year, said Dale Buchtel, Sears' manager of news media operations.

"It's taking longer than we originally thought because we've never done this before," Mr. Buchtel said. "We're not sure when we're going to draw a deadline and decide to negotiate with some papers next year, but there are a number we haven't even spoken to yet."

Sears hasn't encountered any major resistance from the newspaper chains, Mr. Buchtel said, but negotiating new rates is more complicated than the company had originally hoped.

"The reason it's taking so long is that our newspapers are a reflection of the markets they serve, which are highly diverse . . . and there are many regional differences that make hammering out national rates very difficult," said Jerome Tilis, VP-marketing at Knight-Ridder.

Mr. Buchtel said Sears' new contract with ADVO will simplify its business, but it doesn't mean Sears is altering its direct-mail mix.#

Studies tell the story, but dollars don't follow

Media, creative tend to ignore research on booming segment as they seem intent on worrying about the here and now

The aging of the baby boom and the discretionary wealth of consumers already over the age of 50 are giving marketing and agency executives some gray hairs of their own.

In the past 18 months, several agencies and research companies have conducted in-depth studies of mature consumers' motivations. While the research is heavily promoted, media and creative departments do not appear to be practicing what their researchers preach.

But they cannot overlook the numbers, as the U.S. experiences phenomenal growth in adults aged 45 to 64 and 65-plus. Between 1990 and 2000, consumers aged 45 to 64 will increase 31% to 61 million, while those 65 and older will total 35 million, an increase of 10%.

Today, one in four people in the U.S.—or 63 million Americans—is over 50. By the year 2010, that figure will be one in three. In 2025, more than 113 million people in the U.S. will be over 50.

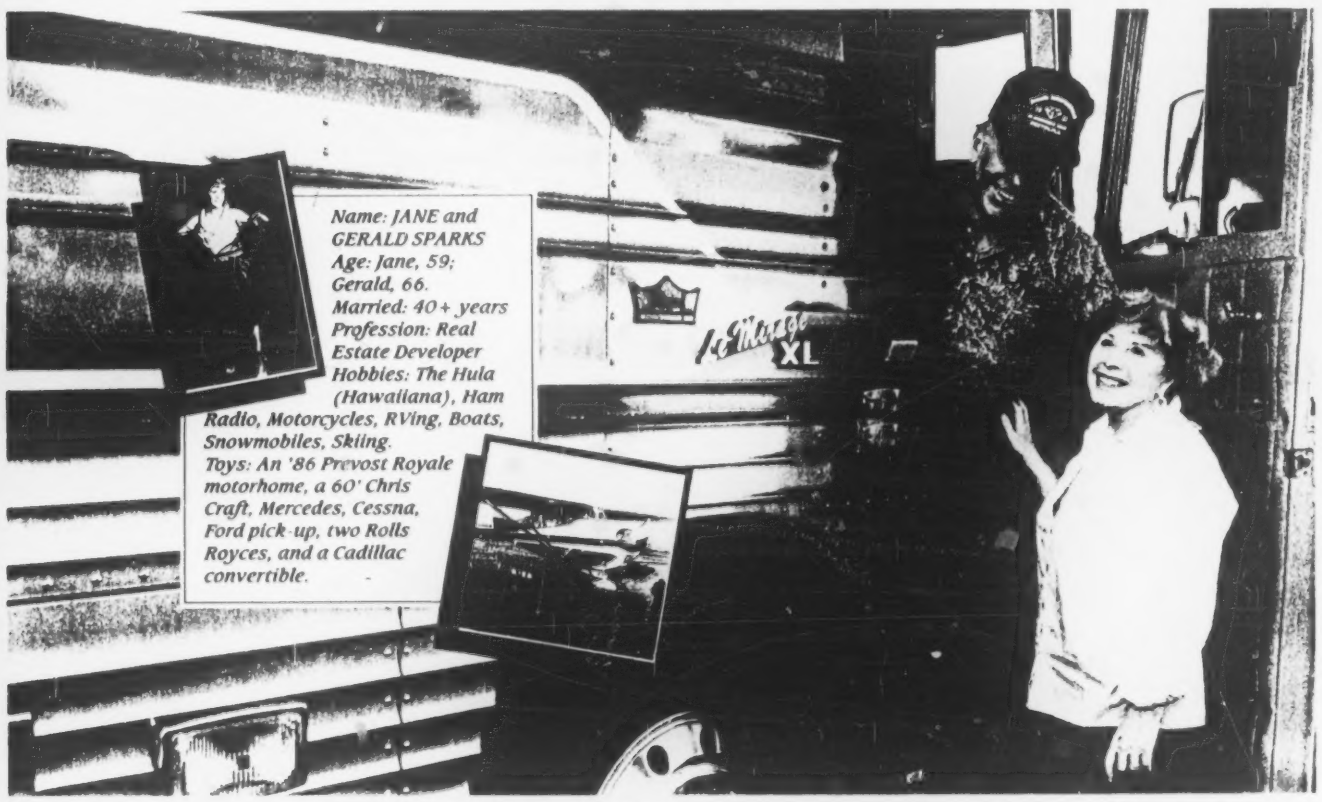
According to the U.S. Census Bureau, households headed by people over 50 have annual incomes totaling more than $250 billion. They control half of the country's discretionary income and have a net worth of $7 trillion. By the year 2000, 21% of all seniors will have household incomes of $50,000 in constant dollars, up from 1985's figure of 12%.

In a Vitt Media telephone survey of senior-level ad directors at national consumer product and service companies, 99% of respondents said they agree the future belongs to those who plan for changes in demographic trends such as the aging of the population. However, half of them said such trends are too far in the future to be relevant to current marketing and advertising strategies.

The mature market is still in its infancy. Only time will tell which creative, media and new-product strategies will work—if new strategies are needed at all.

In the meantime, marketers and agencies are wondering what to do *right now*, before the boomers become grandparents. Do they need to alter media strategies, change creative directions, introduce new products or line extensions? Do they risk alienating younger consumers?

The following stories offer some insight into these questions. ❑


Name: JANE and GERALD SPARKS
Age: Jane, 59; Gerald, 66.
Married: 40+ years
Profession: Real Estate Developer
Hobbies: The Hula (Hawaiiana), Ham Radio, Motorcycles, RVing, Boats, Snowmobiles, Skiing.
Toys: An '86 Prevost Royale motorhome, a 60' Chris Craft, Mercedes, Cessna, Ford pick-up, two Rolls Royces, and a Cadillac convertible.

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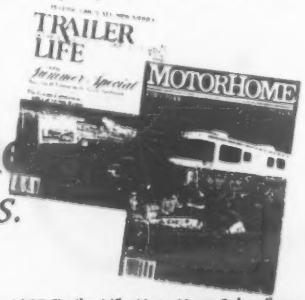

Trailer Life/MotorHome
The active senior travels with us.

Source: 1987 *Trailer Life/MotorHome* Subscriber Study, Conducted by John Schug Media Research

Media

'You don't turn 50 and change what you read'

By Alan Radding

Media planners say media strategies must change to accommodate the rise of the 50-plus market, but the formulas used to reach today's mature consumers likely will not work when baby boomers enter their 50s.

Today's mature consumers, they say, are not a useful model for aging baby boomers, who probably will hold onto the same media habits they developed as 18 to 49 year olds. Media buyers doubt the boom generation automatically will adopt the mature-market publications that are saturating today's older consumers. "You don't turn 50 and throw out *Time* magazine to start reading *Modern Maturity*," says Ariadne Callas, VP-associate media director, Grey Advertising, New York. "If you reach [an audience] at 45 then you will continue to reach them the same way at 50."

Media buyers suggest that education and income or special interests, such as boating or travel magazines, may be a more effective way to pursue baby boomers into their mature years. "We've found that there is a lot of commonality between college-educated people over 50 and [college-educated] people under 50," says William Bradford, associate research director, TBWA, New York. TBWA avoids segmenting audiences strictly by age, particularly when dealing with an older group.

"We try to find commonalities [such as education] across age. If you cut it correctly, you can transcend traditional [age] breaks and extend the campaign indefinitely," he says.

For instance, TBWA client Carillon Importers, marketer of Absolut vodka, targets college-educated, high-income consumers using upscale magazines. The agency reaches both 18-to-49-year-old and 50-plus audiences with the same ad.

Grey Advertising segments the 50-plus market using disposable income as the key factor. The result is a core of consumers, dubbed master consumers by the agency, with a high level of disposable income and the time and inclination to indulge themselves. "You reach master consumers though mainstream media," says Ms. Callas, adding that they don't necessarily respond to media specifically aimed at the 50-plus market.

"The better educated, over-50 segment watch news programs and have a general interest in information as entertainment," explains Mr. Bradford. Magazines are a natural for this audience, but previously overlooked informational programming, such as PBS sponsorships, should become attractive to advertisers pursuing the 50-plus market.

Newspapers already enjoy a sizable 50-plus audience without any overt appeal to age. Among 50-plus, "there is a greater preponderance of

(Continued on Page S-6)

Alan Radding is a Boston-based correspondent for AD AGE.

What the mature market is watching . . .

Top 10 prime-time network TV shows for March 1989, and percent of audience over 55

Program	Rating	55-plus women	55-plus men
1 "Bill Cosby Show"	17.8	13%	7%
2 "Roseanne"	17.6	10	5
3 "A Different World"	16.6	11	6
4 "Cheers"	14.9	11	7
5 "Who's The Boss?"	14.6	12	6
6 "The Wonder Years"	13.4	9	4
7 "Golden Girls"	14.0	25	13
8 "60 Minutes"	13.8	27	21
9 "Anything But Love"	13.4	9	4
10 "ALF"	13.0	10	6

Source: Nielsen Media Research

Top 10 prime-time network TV shows among 55-plus for March 1989

Men		Women	
Program	Rating	Program	Rating
1 "60 Minutes"	31.1	1 "60 Minutes"	30.3
2 "Matlock"	27.5	2 "Matlock"	29.6
3 "Murder, She Wrote"	24.5	3 "Murder, She Wrote"	28.3
4 "In the Heat of the Night"	23.1	4 "Golden Girls"	28.1
5 "Golden Girls"	19.7	5 "In the Heat of the Night"	24.2
6 "Jake and the Fatman"	19.6	6 "Empty Nest"	23.1
7 "Unsolved Mysteries"	18.9	7 "Dallas"	23.0
8 "CBS Sunday Night Movie"	18.1	8 "Jake and the Fatman"	22.9
9 "Hunter"	17.3	9 "Amen"	20.5
10 "Empty Nest"	16.3	10 "Unsolved Mysteries"	20.4

Source: Nielsen Media Research

and reading

Top 10 magazines and their audience over 55 (measured in millions)

Magazine	Total audience	Audience 55-plus	% of audience 55-plus
1 Reader's Digest	48.5	16.9	34.9%
2 TV Guide	46.3	10.4	22.5
3 Modern Maturity	32.7	32.6	99.8
4 Better Homes & Gardens	31.7	9.5	30.1
5 National Geographic	30.2	8.2	27.2
6 People	29.3	5.1	17.3
7 Good Housekeeping	25.7	7.6	29.6
8 Family Circle	24.6	7.5	30.6
9 Time	23.7	4.5	19.0
10 Woman's Day	21.9	6.7	30.8

Source: Mediamark Research Inc.

(Continued from Page S-4)

newspaper reading," reports John Power, group VP at Vitt Media. He says it has more to do with information delivery than age. Although newspaper reading is strong at 50-plus, he continues, it actually begins at 40-plus.

Network TV commands a dominant share of 50-plus viewing, but that situation has long existed and isn't expected to change soon. "If a general package-goods advertiser targeted younger on network television, he got older people anyway," says Martin Waters, senior VP-media & programming at Jordan, McGrath, Case & Taylor.

AM radio also enjoys an advantage today in reaching the older audience because AM radio focuses on news and information. "Talk skews older," Mr. Power explains, and AM radio is the hotbed of talk.

Still unresolved, however, is whether FM-oriented baby boomers will discover the AM dial as they age or whether the FM stations will modify their formats to appeal to an older audience. FM stations are already taking action by shifting to more "lite rock" and "easy listening" formats.

The same question applies to all media currently popular with the 50-plus market. Network executives such as Tom Leahy, president of CBS marketing division, are concerned with selling advertisers on the importance of reaching the 50-plus market in the first place, not with convincing them that network TV delivers it. "Advertisers grew up with the 18-to-49 myth," complains Mr. Leahy. ❑

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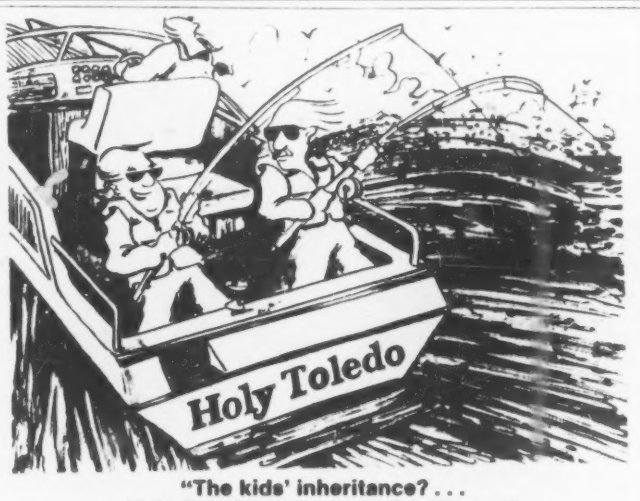

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Creative

Creative departments slow to act

By Bob Diddlebock

Ask any advertising or marketing executive to name the next hot market, and most won't hesitate in saying "older consumers."

But that doesn't mean the creative departments act on it.

"There is a big gap between 'Let's look at it' and 'Let's do it,'" says Frankie Cadwell, president of Cadwell Davis Partners. ". . . I look at the over-50 market as kind of a Third World market. It's there, but no one is paying a lot of attention to it for now."

Several ad agencies, including TBWA, Grey Advertising, Lintas:Campbell-Ewald and Ogilvy & Mather, have publicized in-depth studies on the mature market recently that basically boil down to the same theory: Today's 50-plus consumers are vital, healthy and willing to spend. But while researchers are getting high marks for their work, many creative departments are not taking action.

"There's not a lot happening right now," says Dick Karp, exec VP-creative director at Grey. "We're pretty much in a transitional mode." He says the agency is studying the research to determine how to better portray older people.

"There's no long-term planning and thinking in advertising, and so this effort [to reach the over-50 market] will be a mad scramble," says Jane Fitzgibbon, senior VP at Ogilvy & Mather's Trendsites division.

Some marketers are taking action on the over-50 front, which is expected to grow three times faster than the under-50 market through the end of the century. Witness spots featuring 71-year-old Lena Horne and Rue McClanahan for General Foods Corp.'s Post Bran Flakes, Art Carney for Coca-Cola Co.'s Coca-Cola Classic and Eastern Airlines' "It's my turn" campaign.

For the most part, however, these creative efforts are exceptions. Ad agencies are still, as TBWA's Exec-VP Director of Strategic Planning Tony Morgan puts it, "trying to figure out which way to go" as they attempt to adjust their 18-to-35 mindset that has dominated the industry for so long.

Pitching to older adults is tricky, most agency executives say, because the mature market is extremely segmented and heterogeneous. Older adults' wants and needs should be defined less by their chronological age and more by their income and how they use their time.

"What keeps the brass in Lena Horne?" Ads promoting Post Bran Flakes offer a hint.

How well creative staffs take their research departments' message to heart may determine how successful they will be in reaching those segments.

"We're now hitting the mule over the head, and once we get its attention, it may follow instructions," Ms. Fitzgibbon says of her dealings with the agency's creative department. "It's a worthy thing to do not just for today, but for the over-50 market in 10 years because when [baby boomers] hit 50, they'll be just like they've always been. They won't stand to be ignored."

For now, many agencies are focusing on intergenerational spots as the antidote to reaching an expanding market. For example, Lintas:Campbell-Ewald uses three generations of one family to drive home the point that General Motors Corp.'s Chevrolet Caprice is a car that everyone can enjoy. TBWA has an upcoming spot for the People's Bank in Connecticut that will show people from all walks of life and ages using the institution. The message: This bank caters to everyone; there is no "typical customer."

But many campaigns continue to fall back on stereotypes, such as Pfizer Inc.'s Ben-Gay Warming Ice spot featuring two curmudgeons sitting on a porch and AT&T Corp.'s fumbling grandfather, who is unable to hook up a VCR. Even McDonald Corp.'s use of older adults gets mixed reviews. While some market observers give the fast-food giant kudos for its commercial in which an elderly man goes to work behind the counter, others criticize it for portraying him as too feeble-minded.

"We're seeing lots of tokenism, taking the stereotype of older people and turning it upside down, saying things like, 'Isn't it funny that older people have sex or like hot rods,'" says Jerry Gerber, a partner in mature-market consultancy Life-Span Communications.

Changes won't come overnight, Mr. Gerber points out. "Ad agencies have a moneyed reason to stick to the status quo. It's easier just to throw in an older person than to think it through all the way," he says.

There is also an ingrained "age-ism" in advertising that must be overcome, critics charge. The standard thinking that life begins at 18 and ends at 49 could backfire when the first wave of this country's 77.2 million baby boomers begin to hit 50 in the mid-1990s.

Agency researchers also warn against falling back on the myth that older consumers cannot digest complex information and are unwilling to switch brands.

And they caution against segregating mature consumers as oldtimers or "golden agers" as so many print and electronic ads have done in the past. Instead, they say, show them with other family members and engage them in healthy, active pursuits such as bicycling.

As Grey's research points out, "Show these 50-plus consumers as they see themselves—romantic, active, chic, happy and joyfully involved with friends, family and life." ❑

Bob Diddlebock is a Denver-based journalist and author.

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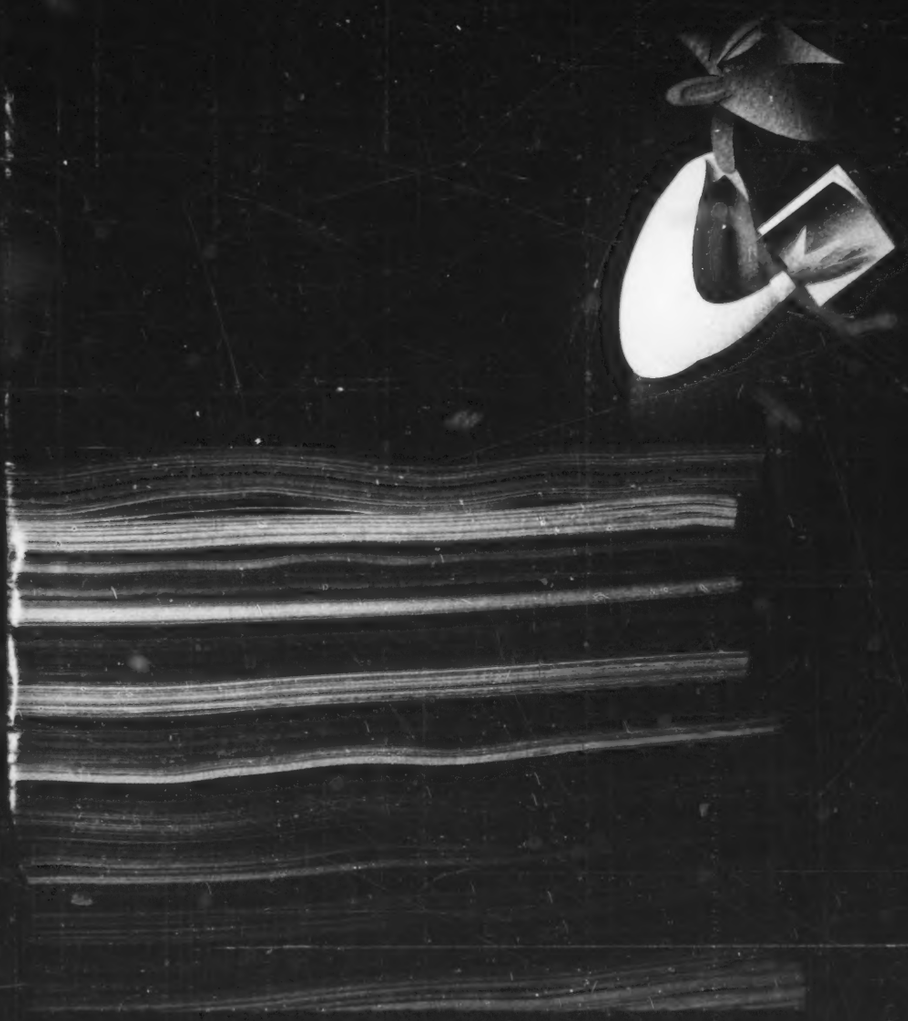
May 24, 1989

Advertising Age

Crain's International Newspaper of Marketing

MAGAZINES

Facing the challenges of the '90s



Magazine publishing: Only the tough survive

Advocacy journalism: Growing in popularity, but still controversial

Times Mirror male books struggle for growth

Florio, Riordan, Hefner and others mull the medium's future

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Growing up with a magazine tends to leave its mark, and its share of memories; while TV and other media can elicit similar responses, for many readers, it's not the same and so the love affair continues.

Looking back to see ahead

For more than a decade during my growing-up years, I looked forward to Tuesday, because that was when *The Saturday Evening Post* arrived in the mail. After I got home from school, it was the first thing I asked for from my mother, even before the plate of Salerno butter cookies and the glass of Ovaltine.

Almost two generations later, I can remember with a clarity that surprises me the orderliness and specifics of that wonderful magazine. First, the cover, invariably an illustration. Norman Rockwell could be counted on to do about one a month, in what appeared to be more or less a rotation with Stevan Dohanos, John Falter and several other artists, John Clymer among them.

Inside, the articles and features began just after the contents page. I remember particularly the long-running series on American cities, the short stories (there were always four per issue), and the six-and-eight-week serials, starring among others Tugboat Annie, C.S. Forester's Horatio Hornblower, Perry Mason (in pre-Raymond Burr days) and Alexander Botts, the star salesman for the "Earthworm Tractor Co. of Earthworm City, Ill."

As far as the articles, the *Post* loved question headlines, as in "Will Stalin Swallow Persia?" and "Do Women Make Good Doctors?"

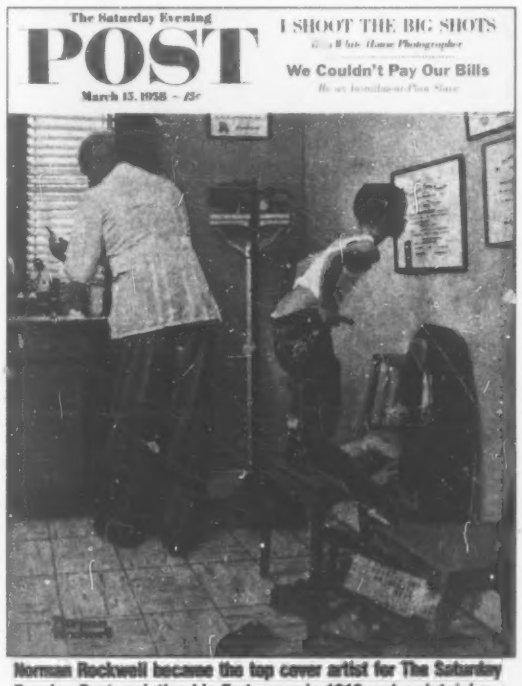
You could always tell when you'd reached the end of the upfront articles and features "well" because there was a page of cartoons and other humor titled "Post Scripts." This meant the jump pages were beginning. For me, this was one of the most interesting parts of the magazine, though, because it also contained a feature called "So you think you know baseball?" in which the reader was tested on arcane and bizarre diamond rules and their interpretation.

And then there were all those great cartoons by Chon Day and Stan Hunt and Tom Henderson (my own favorite), with the last cartoon in the book always being "Hazel" (the acerbic housemaid) by Ted Key. It also was in the *Post* that I first made the acquaintance of cartoonists Charles Schulz and Mort Walker, who would later go on to fame as the creators, respectively, of "Peanuts" and "Beetle Bailey."

The above is not meant to show off my memory—there are millions of Americans who could recite in similar detail their own litany about any one of a multitude of magazines. And that is the point.

Magazines are the most personal of all media. They engender fierce loyalties in their readers, every one of whom considers the publication his or her private province. (As a kid, I remember being surprised—and—maybe a little irked—that there were other *Post* loyalists, readers who could actually cite chapter and verse about aspects of the magazine better than I could; I'm not sure why I was so surprised, because I was at least vaguely aware that the *Post* had a circulation well up in the millions.)

The weekly *Post* of my youth is long gone, of course,



Norman Rockwell became the top cover artist for The Saturday Evening Post, painting his first cover in 1916 and maintaining a 47-year relationship. "Before the Shot" appeared in 1958.

as are many other magazines, as Abe Peck writes *(see Page 55)*. But for every "fallen flag," there are myriad start-ups, new titles waiting to take their places in the hearts of readers as the new "hot" books *(see Patrick Reilly's article on Page 48)*. Magazines as disparate as *Spy* and *Harper's*, *Esquire* and *Boys' Life*, a reborn *Vanity Fair* and a reborn *Saturday Evening Post*, are as eagerly awaited and as voraciously devoured as their forebears from generations past.

Americans for well over a century have been indulging in a love affair with the magazine that is every bit as passionate as their highly publicized romance with the automobile. And this love affair between magazine and reader shows no signs of abating. Quite the contrary.

Robert Goldsborough
Director, special projects

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The acquisition and merger frenzy continues at a mind-boggling pace. But the attraction can sometimes seem misplaced when rising paper and postage costs and stiff competition from other media are concerned. Then there are the advertisers, demanding more and more from publishers.

HIGH-FLYING ACTS SHOW SOME WEAR

By Patrick Reilly

The mega-mergers and super deals of the magazine and media industry have turned into a near-frenzy. Next year's buyout, acquisition or merger is bound to top what's been seen so far.

Behind the head-turning pacts and ego-fueled empire building, however, the magazine industry at the start of the 1990s is faced with audacious challenges from other traditional media and newer forms of media, such as the custom magazines and now even advertiser-supported books from Whittle Communications and out-of-home targeted videos in doctors' offices and supermarkets. And the endemic problems of near-crippling paper and postage costs have only become more burdensome.

Under the sheen of top-dollar price tags and pie-in-the-sky media synergies, the industry faces the rumbling dissatisfaction of advertisers, especially mass marketers and their agencies, according to leading observers and participants. What they want from magazines are new ways to stand out in an increasingly cluttered media environment.

Maybe no one knows better than Peter Diamandis, who has made a few mega-deals in his time. After the big deal is done these days, as the gold dust settles momentarily, the business of making a magazine work is more difficult than ever.

"This business is a lot tougher today than when I entered it 30 years ago," says Mr. Diamandis, chairman of Diamandis Communications Inc. "The weak have left town. It's now a scrappy business."

Maybe it's harder for publishers to be gentlemen—and ladies—these days. To say the magazine business is no longer the business of just selling ad pages is to say nothing at all. Pushed by client and agency alike, magazine publishers are developing value-added programs to go with the traditional page buys; this represents a fundamental evolution in publishing philosophy.

"I don't want to sound missionary, but we have to help advertisers sell products," says Donald Elliman, exec VP-marketing, Time Inc. Magazine Co. "We used to be in the business of offering a product. Period. Now we design products for advertisers using existing publications. We are more of a customer-driven business. We have to be."

In January, for instance, Time Inc.'s *People* quietly assembled some of the "best and brightest" among their sales and marketing staff to form the Market Development Leverage Group to go beyond just selling ad pages. The team of seven is a sort of guerrilla unit whose mission is to ignore the traditional publisher-advertiser relationship and act to solve customers' long-range business problems with the use of Time Inc. resources.

"The group targets categories we think will have significant growth in the next five years," says Michael Pepe, *People's* director of marketing/promotion. "We are also trying to reorient our sales staff away from thinking about publishers' problems and to think about advertisers' problems. Who are advertisers trying to reach and how can *People* help them?"

Considering the pressures, publishers need that mix of scrappiness and smarts. They face not only multiplying ad agency rate-negotiation swat teams, but also the potential of planned pooling of agency media-buying groups, which is expected to give clients more leverage with multi-national media conglomerates.

Then there are the advertisers themselves, forming conglomerates, such as Philip Morris Cos.' new Kraft General Foods Group, which will be able to demand and get deep discounts from selected magazines.

Magazine publishers are countering the pressures with an increasingly complex assortment of special "event" promotions meant to deepen and sustain relationships with advertisers. At the same time, multi-title publishers are constructing what look to be permanent corporate ad discount plans designed to hold onto their large advertisers while building incremental business.

> Pushed by client and agency, publishers are developing value-added programs to go with the traditional page buys that represent a fundamental evolution in publishing philosophy.

The group ad incentive plans, at first devised as temporary two-and-three-year plans to halt eroding market share, now appear to have become permanent selling tools for magazine publishers.

Critics contend the discount ad plans encourage commodity buying of magazines by client and agency, but in most cases they have represented successful ways of bringing in new advertisers and ad dollars.

"Discount plans complicate our life endlessly, but they are here to stay and are good for clients," says John Gray, senior VP-director of media planning, J. Walter Thompson USA, New York. "The growing number of plans makes the business more competitive, and competition is in the interest of the advertisers. I don't mean just a better price. I mean offering more in the way of added value situations, including anything from page positioning to merchandising."

Here's a selection of varying pace-setting discount plans, both old and new:

- Time Inc.'s Max-Plan virtually started it all in 1987, but the plan includes an important twist others don't: Advertisers are rewarded with bonus pages for increasing the "share" of their magazine ad budget spent in Time publications. Mr. Elliman says 558 separate advertiser divisions signed up for the plan in 1988, and more than 200 actually participated. Minimum spending level is $500,000 a year in Time Inc. titles. The plan is credited with making all participating Time titles build ad pages in 1988, with the exception of *Money*.
- Added Impact Buys program, introduced by Family Media Inc. in January, is being used to "develop a corporate identity" as well as increase ad business. "If you asked a media planner to name the 10 Family Media titles, they couldn't," says Frank Colonno, VP-group publisher, who oversees the Added Impact plan. "Now they can gain cost efficiencies as their investment with Family Media grows by pages or titles. People will know who we are with this program." Family Media, publisher of magazines including *Discover*, *Golf Illustrated*, *Savvy Woman* and *Taxi*, also made merchandising offers and "added value events" part of the plan.
- One of the newest plans is GAIN, from American Express Publishing Corp. Standing for Group Advertising Incentive Plan, it rewards advertisers with space credits for increased spending and bonus credits for spending in a new American Express title. Those eligible must spend a minimum of $100,000 a year. "We aren't concerned with share of market. We found that's a nuisance for our advertisers and only a publisher's concern anyway," says Ron Prince, VP-corporate advertising/marketing, American Express Publishing Co. "We want to induce advertisers into trying new titles." AmEx also offers a "bi-coastal buy": a 10% discount for running in both *L.A. Style* and *New York Woman* magazines.
- While not strictly an ad package yet, Interdeco Inc., a subsidiary of the Paris-based Hachette-Filipacchi Group, will one day work as one, and internationally at that. New York-based Interdeco opened in February and will handle international marketing and ad sales for all 14 editions of *Elle* magazine worldwide. Eventually, by 1992, Interdeco's services will be extended beyond *Elle* to other Hachette publications (which includes the 15 magazines published by Diamandis Communications) and Filipacchi publications.

"Group pricing by magazine publishers is a reality, and in the future the group publisher will have that advantage," says Mr. Elliman. "Something like Max-Plan will be around for as long as I can see, though the chances are it won't be just like Max-Plan is today."

However, a new-fangled incentive plan is no guarantee of an advertiser's continued business, as many magazine publishers learned in February when Nissan Motor Corp. USA said it would pull all consumer print advertising for the remainder of 1989. In early

(Continued on Page 6)

Patrick Reilly is an ADVERTISING AGE reporter who covers the print media.

Illustration by Tim Jonke

LOOKING TO THE '90s

Grune: European opportunities.

It's time for global plans

By George V. Grune

Chairman-CEO,
Reader's Digest Association

Experts say that global marketing will accelerate in the 1990s. By taking advantage of this trend and capitalizing on their strengths, magazines can grow even stronger and emerge better equipped to serve readers and advertisers around the world.

In the near term, Europe offers the most opportunity. The 12-nation European Community is preparing to dismantle trade barriers by the end of 1992, creating a single market of 320 million consumers. As one of the most important advertising vehicles, magazines can serve as the major link between marketers and consumers as this new economic reality unfolds. To succeed, we must keep these facts in mind:

- Companies doing business in Europe after 1992 will find that a truly "common market" means the ability to sell goods and services across borders, free of tariffs and other restrictions.
- A deregulated Europe does not mean an end to cultural and language differences across the continent.

As a first step, I would caution against preparing for 1992 by rushing to start pan-European magazines or making radical changes to existing publications so that they'll appeal to everyone everywhere without regard to individual identity.

We would be wiser to remember our traditional strength—the ability to identify, target and deliver market segments. And we do that best through magazines that have a unique editorial identity as well as a respect for the national and cultural heritage of our readers.

A *global* strategy based on publishing magazines on a country-by-country basis, with individual titles targeted to local readers, would enable publishers to obtain complete coverage of the European marketplace and benefit from shared resources and operating efficiencies.

Such a strategy also would better serve the growing requirements of advertisers. According to one survey, the number of companies tailoring ad campaigns to account for regional differences in Western Europe has climbed to over half from 17% in 10 years.

For this strategy to be fully effective, I also believe magazines must be published in the local language. Language is at the core of one's individual, cultural and national identity and forms a natural bond between a magazine's editorial and readers. In addition, people are more likely to respond to an advertiser's message when it's in the language they

(Continued on Page 76)

(Continued from Page 5)

1988, Time's Max-Plan had been the clincher in landing Nissan Motor Corp. USA when the auto marketer was deciding among Time Inc.'s *Fortune*, *Forbes* and *Business Week*. Nissan said the Time discount plan broke the tie, and it chose *Fortune*.

Beyond discount plans, there is further evidence that, as Mr. Diamandis and others believe, magazine publishers are becoming scrappier. It may be most evident in what is now being called "event media," a form of added-value that is delighting most advertisers and agencies and proving lucrative for publishers.

Possibly the most lavish event media came earlier this year, when K mart signed a $20 million marketing program with lifestyle consultant Martha Stewart to reconstruct and furnish a country house.

Family Circle, for which Ms. Stewart is a contributing editor, will carry three advertising sections purchased by K mart that offer tips on home decorating and feature products sold by the chain that can be used in renovating homes. The promotion includes heavy use of prime-time TV commercial spots, which will indirectly benefit *Family Circle* through its connection with Martha Stewart. The promotion calls for K mart to run more than 60 pages in *Family Circle* over 12 months, at a cost of about $4 million. Some pages also will run in Meredith Corp.'s *Better Homes & Gardens*.

"Event marketing is all about having a focal point, and for us it's Martha Stewart; she's the glue," says Charles Townsend, *Family Circle* president and publisher. "There is every reason for us to do a follow up on this next year with K mart. Events like this create a special relationship with the advertiser."

The housing idea has caught on among publishers and advertisers looking for stand-out events.

On a more modest scale, the editors of Meredith Corp.'s *Country Home* were asked by Lane Furniture to design showrooms for the entire line of Lane's new Country Shaker Collection. The showrooms were on display in April at the Southern Furniture Market in High Point, N.C. The rooms also will be featured in a special editorial section in *Country Home* in October.

The event media can be expensive affairs, just as the K mart-Martha Stewart-*Family Circle* linkup shows, and more multi-million dollar deals are being signed. In January, Kraft signed a $3 million agreement with Meredith Corp. to launch a joint advertising/publishing tie-in promotion this year. It involves ad pages in *Better Homes & Gardens* and four other Meredith magazines, a Meredith-produced cookbook with recipes calling for Kraft products, and even a national free-standing insert in Sunday newspapers.

"These events may seem expensive but probably not more than if K mart bought into a number of different publications separately," says Mr. Gray. "If an advertiser looks at the cluttered media environment, he may well decide to sacrifice some of the traditional magazine ad frequency to get some needed visibility through big events."

The danger for publishers is that expensive event media will suck up dollars advertisers normally dedicate to page schedules in magazines. "Event media can cut into the normal media budget, but for some clients, it's worth reaching into their pockets to preempt their competition," says Art Heller, exec VP-media, programming, marketing services, Griffin Bacal, New York.

A Griffin Bacal client, Hasbro Inc.'s Playskool division, is keeping dollars in magazines while it also invests in a new media: a single-sponsor custom magazine. Playskool will be the sponsor of *First Time Parent*, to be published by Cahners Publishing Co.'s American Baby magazine division. The custom magazine will be mailed free three times a year to homes of first-time parents.

"We've diverted some Playskool media money to this special event, but Playskool will keep a substantial schedule in consumer children magazines. You still need the through-the-year continuity of traditional media," says Mr. Heller.

"The cost is not inexpensive for Playskool, but well worth it for strengthening the relationship between Playskool and parents. Everyone is reaching out to influence the target consumer. This can focus on the target and minimize the waste that comes with run-

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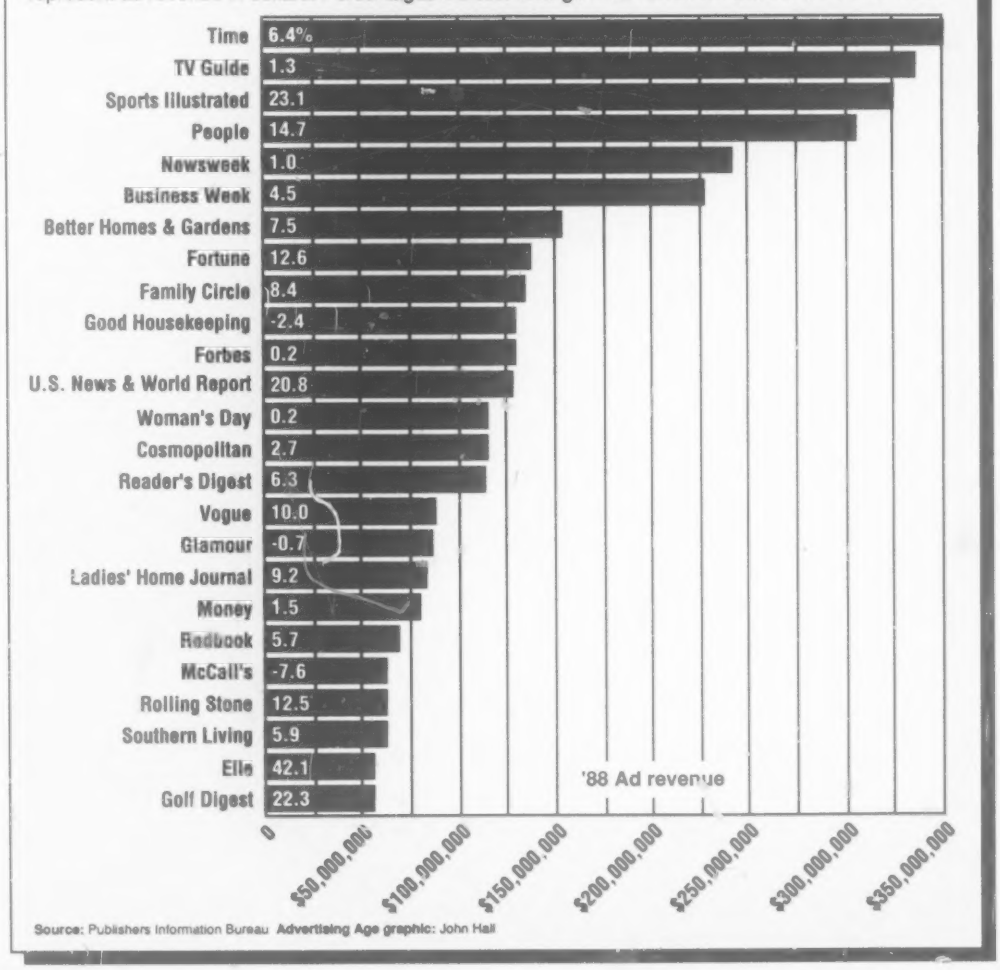
Top magazines in 1988 ad revenue

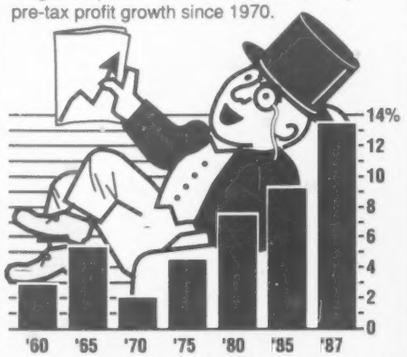
Time magazine displaced TV Guide in 1988 for the top spot in ad revenue generation. Strong growth in ad revenue was also posted for 1988 by Sports Illustrated, U.S. News, Elle and Golf Digest. Bars below represent ad revenue in dollars. Percentages indicate change in ad revenue between 1987 and 1988.



Source: Publishers Information Bureau Advertising Age graphic: John Hall

Magazine profits surge

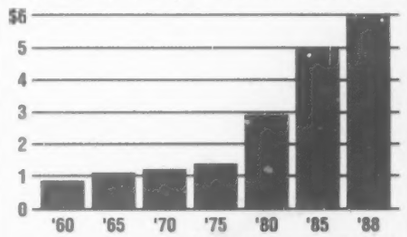
Magazine publishers have realized steady pre-tax profit growth since 1970.



Source: MPA Financial Surveys Advertising Age graphic: John Hall

Magazine ad revenues

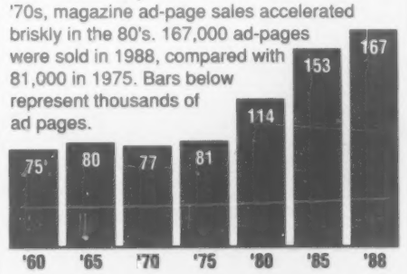
Revenue from advertising has skyrocketed from $1,336,000,000 in 1975 to $5,943,000,000 in 1988. Bars below represent billions of dollars.



Source: Publishers Information Bureau
Advertising Age graphic: John Hall

Magazine ad-page sales

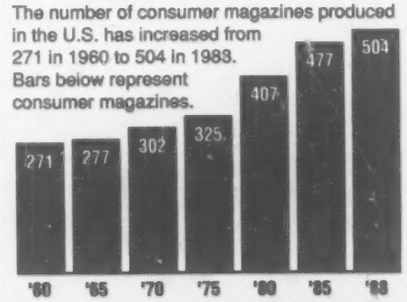
After lackluster performance in the '60s and '70s, magazine ad-page sales accelerated briskly in the 80's. 167,000 ad-pages were sold in 1988, compared with 81,000 in 1975. Bars below represent thousands of ad pages.



Source: Publishers Information Bureau
Advertising Age graphic: John Hall

Consumer magazine growth

The number of consumer magazines produced in the U.S. has increased from 271 in 1960 to 504 in 1988. Bars below represent consumer magazines.



Source: Audit Bureau of Circulations
Advertising Age graphic: John Hall

Magazines will lose share of media expenditures during the '90s, says veteran forecaster Robert J. Coen. But on the upside, he sees overall magazine revenues doubling in the same period.

A MIXED-BAG FUTURE

By Robert J. Coen

In the next 10 years, magazine advertising and usage patterns will gradually change, but by the end of the century the magazine industry will be significantly different than today.

I believe that change will occur at a somewhat faster rate than in the past. But changes will tend to be evolutionary, and many future developments will not be clearly evident until a span of years has passed. I believe some of the upcoming changes can be anticipated, but many will prove, after the fact, to have been difficult if not impossible to foresee.

The magazine industry's share of expenditures in all media, which was about 5% in 1988, will be eroded over the next decade, but probably at a lesser pace than in the '80s. By 2000, total U.S. advertising is expected to grow to a level approaching $350 billion. Even with some erosion in share, we can expect that magazine advertising revenues of $6.072 billion in 1988 will more than double in the next decade, rising to a level somewhere between $14 billion and $18 billion.

I went back to the period near the end of the '70s to examine the situation in those years and the expectations and concerns about the '80s that were apparent in 1978 and 1979.

The first thing that I spotted was that everyone was very optimistic about the future of magazine advertising in the late '70s. The growth in this advertising from the mid-'60s through mid-'70s had been terrible, with TV gaining in share and magazines declining. But by 1976 the trend had improved markedly for magazines. The restructured industry was on its way back; in 1976, '77 and '78, ad pages increased sharply and expectations were much brighter than they had been for years.

Cautious optimism was repeatedly expressed at the PaineWebber media outlook conference in December 1978. But it was apparent there was still concern about the competitive threat from television. There were many references to the fact that magazine rates had risen very moderately in the recent past while TV costs had soared. Magazines were gaining acceptance in the media mix, and there were even some gains at the expense of ever-more-costly television.

One analyst exhibited considerable comfort because magazines' future was further brightened by tobacco ads having been eliminated from the broadcast media and because distilled spirits ads, which were not competitively threatened by TV, were on the upturn. At that time Seagram had revised its marketing strategy to one employing greater amounts of advertising with even higher concentration in magazines. The rhetoric was positive, but the industry leaders were aware that the competition was tough and new opportunities were not going to be easy to come by.

From 1978 to 1988 the magazine industry experienced a number of changes, some of the most noteworthy being:

- Magazine ad revenues grew at a pace that matched or exceeded GNP growth in most of these years.
- Magazine advertising grew faster than ad revenues of the three major TV networks.
- Growing concern about media costs and the trend to the use of 15-second commercials increased the acceptance of and the need for print advertising.
- The proliferation of new magazines resulted in as many as 100 to 200 new titles a year in the late '80s.

But . . .

- The tobacco and distilled spirits categories declined in importance as advertisers.
- Increased acceptance of magazines as an alternative to TV also resulted in much greater pressure on magazines' prices and extra bonus value demands.
- New print media competition from free-standing inserts, pre-prints and direct mail cut into magazines' share of major media budgets.
- New electronic media competition from cable TV, more independent TV stations and TV syndication also eroded magazines' share of major media budgets.

> Although magazines' share of advertising expenditures will erode in the next decade, according to Robert Coen, revenues will more than double, to a level somewhere between $13 billion and $16 billion.

From 1978 to 1988, the magazine industry did very well despite some loss in their share of national marketers' major media budgets. In 1978 magazines captured 14.6% of the ad dollars spent by national marketers in newspapers, magazines, TV, radio and direct mail. By 1988, magazines' share had slipped to 11.8%, but the total size of national marketers' ad budgets had risen more than the erosion in share, so magazine ad growth kept pace with economic growth.

As to the next decade, how will magazines do? Will the total advertising pie grow fast enough to offset any further erosion in magazines' share? Will magazine advertising use by any key industries rise or fall significantly?

We believe the national marketers' ad budgets will be under considerable pressure during 1989 and into 1990. By 1991, the inevitable end to overly constrained ad spending is likely to arrive and annual budget growth should begin to move into the 8% to 10% range. Many of the recent advertising trends will

(Continued on Page 76)

Robert J. Coen is senior VP and director of forecasting for McCann-Erickson Worldwide and regularly prognosticates ad spending by media in the pages of ADVERTISING AGE.

LOOKING TO THE '90s

Johnston: Publishers' priorities must be redefined.

Just say no to 'cut-rate' dealing

By Doug Johnston

Publisher, Vanity Fair

There's no question the number of new magazine launches during the past decade has increased at an unprecedented rate. Advertising budgets, however, have not.

In an effort to be competitive in this crowded arena, publications have tended to take measures that diminish the perception of quality surrounding their product: dealing, discounting, excessive merchandising. This "cut-rate" environment not only undermines the integrity of a magazine, it has a negative impact on the industry as a whole.

Our challenge as publishers in the 1990s is to redefine our priorities. Time, energy and dollars are better spent improving and developing better products. "Added value" should be the magazine itself.

Can that work in these competitive times?

It has worked at Conde Nast. In the past four years, *Vanity Fair* has experienced tremendous advertising and circulation growth. Our dramatic success can be clearly attributed to our editorial product. That reflects a pattern of interest and demand on the part of the reader, which goes back to what magazines are supposed to be about: putting out a product that people *want* to read.

High-flying act shows some wear

'If publishers really use their head, there is real value in special events.'

(Continued from Page 8)

ning schedules in magazines."

Some publishers have found ways to develop event media within their own pages. To celebrate its 2,000th cover last year, *Life* created a special section for its May 1988 issue reprinting all of the covers. DDB Needham Worldwide bought the entire section and divvied up the pages to a number of its clients, including Amtrak, Weight Watchers International and Hershey Food Corp.

"We saw the opportunity to buy the whole thing," says Paul Zuckerman, senior VP-director of media planning and operations, DDB Needham Worldwide, New York. "Basic magazine schedules is really thinking short term. But if publishers really use their heads, there is real value in special events. It develops a stronger relationship, a marriage between publishers and advertisers."

A chance for an even more noticeable special event presented itself a few months later, when *Life* was planning to reissue its November 1963 issue in late 1988 to mark the 25th anniversary of the assassination of John F. Kennedy. The reprint was bought by one DDB Needham client, First Nationwide Financial Corp.

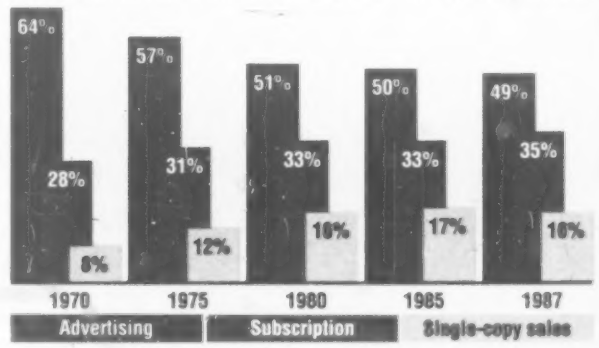
"*Life* came back to us with a number of standout events, but we passed on them until they offered the Kennedy issue, and we jumped on it," says Mr. Zuckerman.

"The point is we have a strong relationship with *Life*. I meet with publishers and say 'If you want a special event, let's sit down and pick our brains. Give me something I can sink my teeth into.'

"Events let everybody win. The ad agency gets good PR for doing it, the client gets the special interest they wanted, and maybe a price discount, and the publisher gets the pages." □

Evolving sources of magazine revenue

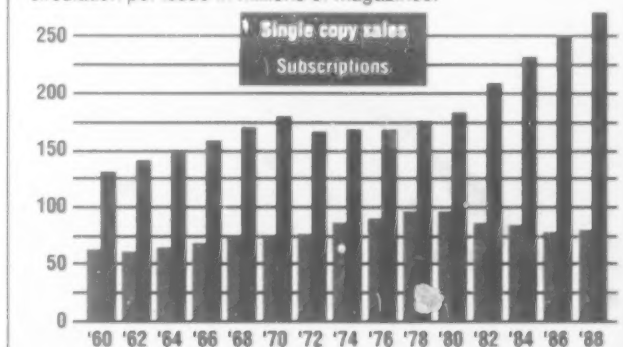
Publishing revenues are increasingly being derived from readership related sales. Advertiser related revenues have declined from 64% of total revenue in 1970 to 49% in 1987.



Source: MPA/Price Waterhouse Advertising Age graphic: John Hall

Magazine subscriptions skyrocket in the '80s

Magazine subscriptions skyrocket as single-copy sales sag. Single-copy sales have risen from 61,043,613 in 1960 to 78,929,755 in 1988. During the same period subscriptions have accounted for a rise in sales from 126,870,013 to 267,887,397. Legend at left reflects first six months average combined circulation per issue in millions of magazines.



Source: Audit Bureau of Circulations Advertising Age graphic: John Hall

In step with history

Consumer research made agencies and magazines the countinghouses of American popular culture.

(Continued from Page 28)

Post, Collier's, McClure's—were much less curious about their readers than their advertisers were. They assumed that "everybody" read them. It was JWT that began conducting the first readership studies, and it soon discovered that when it came to shopping, "everybody" was not created equal. Cultural levels could be categorized, buying habit valuated. *The New Yorker, Time* and others were fascinated by the possibilities and flooded their readers with questionnaires.

As brands cemented the consensus underpinning the mass market, consumer research made agencies and magazines the countinghouses of American popular culture.

The discovery came just in time. By the Depression, magazines' days as America's monopoly mass medium were about to end. Network radio leaped magazines' natural barriers of time and literacy and spoke to all America in one voice at one time. The critical mass of ad dollars began moving to the air.

By 1933 magazine revenue was half what it had been four years before. And what was left was going to magazines whose readers' passion for information was exceeded only by their passion for purchasing. Not until 1943 would magazines pass their 1929 high of $185 million in advertising revenues.

To make matters worse, movies started talking. People who once looked to magazines for folksy fiction, adventure and romance now found it in local movie houses. A staple product of middlebrow magazines was being preempted. In 1932, movie director Frank Capra sat in a barber chair leafing through an issue of *Cosmopolitan* when he came upon a short story called "Night Bus." But who would have heard of it had not Capra two years later turned it into "It Happened One Night"?

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LOOKING TO THE '90s

Niles: Ever-tighter targeting lies ahead.

Personalization will reach new levels next decade

By Nicholas Niles

Publisher, Food & Wine

In the 1990s, magazines will be deeply and comfortably imbedded in today's trend toward increased personalization . . . finely tuned special interest magazines. Our readers will expect us to speak directly to them, to their lifestyles, needs, leisure pursuits and aspirations. Both the magazines themselves and the products advertised in them will be counted upon to show a closeness to consumers' individuality.

How will we do this? Technology, of course.

Look at the way magazine audiences are being sold to marketers today, especially those of mass magazines with high out-of-pocket costs. The audiences (and the costs of reaching them) are divided and sub-divided into regional editions, major metropolitan areas, top cities, ABCD counties, Zip codes, affluent Zip codes, occupation, et al.

By 1995, "et al" may well become ad infinitum. Advertising copy splitting by editions will become increasingly precise. And some magazines already have editorial forms that vary geographically.

The next step will be increasing personalization of the editorial product. For example, my magazine, *Food & Wine*, could have an editorial subject "menu." When an issue is finished and ready for printing, there will be alternative features in the menu.

The production computer will then send a magazine with additional wine features to the hypothetical 20% of our readers who are oenophiles; the pastry chefs would get the extra story on Viennese pastries; those with an interest in home decorating would receive articles on kitchen design, broken out by small space, for city dwellers only, and country kitchens for suburban homeowners.

The added bonus to this scenario is that advertisers will have unparalleled targeting ability. And with precise interactive telemarketing fast becoming a reality, marketers also will have unequaled proof that their advertising works.

Will invasion of privacy become an issue? Will magazines and oh-so-direct marketers become the scourge of civil libertarians? Perhaps we will prove that Orwell was only 10 years off. Most likely, consumers will be able to kick back on the couch and read personalized editions of their favorite magazines. □

'Know thyself'

(Continued from Page 66)

cally accompanies sales people on sales calls. "Not many guys with their names on the door are willing to do that," says Mr. Losee.

As for Mr. Knapp himself, he hopes the competition in upscale magazines remains high. "If the competition slacks off too much, that wouldn't be good for us," he says. "Ten years ago we were guilty of a certain amount of arrogance. And advertisers penalized us for that. Today, we are more marketplace driven than bottom-line driven. That makes us more flexible to work with on the part of advertisers. It makes us a better publishing company, too." □

A mixed bag future

On balance, the magazine industry will do very well from now until the end of the century.

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continue into the upcoming decade, and some of the implications for magazines are:

- Magazine ad revenues should continue to grow at the same or a moderately faster pace than GNP in the next decade.
- Some of the last decade's new titles will grow significantly and join the leading major titles that will continue to account for the great majority of magazine advertising revenues.
- Shorter TV commercials and rising TV costs will continue, and the acceptance and the need for print media should grow even more in the next decade.

But . . .

- The three major TV networks will continue to be the dominant medium, and they will be much more competitive in their pursuit of incremental ad dollars.
- In the '90s, cable TV will provide more upscale and selective options. Thus, magazines' competitive edge in these areas may be threatened.
- High definition TV and pay-per-view cable will gradually emerge during the decade, and their imminent arrival will have an impact on strategic thinking.
- Some of the classifications most important in the '80s can become vulnerable to the inevitable decline following a rise to the peak.
- All competitive media will search harder for ways to make their time and space offerings more attractive to the marketers of the '90s. In the '90s., magazines' share of national ad budgets will be subject to some slippage.

Nevertheless, we believe that on balance the magazine industry will do very well from now until the end of the century. The gains in acceptance and use should continue to expand in the years ahead. A number of today's softest magazine sectors should start back up. □

Grune

(Continued from Page 8)

speak. U.S. publishers now launching local-language editions of their publications apparently agree.

Reader's Digest has had considerable experience publishing local-language magazines. Today our 39 editions in 15 languages reach 100 million people worldwide. Each edition blends articles of universal appeal with articles of local interest.

We're using our strength as a combination "global-local" publisher to prepare for 1992. In April, we began an editorial series titled "Europe 1992," which appears in eight different languages in our 10 European Community editions. Topics covered will range from a common agricultural policy to consumer and environmental concerns in post-1992 Europe.

This customizing of editorial is not new to us. We started it in 1938 when we launched our U.K. edition, the first outside of the U.S.

Based on our experience, we're excited about the prospects for a deregulated Europe. We think other publishers should be, too.

The world is going to keep shrinking in the next decade. And the opportunities for magazine publishers will be bigger than ever. Now is the time to plan. □

Hefner

(Continued from Page 20)

own opportunity.

Both editorial material and the magazine's brand franchise are assets with value in the international marketplace. Over the last 17 years, we've developed our licensing business to the extent that today, *Playboy* sells 1.7 million copies each month of licensed foreign editions in Argentina, Australia, Brazil, Germany, Greece, Hong Kong, Italy, Japan, Mexico, the Netherlands, Spain and Turkey. We've taken the next step of offering advertisers an international rate card. For example, an international advertising group buy was arranged recently for the Franklin Mint with six foreign editions—Australia, Germany, Hong Kong, Japan, the Netherlands and Spain.

In addition to the possibility of licensed foreign editions, publishers should consider international distribution of their periodicals. Each month, our subsidiary Boarts International distributes more than 200 titles, including *Business Week*, *Better Homes & Gardens* and *Ebony*, to nearly 100 countries, enabling publishers to increase sales, prestige and editorial exposure.

The second expansion area is spinoffs and one-shots. Meredith Corp. and Hearst, for example, now have 40 and 16 one-shots, respectively.

Playboy has used its photo library and its newsstand clout to develop a successful newsstand specials program. Publishers can operate opportunistically in this area as well as test new concepts.

The third area of potential expansion comes from forming strategic alliances with other publishers to amortize overhead, use operational leverage and serve expanded reader and advertiser interests. *Playboy's* acquisition of a 20% minority interest in the *duPont Registry*, an upscale monthly car magazine, and *McCall's* relationship with *Working Woman* exemplify this growth strategy.

Finally, publishers have the option to grow by expanding into different media.

The growth technologies of cable and home video are more targeted than traditional broadcast, thus providing opportunities for magazine extensions.

Taking advantage of resources that are particular to the company and its products is key to the niche player's success.

Readership loyalty allows smaller publishers to maintain their share of the marketplace and, more important, ensures easier entry into new markets that are logical extensions of their products. We believe that by developing targeted strategies for growth, which leverage editorial, operational and financial assets, the niche player can grow and find new opportunities to continue performing successfully into the future. □

Smith

(Continued from Page 26)

magazines. Some editors seeking ever-larger audiences may drift toward entertainment over substance. But the great news and feature magazines have always been able to sell space to advertisers who believed that editorial environment and reader involvement were vital components of the media buy. I believe that advertisers will continue to demand high-quality editorial that challenges readers well into the 1990s.

Advertisers also want to

(Continued on Page 78)

Big names are hot as cover subjects, but People, which helped start that trend, takes a new tack.

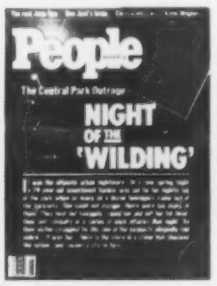
CELEBRITIES SELL MAGAZINES—SOMETIMES

By Jill L. Sherer

What do John Gotti, Kristy McNichol and Connie Chung have in common? They've been on the cover of *People*, renowned for parading the faces of celebrities for the past 15 years.

While some editors contend that today's magazine cover trends are keeping the personalities of our pop culture in the limelight, others believe the story is more important than the star in marketing to the newsstand masses.

"The celebrity cover was fueled by a certain kind of Reagan era sensibility in which money, power and fame all coalesced to represent the only form of glamor in America," says Lee Eisenberg, *Esquire* editor-in-chief. "It became the style that seemed to attract everybody.



While historically People has been a primary vehicle for major cover luminaries, recently it has begun to use fewer celebrities.

"While celebrities are still the safest bet, we've gotten ourselves into the celebrity glut . . . and the excitement of a celebrity cover has been mitigated by how many are on our newsstand. I think it's beginning to have a backlash reaction, moving celebrities out. One might presume the trend is heating itself out and we're on our way to another one."

According to James Gaines, managing editor of *People*, while an increasing number of magazines are using celebrity covers to sell themselves, *People*—of all people—is using fewer. "*Vanity Fair* is 100% celebrity. *Premiere* is 100% celebrity. We have succeeded in the past couple of years more than before in putting people [on the cover] who are well known not because they are celebrated."

This recent philosophy has manifested itself with cover subjects including Hedda Nussbaum, the L'Esperance quintuplets and five-year-old Christina Onassis, the richest little girl in the world and the magazine's biggest seller so far this year.

"*People* has come to realize the celebrity himself or herself is not enough and that you need not just Sean Young, for example, but Sean Young's run in with James Woods," says Mr. Eisenberg.

While some editors contend that today's magazine cover trends are keeping the personalities of our pop culture in the limelight, others believe the story is more important than the star in marketing to the newsstand masses.

While *People* has recently taken on a more newsworthy face, historically the magazine has been a primary vehicle for major cover luminaries, including Elizabeth Taylor, Fergie and Princess Di, the last of whom has graced *People's* cover 35 times.

The success of Di represents a certain noble immortality as she continues to prosper on magazine covers from the tabloids to news rags and women's magazines. "Princess Diana is never bad," says Myrna Blyth, editor of the *Ladies' Home Journal*. "And even when she's bad, she's not bad. She is a superstar personality of the world."

"Royals do well," says Elizabeth Sloan, editor of *McCall's*. "If you run Shirley MacLaine, you will attract older audiences, if you run Rob Lowe you will attract younger audiences. Very few people, with the exception of Jackie Kennedy, Fergie and Princess Di, can attract the entire spectrum."

Ms. Sloan says that the changing face of *McCall's* is in response to the problem of the women's service magazines looking alike. "In the past, the women's magazines have been all formula—one pretty face. They say that if you covered the nameplate, you couldn't tell the magazines apart."

The new look is also a result of supermarket technology, as optical scanners have significantly minimized the time spent checking out, says Ms. Sloan, who attributes her magazine's record-breaking newsstand sales to a redesign of the "potpourri" cover featuring a pictorial table of contents. "Now *Good Housekeeping* and *Ladies' Home Journal* are doing the same."

"We strive to catch the eye of the busier person," agrees Ms. Blyth. "But television is making us more visually sophisticated, and it is this sense that requires our covers to be more creative,

(Continued on Page 84)

Jill L. Sherer is a Chicago-based freelance writer.

(Continued from Page 82)

innovative and visual."

A more visual cover, however, does not necessarily mean one embroidered by pillbox-size closeups of the famous, or, according to David Sendler, national section editor of *TV Guide*, "a cover of one big beautiful image that you could frame.

"Conventional wisdom is that photos sell, but we can cite you chapter and verse that drawings do as well," says Mr. Sendler. "We had a drawing of Bobby Ewing in the shower on one cover, and we went up three-quarters of a million on the newsstand."

"Any marketing expert will tell you that a photo sells better than a painting," says Henry J. Muller, managing editor of *Time*, "but we've been successfully using art for 65 years."

Time tries to use cover subjects that fit in with their franchise of being a news magazine. "Our overall mix of international, national, political and business figures, cultural personalities and even an occasional crook has remained the same," says Mr. Muller.

This is Elizabeth Taylor's first of 12 appearances on the cover of Life. She heads the list in our informal count of celebrity cover appearances, shown in the boxes at right.

And while the news and women's service periodicals don't always conform to the same set of guidelines, neither do the music titles.

Jann Wenner, editor-in-chief of *Rolling Stone*, says his magazine lives by a separate set of rules and does not make decisions by competing with *Spin*, for instance. "In terms of music magazines, how many are out there—*Spin*, *Musician*, *Guitar Player* and some teen magazines? We don't really compete with them in terms of covers and newsstand sales."

He says that *Rolling Stone* is not a celebrity magazine, adding that it didn't use any more non-music personalities on the cover this year than last year or the year before that. "A cover subject must be current or journalistically valid at that moment. If Madonna has a new album coming out, she's the best choice for the cover." Madonna has been on *Rolling Stone's* cover five times.

"There is an incredible competitiveness about cover subjects in that there are more and more magazines on the newsstands," says Mr. Muller. "Everyone is trying harder to find a way to shout in order to get attention."

In the past, *Time's* celebrity covers have included Richard Nixon, Henry Kissinger, Leonid Brezhnev and Gerald Ford. "We don't do celebrities just for the sake of doing celebrities," says Mr. Muller. "We [Time Inc.] have a sister publication, *People*, that does that better than anybody else in the business."

While some including Mr. Eisenberg believe the fire of the celebrity cover is smoldering, other editors believe the power of the popular face was never anything more than an ember.

"We do a couple of celebrity covers a year," says Patricia Ryan, managing editor of *Life*. "But they are not a constant theme in our magazine, unlike *Vanity Fair* or *People*. I don't need a celebrity on the cover."

"Your cover defines you in popular perception. I don't think our magazine has changed at all, inside there has always been a broad mix," says Mr. Gaines. "I hope it violates [consumers'] idea of *People* as merely a celebrity magazine."

Mr. Eisenberg doesn't believe covers have the vitality or vibrancy of four or five years ago. "The thing has gotten so out of hand that a magazine has put its own editor and owner on the cover, namely Frances Lear."

He says *Esquire* has not been doing celebrity covers for that long. Before 1987, *Esquire* was very "ad hoc" about what was on the cover. It would experiment with various things such as travel and restaurants.

Each *Esquire* cover was different. "When you do a cover that is all over the place, you are rolling the dice month after month," says Mr. Eisenberg. "An even commodity balances out the peaks and valleys."

After 1987, however, *Esquire* went to a new format and size and began featuring male celebrities that "fit the *Esquire* mold—men like Woody Allen, Robert Redford and even Sylvester Stallone, who were movie stars with an extra dimension," says Mr. Eisenberg.

"Ted Danson or Corbin Bernson would never be on *Esquire's* cover, even though they are men who are popular in mass culture. But they are not men about whom I or our readers have a large amount of curiosity," he says.

"You always want to be able to hit a home run. Amazingly, even people who hit home runs can strike out. You at least put in to get a single or a double," says Ms. Blyth, who believes there is no formula for the prototype perfect cover. □

Cover champions of selected magazines

LIFE

Cover subject	Appearances since 1960
John F. Kennedy	15
Jacqueline Kennedy Onassis	14
Lyndon B. Johnson	10
Elizabeth Taylor	8
Marilyn Monroe	7
Richard Nixon	6
Robert Kennedy	5
Barbra Streisand	5
Ted Kennedy	5
Sophia Loren	5
Paul McCartney	5

Rolling Stone

Cover subject	Appearances since 1967
John Lennon	16
Mick Jagger	13
Bob Dylan	12
Bruce Springsteen	7
Jimmy Hendrix	6
Tina Turner	6
Jerry Garcia	6
Linda Ronstadt	6
Bono	5
Neil Young	5
Madonna	5

Ladies' Home Journal

Cover subject	Appearances since 1960
Princess Diana	18
Jacqueline Kennedy Onassis	14
Elizabeth Taylor	11
Barbara Walters	10
Marlo Thomas	9
Katharine Hepburn	8
Barbra Streisand	8
Princess Grace (Kelly)	7
Sophia Loren	7
Mary Tyler Moore	7
Linda Evans	7

Esquire

Cover subject	Appearances since 1960
John F. Kennedy	10
Elizabeth Taylor	7
Richard Nixon	7
Lyndon B. Johnson	7
Ted Kennedy	6
Robert Kennedy	5
Jacqueline Kennedy Onassis	5
Woody Allen	4
Frank Sinatra	4
Truman Capote	4

TIME

Cover subject	Appearances since 1960
Richard Nixon	36
Jimmy Carter	24
Ronald Reagan	19
Gerald Ford	19
Lyndon B. Johnson	15
Henry Kissinger	11
John F. Kennedy	9
Robert Kennedy	7
Leonid Brezhnev	7
Anwar Sadat	6

McCall's

Cover subject	Appearances since 1960
Jacqueline Kennedy Onassis	9
Mary Tyler Moore	8
Princess Diana	8
Elizabeth Taylor	7
Marie Osmond	6
Jaclyn Smith	5
Caroline Kennedy	5
Princess Grace	4
Lady Bird Johnson	4
Linda Gray	4

People weekly

Cover subject	Appearances since 1976
Princess Diana	35
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NEWSPAPER

Advertising Age

Crain's International Newspaper of Marketing.

Last Minute News

Suzuki sets review for its U.S. account

BREA, CALIF.—American Suzuki's automotive division is reviewing agencies. Keye/Donna/Pearlstein, Los Angeles, Suzuki's agency from the time it started marketing autos in the U.S. in 1985, has been invited to participate. But, in keeping with Suzuki's "Never a dull moment" ad theme, K/D/P President-CEO Leonard Pearlstein said he was undecided whether the agency was willing "to play."

By some estimates, the account at one time passed $45 million, including dealer association spending. But the factory budget reportedly has dropped to as low as $15 million.

Speculation among West Coast agencies is that Suzuki will look for a Japanese agency with a southern California office to take over the account. Hakuhodo and DCA, both Los Angeles, would fit that description. The Tokyo offices of Hakuhodo and Dentsu, DCA's parent, both work on the Suzuki account in Japan.

Disaster struck the marketer a year ago, when Consumers Union branded Suzuki's only vehicle at the time, the Samurai sports utility truck, as unsafe. The company has never recovered from that blow, despite introducing two new models to its line and receiving a clean bill of health from the federal government.

For the first four months of this year, combined

(Continued on Page 8)

Maxwell House lands at D'Arcy

By JUDANN DAGNOLI

The Maxwell House coffee account returned home to D'Arcy Masius Benton & Bowles last week with indications that billings will percolate well beyond the $50 million spent at previous agency Ogilvy & Mather.

Maxwell House President Raymond Viault declined to give specific figures but said the company "has news to tell" about the venerable coffee brand.

"We will spend commensurate with the quality of ideas," he said. "[General Foods USA parent] Philip Morris is not shy about spending big behind good ideas."

He added that D'Arcy's creative efforts will represent a "new strategy" and that the company plans to introduce "several" new coffee products in the near future. Sources said the first ads from the new agency will break in late summer.

With the selection of New York-based D'Arcy, the Maxwell House account has come full circle. D'Arcy's precursor, Benton & Bowles, held part of the account until 1968, when the ad work was consolidated at O&M, agency of record for Maxwell House since 1958.

"We will spend commensurate with the quality of [advertising] ideas. Philip Morris is not shy about spending big behind good ideas."
—Raymond Viault

D'Arcy's latest big win—coming on the heels of its $115 million Burger King Corp. windfall two weeks ago—includes Maxwell House regular and instant coffees, Maxwell House Master Blend, Rich French Roast, Colombian Supreme coffee and a test product called Maxwell House Filter Pack premeasured coffee. The agency already handles General Foods' Yuban and Brim brands.

DMB&B/USA President Clayton Wilhite called its two new accounts "arguably the most prestigious, not to mention biggest, back-to-back new assignments in industry history."

Mr. Viault said in a statement that D'Arcy's work was "superior." But "we'll miss the partnership with O&M," he said. "They've served us with excellence for 30 years and are a significant part of why Maxwell House is the largest coffee company in the U.S."

"My reaction is something less than complete happiness," said Ken Roman, chairman-ceo of Ogilvy Group. "It was a very disappointing decision."

O&M is estimated to lose $7 million in revenues, and the company expects to lay off 25 to 30 staffers because of the loss.

Mr. Roman indicated the move was

(Continued on Page 47)

Nicotine-free smoke from Philip Morris

By JUDANN DAGNOLI

Philip Morris Cos. is starting consumer-acceptance tests of a nicotine-free cigarette, sources say.

The cigarette, under the Merit Free brand, is being distributed by mail to selected smokers in what one source described as a "concept test."

A questionnaire asking whether the person would buy the cigarette if it were on the market accompanies the product sample.

The experiment confirms recurring rumors that Philip Morris is interested in nicotine-free cigarettes and that it has the technology to produce them.

One source familiar with the product said the company is adapting the technology used by its General Foods USA subsidiary for the decaffeination of coffee.

The move also indicates that Philip Morris isn't content to let archrival R.J. Reynolds Tobacco Co. take the lead in technologically advanced cigarettes. RJR already has tested "smokeless" and "low-smoke" cigarettes.

Philip Morris USA wouldn't confirm the test. It's also not clear whether Merit Free has been assigned to an ad agency; Leo Burnett USA, Chicago, handles the Merit brand.

Ellen Merlo, Philip Morris VP-marketing services, said it was possible a cigarette under the Merit Free

(Continued on Page 48)

California moves to ban Whittle's 'Channel One'

By BRADLEY JOHNSON

ANAHEIM, CALIF.—The state of California has vowed to cut funding for any school that allows Whittle Communications' "Channel One" ad-supported news program into its classrooms.

Bill Honig, state superintendent of public instruction, said the commercial nature of the telecast makes "Channel One" illegal under state law.

"What they basically want is our kids' minds," Mr. Honig said at a news conference last week. "We can't sell them."

The move is a blow for Whittle, whose program could be locked out of classrooms serving more than 10% of the nation's 18 million junior and senior high students.

"I think this is going to cripple them if they can't have access to the California market," said Mr. Honig, who encouraged other educators to look to state and local laws to zap "Channel One."

Mr. Honig said he believes TV without advertising has a place in the classroom, however.

He said he supports a plan by Turner Broadcasting System's Cable News Net-

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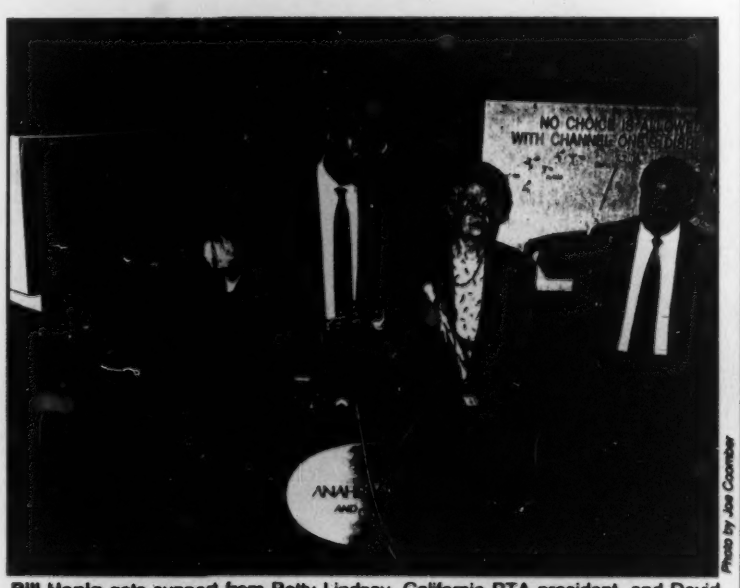

Photo by Joe Coomber

Bill Honig gets support from Betty Lindsay, California PTA president, and David Brown, vice president of the Association of California School Administrators.

Upfront bonanza ahead?

By WAYNE WALLEY

Upfront sales for the 1989-90 network TV prime-time season, fueled by heavy automotive spending, could yield a record $3.7 billion, a 12% jump over last year's take.

Sources predict the upfront market, the sales period when commercial time is sold as much as a year in advance, will be uninterrupted and orderly this year, even though tight inventory in the third quarter and high prices in the current network "scatter" market are helping to create somewhat of an upfront frenzy.

Not only might the Big 3 networks and Fox Broadcasting Co. reap an aggregate $400 million more, but sales could break as early as this week and end by the last week in June.

Because of the anticipated strong marketplace, the Big 3 networks are expected to ask for high, double-digit price increases on a cost-per-thousand basis, but agency sources expect the negotiated increases to average 9%.

"We want to see [upfront selling] over as soon as possible this year," said Paul Isacsson, exec VP at Young & Rubicam, New York.

Upfront sales usually bring advertisers lower prices and ratings-delivery guarantees, and normally conclude just after July 4. Last year, however, the Writers Guild of America strike delayed the upfront market, and in 1987, negotiations were protracted because of the introduction of people meters.

This year, scores of advertisers and agencies are eager to make sure they're in the programs they want as early as possible.

Because of the strength of its comedies, prices on ABC could rise as high as 11% to 13%. NBC could get increases of between 9% and 10%, while CBS is expected to get increases of as much as 5%.

- "Tracking Shares" picks night-by-night winners—P. 40
- Network schedules look more conservative—P. 46

But if the networks insist on double-digit percentage increases on a cost-per-thousand basis, agency media buyers say they will be forced to find alternatives.

"If the networks are too bullish, cable could take off," warned Michael Drexler, exec VP-media at Bozell. "Some clients are already saying they want contingency plans if time isn't available on the show they want or if the cost is too high."

Based on improved ratings and the addition of Monday night prime-time programming, some agency executives predict Fox could double its upfront sales this year and top $180 million.

Some industry analysts disagree with the optimistic projections about just how much money will flow into the upfront market.

Lintas:New York's in-house newsletter estimates $3.5 billion in upfront spending this year, an 8% increase over 1988-89. Grey Advertising said its estimates show a 2%-to-3% increase.

Bozell's Mr. Drexler said he expects network upfront sales to be flat or slightly above last year.

But those observers expecting upfront to really take off cite last year's unexpected $500 million upfront splurge by General Motors Corp., Ford Motor Co. and Chrysler Motors, which pushed network sales to a record $3.3 billion in 1988.

At the time, most analysts had been predicting a decline in upfront spending.

This year, automakers are ex-

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Pow! 'Batman' joins summer promo parade

By MARCY MAGIERA

Holy promotions, Batman!

What promises to be the biggest box-office bonanza in the last five years, starring the Caped Crusader, the Ghostbusters and Indiana Jones, will likely co-star the largest number of marketing tie-ins in that period as well.

Advertisers including PepsiCo, J.C. Penney Co., McDonald's Corp. and Sears, Roebuck & Co. are throwing significant ad and promotional support behind these three certain blockbusters and other potential summer hits.

PepsiCo, through its Pepsi-Cola Co. and Taco Bell units, has major marketing tie-ins with Paramount Pictures Corp.'s "Indiana Jones & the Last Crusade" and Warner Bros.' "Batman."

"This really is a key promotion for us, if not the hottest of the whole year," said a Taco Bell spokesman.

Columbia Pictures' "Ghostbusters II" alone is scaring up $30 million in marketing tie-ins with advertisers including Coca-Cola Co., Ralston Purina Co. and Fuji Photo Film USA (AA, May 15).

"Promotions tied to films . . . are becoming more valuable to marketers, who are looking to get immediate, measurable results from such shorter-term programs," said Ken Strottman, president of Strottman Marketing, an Irvine, Calif.-based licensing and marketing company.

"This is the summer of sequels, and that's making it easier for marketers to execute tie-ins. There's less risk for package-good and fast-food marketers; they know what to expect," he said.

"Batman" isn't a sequel but is a product of 50 years of Batman comics and the '60s TV show.

Penney's will give "Batman" merchandise a push in special shops set up in 1,000 of its 1,400 stores. The retailer has prepared newspaper ads in-house, which stores can run locally, and in-store materials, including an 8-foot Batman cutout, mobiles, movie posters and film

(Continued on Page 48)

Jacoby: I tried to buy Saatchi

By JON LAFAYETTE

NEW YORK—Former Ted Bates Worldwide Chairman Robert Jacoby says he tried to raise money to buy Saatchi & Saatchi Co. this spring, but the attempt failed.

Mr. Jacoby, who was ousted from Bates shortly after selling the agency to Saatchi in 1986, told ADVERTISING AGE he still has the equivalent of 600,000 Saatchi shares bought earlier this year.

He said reports that certain units of Saatchi & Saatchi might be for sale are plausible, but he isn't seeking to buy any part of the U.K.-based agency giant.

Mr. Jacoby said he continues to monitor Saatchi's activities closely and that reports of merchant bankers soliciting ad agencies as potential buyers for Saatchi units "have the ring of truth."

Major agencies including Young & Rubicam, Dentsu and Publicis recently said they've received informal calls to see whether they'd be interested in buying parts of Saatchi (AA, May 22).

Mr. Jacoby said he didn't know for whom the bankers were working, but he added, "Investment bankers generally don't do this kind of thing for their own account."

Why Campbell-Mithun-Esty lost American Home Products—P. 8

One report said that Saatchi was asking merchant bankers to shop its parts, a move that would enable Saatchi to defend itself from outsiders.

Reacting to those reports in a letter to AD AGE, James Adler, president of Saatchi & Saatchi Affiliates (USA), conceded that "there are

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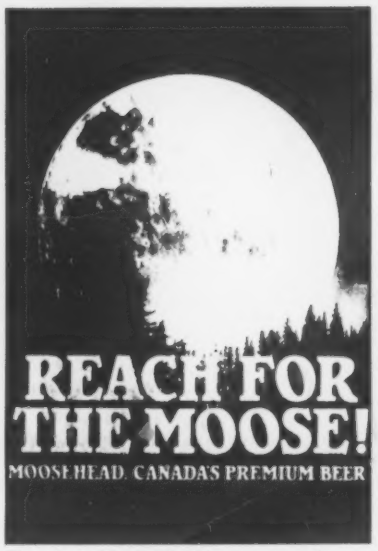

The sluggish market for imported beers is overflowing with new advertising designed to boost share in the hot-selling summer season.

Import fight looms

Sales drop leads to share war

By PATRICIA WINTERS

A market share battle is foaming among imported beers, where flat sales are prompting major players to try new advertising tactics.

Heineken, Beck's, Molson, St. Pauli Girl and Moosehead are getting new creative and, in some cases, new positionings.

Line extensions are coming, too.

Martlet Importing Co. in June introduces Molson Dry in selected East Coast states. The importers of Corona Extra are rolling Corona Light national, and Guinness Import Co. may bring Guinness Draft in cans to the U.S. That company also will give a big push to Guinness Gold this fall.

"It's a share war," said Peter Reaske, Martlet's director of brand marketing. "You can't rely on a growing market anymore, and we have to take from each other."

The import category has little hope for gains. It grew 0.3% to 9.4 million barrels in 1988 and declined "more than 5%" in the first quarter of this year, said Benj Steinman, executive editor of *Beer Marketer's Insights*.

Through much of the 1980s, imports – representing an estimated $3 billion in retail sales, or about 7% of the total $44 billion beer market – showed 11% average annual growth, he said.

The import slowdown was first attributed to a sales decline in Corona Extra, which after several years of phenomenal growth fell more than 10% to 1.55 million barrels last year. Corona's 16.5% share is now a distant second to leader Heineken's 24.5%.

But current wisdom holds that anti-alco-

(Continued on Page 50)

Agencies face a 'new reality'

By GARY LEVIN and JON LAFAYETTE

The realities of today's ad business have investment bankers and leveraged buyout specialists seeking deals with not just public agencies but private ones.

WPP Group Chief Executive Martin Sorrell's success in agency takeovers has sparked new interest in the business from investors, who are learning that advertisers care less about who owns agencies than who runs them.

Private shops often find themselves under more pressure to respond to intensified financial and competitive problems.

This so-called "new reality" has N W Ayer and other private shops rethinking ways to reduce their competitive vulnerability while still remaining private.

"You can't just sit there and expect this is an aberration, because it all will fall apart someday," Ayer CEO Jerry Siano said of the recent resurgence of merger activity. "We feel stronger about being independent than before, but we also know there's more of a challenge."

Mr. Siano said that if necessary, he'd consider a pooling of interests with another private agency, with "both investing in each other." That would guarantee Ayer's independence from public ownership and allow its managers to continue operating the business.

He said no such deals are being negotiated, however.

Other private agencies, including Ketchum Communications, said they're content to remain in a midsize niche, a position fewer agencies are occupying these days.

"We don't feel too pressured," said Gerald Voros, president of Pittsburgh-based Ketchum. "We don't see ourselves severely handicapped in any way."

But the larger agency groups – WPP Group and Saatchi & Saatchi Co. among them – disagree. They contend that "critical mass" is increasingly important to their effectiveness in handling client business.

Now, investment bankers are looking at leveraged buyouts with private agencies and possibly other deals, including formation of employee stock ownership plans and making simple minority investments.

As with other industries, they hope to reap profits from financing deals and, in some cases, to gain a foothold as part-owners of a growing business.

Michael J. Biondi, managing director of Wasserstein Perella & Co., a WPP adviser, said his company is interested in leveraged buyouts of privately held agencies with revenues of $100 million or more. That category includes giants Young & Rubicam, New York, and Leo Burnett Co., Chicago, as well as Ketchum and New York-based Ayer, D'Arcy Masius Benton &

"We're interested in good agencies, period."
—an investment banker

Bowles and Wells, Rich, Greene.

All these agencies maintain that their best strategy is to remain independent, despite no lack of acquisition offers. In fact, Y&R and Burnett have been substantial beneficiaries of client fallout from other merged shops.

But that doesn't stop the financial community from trying to work out deals.

Mr. Biondi said a privately held agency is most likely to agree to a leveraged buyout during a generational transfer of management.

"An LBO is an excellent vehicle to pay current shareholders and provide reinvestment opportunity for a new generation of management," he said.

Kelso & Co., an investment banking company specializing in leveraged buyouts, also is eyeing deals with agencies, whether public or private.

"We're interested in good agencies, period," said Kelso VP George E. Matelich. Or at least those with revenues of $50 million or more, he said.

"For a private agency with a fairly narrow shareholder base . . . we think we can provide,

(Continued on Page 48)

World News Roundup

LONDON—Chambourcy, the Nestle-owned French dairy products marketer, consolidated more than 80 products in the U.K. into five distinct lines: Le Yogurt, Le Fromage Frais cream cheese, Le Mousse and Le Dessert frozen desserts and Hippo, a children's line of smaller portions of the four products. The relaunch has a $19 million ad budget handled by Brooks Legon Bloomfield for Hippo and the Creative Business for the others.

MELBOURNE—Rupert Murdoch on July 23 plans to launch Sunday editions of his morning daily *Sun News-Pictorial* and his afternoon daily *The Herald*. The two papers will compete against the existing independent *Sunday Observer*, published by Peter Isaacson. The *Sunday Press*, jointly published by Mr. Murdoch and John Fairfax Group, will cease publication.

LONDON—Fisher-Price consolidated its estimated $9.6 million pan-European account at Backer Spielvogel Bates, with BSB Dorland as the lead agency. Collett Dickenson Pearce and BMP Davidson Pearce previously handled.

MILAN—Eliolona, Italy's third-largest linens marketer, is launching its first ad campaign, a $4 million effort handled by WPP Group's Conquest Europe.

LONDON—Zanussi, an appliance marketer, dropped WCRS Mathews Marcantonio from the creative side of its $3.7 million account. WCRS keeps the media-buying portion.

SYDNEY—HDM Mattingly, newly separated from Mojo MDA, won the new Gucci, Lanvin and Hunting World accounts from distributor F.J. Benjamin & Sons.

TOKYO—Asahi Breweries will start selling in the U.S. its Nova brewed canned coffee, the brewery's largest-selling such product in Japan. Initially, the

(Continued on Page 26)

AGENCY PAY

Average agency salary boosts fall

By MATT SIZING
Cole Surveys

Although 1988 was a fairly lean year for ad agencies, their brightest talents reaped some big rewards.

The industry's star performers drew huge salary increases and bonuses for last year. For example, the highest-paid creative director earned a salary and bonus totaling more than $820,000.

That was the highest cash compensation reported for a creative chief in the four years this survey has been conducted by Cole Surveys and ADVERTISING AGE.

Most agency staff managed some kind of pay raise, but many others held on for dear life.

As in the previous three surveys, a sizable portion of the agency work force came up empty-handed. Fully one of every four employees saw absolutely no salary increase this year.

That's a far larger percentage of "zero increases" than seen in Cole's surveys of the financial and healthcare industries, where year after year only about 10% of the employee population gets no increase.

On the other side of the coin, four of every 10 employees took home a salary increase of at least 10% for their 1988 performance, and one of every 10 saw their salaries jump by 21% or more.

As opposed to previous years, employees of smaller agencies did better than those in larger shops. Agencies with billings of $25 million to $100 million pulled down the overall average increases.

The 1989 Cole Survey of Compensation in Advertising Agencies features information on nearly 5,000 employees in agencies of every size across the nation. Pay trends were tracked in 30 key positions from top management to traffic management.

Base salary increases last January for all employees

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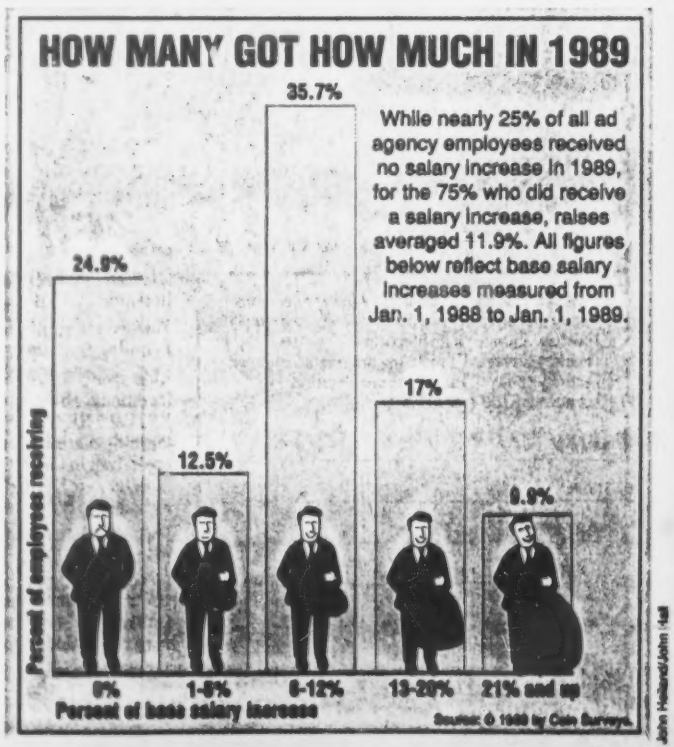
HOW MANY GOT HOW MUCH IN 1989
While nearly 25% of all ad agency employees received no salary increase in 1989, for the 75% who did receive a salary increase, raises averaged 11.9%. All figures below reflect base salary increases measured from Jan. 1, 1988 to Jan. 1, 1989.
24.8%
12.5%
35.7%
17%
9.9%
Percent of employees receiving
0%
1-5%
6-12%
13-20%
21% and up
Percent of base salary increase
Source: © 1989 by Cole Surveys
John Holland/John Hall

Isuzu lies its way into top 10

Carmaker hits the gas in ad recall

By SCOTT HUME

Joe Isuzu is the most memorable product spokesman in advertising.

That's a lie. But the lovable liar can honestly claim to have placed American Isuzu Motors among the 10 best-recalled advertisers during the month of April.

According to Advertising Age's monthly adWatch survey of advertising awareness, Isuzu last month ranked No. 8 in unaided awareness in a nationwide poll of 1,000 adults.

The "Liar" campaign has been on the air for three years, with Joe Isuzu making outlandish claims about standard equipment and performance. But last month was the first time the advertising ranked among the top 10 in top-of-mind recall.

Maybe Joe should have been tweaking the competition from the start. The latest Isuzu TV spots have featured the obnoxious spokesman filming Toyota salesmen's unguarded remarks with a hidden camera or using a bullhorn to broadcast questions about the supposed shortcomings of competitors' cars or deals to prospective customers.

Isuzu keeps some impressive company in the April top 10. The best-recalled advertisers were many of the most heavily advertised and continually best-remembered brands.

For the second consecutive month, the brand that first came to mind for the most respondents was Pepsi-Cola. Madonna's controversial commercial may be gone, but the brand name lingers on.

The rest of the top 10, in descending order, were McDonald's, Chevrolet, Ford, Anheuser-Busch's Budweiser/Bud Light, Coca-Cola, Procter & Gamble Co.'s Tide laundry products, Isuzu, Toyota (despite or perhaps even because of Joe Isuzu's teasing) and Honda.

ADWATCH SURVEY OF ADVERTISING AWARENESS
TOP 10 IN APRIL

Last month, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Source: Gallup Organization, Lincoln, Neb.

Rank 4/89	3/89	Advertiser	Agency
1	1	Pepsi-Cola	BBDO Worldwide
2	2	McDonald's	Leo Burnett USA
3	5	Chevrolet	Lintas Campbell-Ewald
4	4	Ford	J. Walter Thompson USA
5	8	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles - DDB Needham Worldwide
6	3	Coca-Cola	McCann-Erickson Worldwide
7	7	Tide	Saatchi & Saatchi Advertising
8	—	Isuzu	Della Femina, McNamee WCRS
9	—	Toyota	Saatchi & Saatchi DFS
10	10	Honda	Rubin Postaer & Associates

Two advertisers are notable by their absence from April's top 10. Both tied for the No. 13 rank.

The California Raisin Advisory Board's dancing raisins didn't make the 10 best after having appeared on the list for 19 straight months. Even when the commercials weren't airing, the raisins made the list anyway. Not last month, however.

Another usual member of the elite, Miller Brewing Co.'s trio of Miller High Life/Miller Lite/Miller Genuine Draft, is missing. That puts the pressure on Chicago-based Leo Burnett USA's first campaign for High Life, which began May 1 (AA, May 1), to return Miller to the top.

Another advertiser with a new campaign was McDonald's Corp., which spent heavily during April to remind consumers to play its Scrabble game. Some sales promotion executives and analysts said the game didn't succeed as well as such past McDonald's games as Monopoly (AA, May 15). If so, adWatch results suggest advertising for Scrabble must bear some of the responsibility: It wasn't as memorable as other McDonald's advertising.

McDonald's was the second-best-recalled advertiser—in unaided awareness—in April (its second consecutive month with that rank). But when respondents were asked which fast-food advertiser came to their minds first, McDonald's was named by 45.8% of the sample, compared with 54.8% in the March survey.

That still handily blew away the competition. Burger King Corp. was No. 2 with an 11.7% share of first mentions (up from 10.4% in March). Wendy's International, behind its "taste-test victory" campaign that uses founder R. David Thomas as spokesman (AA, April 10), remained No. 3, though it rose 4.8 percentage points to an 11.5% share.

But a drop in awareness can hardly be what McDonald's expected from Scrabble.

AdWatch is a joint project of Ad Age and the Gallup Organization. Advertising awareness is measured by asking a nationally projectable sample to name the first advertising that comes to mind from all seen, heard or read in the previous 30 days.

Last month, 1,000 adults were polled by phone. The margin of error is plus or minus 3.1%.

In other significant changes in the April survey:

- Apple Computer lost some of its lead in the **computer** category, garnering 29.2% of first mentions last month, compared with a 36.8% share in March.

IBM Corp. was No. 2 with 20.8% (vs. 21.2% a month earlier); Radio Shack remained No. 3 with 3.2% (up from 2.2%).

- Heading toward the big summer selling season, E&J Gallo Winery remained the best-recalled **wine/wine cooler** advertiser last month with an 18.1% share of first mentions. But that represented a 4.2-point drop from its 22.3% in March. Banfi Vintners' Riunite was No. 2 with 4.2% (vs. 3.7% in March); Gallo's Bartles & Jaymes held the third spot with 3.4% (vs. 3%). #

For more information, contact the Gallup Organization, 301 S. 6th. St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

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AGENCY PAY

Midsize agencies hold down raises

Top pay made in all positions

The sky's the limit in the fourth annual "Hall of Fame" listing of the highest total cash compensation reported in each of the 30 survey positions. (Total cash compensation is the sum of base salary as of Jan. 1, 1989, and any incentive compensation received for 1988 performance.)

Incumbents in the five highest-paid positions all earned more than $500,000. Four of this year's five highest-paid positions were in the last survey's top five.

The highest-paid job is once again ceo of a subsidiary (non-independent) agency, whose total cash of $1,051,200 represents about an 11% increase from the top-paid subsidiary ceo in the last survey.

The second-highest-paying position again is creative director, with total cash of $820,500, or about a 10% increase.

The fifth-highest-paid position in the last survey, chief financial officer, is sixth on this year's list.

With the highest-paid incumbents in 25 of the 30 positions earning six-figure paychecks this year, it's clear that opportunities for exceptional financial rewards can be found in virtually every advertising specialty.

1989 "Hall of Fame"

Highest total cash compensation by position.

CEO (subsidiary)	$1,051,200
Creative director	820,500
CEO (independent)	750,000
President	677,000
Branch office manager	546,800
Chief financial officer	459,500
Executive vice president	350,800
Director account management	310,000
Associate creative director	265,000
Business development manager	257,100
Broadcast production manager	225,000
Creative supervisor	187,500
Senior account executive	184,800
Media director	163,500
Human resources director	160,000
Senior copywriter	157,500
Account planning manager	155,000
Controller	150,600
Senior art director	150,000
Market research manager	145,000
Producer	135,000
Associate media director	120,000
Public relations manager	117,000
Data processing manager	102,000
Art director	100,000
Copywriter	94,500
Print production manager	93,000
Account executive	80,000
Junior copywriter	73,000
Traffic manager	66,000

' 1989 by Cole Surveys

(Continued from Page 3)

averaged 8.5%, below the previous report's 9.5% average but still nearly double 1988's 4.4% increase in the consumer price index.

For the 75% of the sample who got salary increases, raises averaged 11.9%, compared with 13.4% previously *(see chart on Page 37)*.

To calculate the increases, base salaries of Jan. 1, 1988, and Jan. 1, 1989, were compared. Only those employees with salaries reported for both dates were used, to prevent data from being distorted by new hires.

Small shops, big percentage raises

Although in previous years the nation's largest ad agencies have awarded the industry's largest raises, that wasn't the case this time.

The smallest ad shops, those with billings up to $5 million, offered salary increases averaging an even 10%, tops among the five groups.

Most of those who work in the smallest shops did even better than that: The 72% who actually received increases saw their salaries jump by an average of 15.1%.

In most of the larger agencies, raises varied little, averaging 9.1% in the $5 million-to-$10 million billing size group and 8.7% both in the $10 million-to-$25 million size group and in agencies with billings of more than $100 million.

Four of the five groups distributed raises above the 8.5% national average. Agencies with billings of $25 million to $100 million granted relatively modest increases averaging 7.2%.

Salary increases were hardest to come by in midsize agencies; in agencies with billings of $10 million to $100 million, three of every 10 employees received no increase.

Agencies in the $5 million-to-$10 million group proved the most generous, distributing raises to 82% of their employees, highest among the five size groups.

Raises run to extremes

Agencies were highly selective in their approach to pay raises *(see chart on Page 3)*.

Roughly three of every eight agency employees were on the low end this year. In addition to the 24.9% who received no raise at all, another 12.5% got low or modest increases in the 1%-to-5% range.

A slightly smaller portion of the total sample (35.7%) occupied the "solid middle," where raises ranged from a respectable 6% to an enviable 12%.

One of the most surprising results of the survey is the significant percentage of managers and other staff who earned exceptional salary increases despite 1988's generally lackluster business climate.

More than one-quarter of the total sample received salary hikes of 13% or more, and about one of every 16 employees (6.3%) came away with a whopping increase of more than 25%.

Eastern agencies on top

Increases by region varied only modestly and reflected prevailing economic conditions.

In the East, agencies granted salary increases averaging 9.5%, highest among the four regions. Salary increases averaged 8.4% in the West, 7.9% in the South and 7.5% in the Midwest.

Base salary increase results by position show that raises of 7% to 9% were paid to most of the 30 jobs surveyed. No one had more difficulty drawing salary increases than incumbents in three high-level jobs: ceos of independent agencies, business development managers

AVERAGE TOTAL COMPENSATION* BY POSITION-1989

By agency billings size.

	Up to $5 million	$5-10 million	$10-25 million	$25-100 million	Over $100 million
CEO (Independent)	$81,800	$140,600	$162,700	$240,800	$438,500
CEO (Subsidiary)	84,800[1]	75,300[1]	123,600	249,900	384,200
President/COO	78,100	91,600	125,800	241,100	270,900
Branch office manager	42,400	48,200	62,000	121,300	169,800
Executive vice president	60,200	86,500	94,800	136,700	194,800
Chief financial officer	33,600	57,600	70,800	95,100	175,600
Controller	26,300	36,500	37,800	47,400	74,600
Data processing manager	21,200	21,100	32,600	37,800	58,300
Human resources director	37,400[1]	18,000[1]	30,300	51,500	70,100
Traffic manager	20,300	22,600	24,900	26,100	34,600
Creative director	51,200	70,800	80,700	121,800	180,900
Associate creative director	33,500	56,600	64,300	78,700	106,900
Creative supervisor	34,300	31,900[1]	51,500[1]	57,700	80,800
Senior art director	36,100	43,900	39,200	54,900	77,500
Art director	25,500	29,000	29,900	37,100	45,600
Senior copywriter	34,000	37,600	36,300	51,000	67,600
Copywriter	31,400	27,000	34,600	37,700	46,700
Junior copywriter	20,100	25,900	24,600	30,300	31,400
Media director	29,600	40,600	45,800	61,600	92,200
Associate media director	20,800	24,300	26,400	39,500	61,800
Broadcast production manager	27,000[1]	26,800	39,200	39,400	89,700
Producer	30,300	20,900[1]	31,100	42,700	63,300
Print production manager	27,000	32,500	33,900	45,500	50,900
Public relations manager	35,100	40,500	49,900	54,400	75,600
Business development manager	43,600	47,900	62,200	126,900	133,700
Market research manager	24,000	69,900[1]	50,700	64,000	78,100
Director account management	54,000	59,100	79,200	97,800	120,300
Account planning manager	43,300	54,000	57,600	62,000	70,000
Senior account executive	41,500	42,900	45,800	62,700	51,900
Account executive	30,100	31,500	29,100	35,300	36,100

*Salary and bonuses. [1]Limited sample. Source: ©1989 by Cole Surveys.

and exec VPs. Slightly more than half of the independent-agency chief executives received a salary increase in 1988, while raises were awarded to only 59% of the business development managers and 63% of the exec VPs.

Raises aren't everything

Examining salary increases without looking at bonuses may be misleading. For example, beginning copywriters drew raises averaging 11.9%, the highest of any position. But only 14% of the junior copywriters got a bonus for 1988 performance, and their bonuses averaged 5.6% of base salary—the lowest percentage receiving bonuses and smallest bonus reported in any position.

For many ad managers and staffers, performance-based incentive pay is a key element of compensation. The last survey uncovered major cutbacks in ad industry bonuses; this year, results showed agencies maintaining a cautious approach to variable compensation.

About 29% of the sample earned bonuses for 1988 performance, a slight improvement from the previous survey but still well below 1986's rate of 37% and 1985's 41%.

Another key measure of bonus movement, the average bonus amount as a percentage of base salary, showed no change from 1987: The average bonus for those who received one held steady at 19% of base salary.

In both 1985 and 1986, bonuses for those who received one averaged 22% of base salary.

More bonuses in small shops

The size-group results suggest bonuses are becoming more common in smaller ad shops.

Agencies with billings up to $10 million distributed incentive pay to about one-quarter of their work force in 1986 and 1987. The percentage receiving bonuses based on 1988 performance rose to 37% in agencies with billings up to $5 million and jumped to 45% in the $5 million-to-$10 million group.

In agencies with billings in excess of $100 million, the percentage of employees receiving bonuses went to 26% from 20%. Both figures are a far cry from 1986, when the largest agencies handed bonus checks to fully half of their work forces.

The highest-paid executive in the survey, the ceo of a large subsidiary agency, earned more than $600,000 in bonuses alone.

By combining a $603,700 bonus and a $447,500 base salary, that ceo became the first to crack the $1 million mark in the four years this survey has been conducted.

Chief financial officer bonuses averaged about 22% of base salary, higher than the respective averages for exec VPs and branch office managers.

Position results

How does agency size affect pay levels for copywriters? How do pay levels for junior copywriters differ from those for senior copywriters? How do pay levels for copywriters compare with those for other creative jobs such as art directors? How important a factor is incentive compensation in each job?

Three positions illustrate how agency size affects pay levels in different types of jobs: top management (ceos), creative management and account management.

Top management

In no other position than the ceo does agency size exert such influence over pay levels, at least in absolute dollars.

For ceos of independent agencies, pay levels rise considerably from one group to the next. For example, ceos in midsize independent agencies ($10 million to $25 million) earned about twice as much in total cash as the top manager in shops with billings of less than $5 million.

Ceo pay levels soar in the nation's largest agencies. Ceos of independent agencies with billings of more than $100 million averaged about $219,000 more in salary than their colleagues in independent agencies with billings of $25 million to $100 million, while their edge in average total cash is nearly $200,000.

In both average base salary and total cash, the ceos in the largest ad agencies are in the same ballpark as the chief executives of major companies in other industries.

Discounting the effects of limited samples in the smaller size groups, pay levels for subsidiary-agency ceos follow a similar course. However, their total cash compensation doesn't rise quite as sharply in the largest agencies.

Subsidiary-agency ceos made more than their independent counterparts in the $25 million-to-$100 million size group, but that pay edge disappeared in the largest agencies.

Subsidiary-agency ceos are often paid by large parent organizations whose compensation programs emphasize performance-based incentives. Maybe it's for that reason that subsidiary-agency ceos are more likely to receive bonuses than independent-agency heads. Also, their bonuses tend to be larger than those paid to ceos of independents.

More than half (57%) of the subsidiary chief executives earned bonuses that averaged 62% of base salary; 39% of the independent-agency ceos received bonuses that averaged 52% of base salary.

Creative management

Comparing pay levels for creative directors, associate creative directors and creative supervisors illustrates how agency size and responsibility level affect compensation in one of the industry's most important functions.

In the smallest shops, total cash for creative directors averaged about $51,000, while their subordinates, whether slotted in the associate director or supervisor position, earned about $34,000.

In the two size groups encompassing agencies with billings of $5 million to $25 million, creative directors maintained a pay advantage of about $14,000 to $16,000 over associate directors. Both size groups reported a limited sample of creative supervisors, which suggests it's uncommon to find more than two levels of creative management in those agencies.

In agencies with billings of more than $25 million, pay levels for all three creative management jobs are clearly distinguishable. In the $25 million-to-$100 million size group, total cash for creative directors jumps to an average of $121,800, or 55% more than the $78,700 average for associate directors, in turn about 36% higher than the $57,700 average for creative supervisors.

In the largest agencies, the total cash gap between creative directors and associate directors grows even larger: Directors' pay averages $180,900, or 69% more than the associate directors' $106,900 average.

Account management

Similar influences dictate pay levels for directors of account management, account planning managers, senior account executives and junior account executives. Directors of account management made more than account planners and executives in agencies of all sizes. But the account director's broader scope of responsibilities really paid off in the largest agencies, just as it did in creative management.

For directors, average total cash starts at $54,000 in the smallest shops and rises to $120,300 in the largest agencies, an increase of 123%. Total cash for account planning managers rises more modestly, from $43,300 in the smallest agencies to $70,000 in the largest, an increase of 62%.

Pay lines for account executives, particularly junior-level executives, are relatively flat; in these jobs, agency size appears to have less impact on compensation than in most other positions.

In agencies with billings up to $25 million, total cash for senior account executives averaged $42,000 to $46,000, while junior account executives made about $29,000 to $32,000.

In agencies with billings of more than $25 million, senior account executives drew paychecks in a range of $52,000 to $63,000, while junior executives averaged about $35,000 to $36,000.

Bonuses again were a major influence. Directors of account management were paid bonuses averaging 20% of base salary, while bonuses for account planners averaged 13% of base. Bonuses for senior account executives amounted to 18% of base salary—about 2½ times the 7% average for junior account executives.#

Matt Sizing, senior writer and editor at Cole Surveys, also has contributed articles to Modern Healthcare, U.S. Banker *and other leading industry publications.*

1989 BASE SALARY INCREASES AND BONUSES*

Billing size	% receiving an increase	Avg. increase for those who received one	% receiving a bonus	Bonus as a % of base salary
Up to $5 million	72.0%	15.1%	37.0%	21.2%
$5-10 million	82.4	11.6	44.8	20.6
$10-25 million	69.7	12.9	17.9	19.7
$25-100 million	69.9	11.1	33.5	24.3
Over $100 million	79.3	11.7	25.9	16.1
All Agencies	75.1	11.9	29.1	19.3

* Salary increases measured from Jan. 1, 1988 to Jan. 1, 1989. Bonuses paid for 1988 performance. Bonus amounts are expressed as a percentage of Jan. 1, 1989 base salary for employees who reported base salaries for both 1988 and 1989.
Source: ©1989 by Cole Surveys.

Who answered salary survey

The fourth annual Cole Survey of Compensation in Advertising Agencies features information submitted by 177 agencies, including 11 multiunit headquarters, 144 independent agencies, 20 subsidiary agencies and two branch offices.

For purposes of comparison, agencies were divided into five billing size groups: Up to $5 million; $5 million to $10 million; $10 million to $25 million; $25 million to $100 million; and more than $100 million.

Agencies were also assigned one of four regional designations used by Advertising Age: East, South, Midwest or West.

Of the 4,022 employees reported this year, 4,715—or 96%—were assigned by their agencies to one of 30 defined survey positions. The other 207 occupied positions with duties other than those specified for the defined positions.

Each agency submitted data for base salaries as of Jan. 1, 1988 and Jan. 1, 1989. Base salary increases were calculated by comparing 1988 and 1989 salaries.

Agencies also submitted data for total cash compensation as of Jan. 1, 1989. Total cash compensation was defined as the sum of Jan. 1, 1989, base salary and any incentive compensation paid for 1988 performance.

All agencies submitted information for individual employees using employee numbers for identification. All employee data were analyzed and verified by Cole Surveys.

Complete survey results are available in two comprehensive reports prepared by Cole Surveys. Each participating agency may order a customized "Confidential Report" that compares its data with those of two peer groups of other participating agencies.

Detailed survey results are also presented in a non-customized "Cole Edition" of the report, available to all agencies.

For more information, call Survey Manager Diane Courtney at 1-800-343-2215.#

PROFILE OF SURVEY PARTICIPANTS

	% of total agencies
Billing size	
Up to $5 million	36.2%
$5-10 million	16.2
$10-25 million	18.6
$25-100 million	18.1
Over $100 million	11.9
Agency type	
Independent HQ	3.4
Subsidiary HQ	2.8
Independent	81.4
Subsidiary	11.3
Branch	1.1
Region	
East	31.1
South	18.1
Midwest	32.0
West	18.8

Source: Cole Surveys

It pays to reach the top—in more ways than one

The ceo's total cash compensation is usually supplemented by a variety of benefits and perquisites. The most common benefits: supplemental life insurance, profit sharing and supplemental medical insurance. Supplemental retirement benefits are far less common.

Commonly reported ceo perks include company cars (offered to 79%) and agency-paid professional memberships (71%).

Some benefits and perks are more common in large agencies than in small ones. For example, virtually equal percentages of ceos reported pensions in the largest and smallest agencies; on the other hand, profit sharing was offered to 75% of the top officers in the largest agencies but to only 40% of those in the smaller shops.#

CHIEF EXECUTIVE PERQUISITES

Percent receiving by agency billings size.

Benefit/perquisite	Up to $5 million	$5-10 million	$10-25 million	$25-100 million	Over $100 million	All agencies
Pension	29%	34%	29%	45%	30%	33%
Profit sharing	40	62	65	79	75	59
Stock options	8	14	16	35	50	20
Supplemental life insurance	68	83	65	62	60	68
Supplemental medical insurance	41	59	26	41	55	43
Supplemental retirement	3	7	7	21	10	8
Company car	83	69	61	76	85	79
Tax/Financial counseling	51	48	48	52	45	49
Annual medical exam	16	21	26	41	35	25
Professional memberships/dues	65	69	71	79	80	71
Athletic club membership	27	41	26	48	55	36

Source: ©1989 by Cole Surveys.

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Illustration by Tom Herzberg

Uncertain future plagues marketers planning for 1992

By KEVIN COTE

European Community car emissions standards won't take effect until the close of 1992, but General Motors Corp. can't wait until then. It has to get ready for 1992 *now*.

"I wish I could say what's going to happen and what we need to do," said Thomas Mason, VP-sales, service and parts at GM Europe. "There are a lot of unanswered questions."

GM is moving ahead anyway, even without EC guidelines—this year putting catalytic converters on cars sold in West Germany. Food, liquor and tobacco marketers must move ahead too, and all of them have their own preparatory hurdles to jump before the end of 1992, when trade barriers creating a single European marketplace are scheduled to fall.

But how high those hurdles are and when they will arise are still a big unknown.

Of the 408 directives that the 12-nation EC needs to implement, only 130 have been approved by a majority of EC member nations; 278 are still "on the table," an EC spokesman said.

These directives set Europeanwide rules and standards that will allow the free flow of goods and services.

How much time it will take to pass all the directives and how they will affect advertisers also remain mysteries

For instance, it took two years to get EC approval of the important directive concerning transnational TV broadcasts, setting up uniform guidelines for inserting commercials into programs.

Special section on the industry's preparations for 1992 starts on Page 42.

Until final ratification by individual countries, expected later this year, national governments can refuse to accept a TV broadcast from a neighboring nation if the broadcast doesn't comply with local media regulations.

Other important—and even controversial—directives include one designed to harmonize sales taxes throughout the EC.

A unified value-added tax would force some countries to lower their rates while others would have to raise them and include items not pre-

(Continued on Page 42)

'Big Bang' shops post 'brand' loss

By JOSEPH M. WINSKI

J. Walter Thompson Co. under WPP Group and the Omnicom Group agencies appear to be suffering a significant loss of "brand" identity among advertisers, an ADVERTISING AGE survey has found.

Privately owned and adamantly independent Leo Burnett Co., on the other hand, is coming on strong.

In AA's latest Agency Watch, for the first quarter of this year, Omnicom agencies BBDO Worldwide and DDB Needham Worldwide (formerly separate agencies Doyle Dane Bernbach and Needham Harper Worldwide) and WPP's JWT all received substantially lower scores than they achieved before their ownership changes.

Each of these agencies has been financially successful since the megamergers, but a weakening identity could signal long-term difficulties on the business front.

The Agency Watch erosion of the Omnicom agencies since Omnicom was formed in 1986 has been particularly dramatic.

In 1985, Agency Watch's first year, 8% of client ad executives named one of the subsequent Omnicom agencies when asked which shop was best overall: BBDO was named by 3.8%, DDB by 2.3% and Needham by 1.9%.

In the first quarter of this year, their combined best-agency score was just 1%: 0.7% of the 300 respondents named DDB Needham and

(Continued on Page 69)

Nielsen's new meter may give ratings for ads

By WAYNE WALLEY

National TV ratings for commercials could become a reality by 1992.

That's the word from Nielsen Media Research, which agreed last week to join forces with the David Sarnoff Research Center to develop a "passive" people meter for measuring TV programming viewership.

The new meter is designed primarily to measure programming viewership, but the technology used will allow it to gauge commercial viewership significantly more effectively than Nielsen's current people meters.

"If all goes right, it is at least three years away from implementation," said John A. Dimling, exec VP-group director of marketing at Nielsen.

The stumbling blocks are the feasibility of adapting Sarnoff's

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Sears ready to take bank cards

By KATE FITZGERALD

Sears, Roebuck & Co. is expected to start accepting Visa and MasterCard credit cards in all its stores before the Christmas selling season starts.

Most of the stores now accept only Sears' own charge card or its Discover card. But pressures to improve its merchandising operations have forced Sears to expand its current test of Visa and MasterCard.

Financial services experts say it's only a matter of time before a national rollout follows.

"My guess is that Sears will let i merchandising interests win out over its c financial services operations, and offer Visa and MasterCard to all of its customers ' aid Stuart Feldstein, president of SMR Re arch Corp., which has studied Sears' credit card operations.

"How can Sears not take bank cards when it's trying everything else to get back into the mainstream of American retailing?" asked John Love, publisher of *Credit Card News*. "I think that the company is finally being forced to play the game the way the rest of the retailers—who are killing [Sears]—are playing it, by giving customers more payment options."

Sears has accepted both Visa and MasterCard at four Richmond, Va., stores since last year; in January it added four of its Milwaukee stores to the test. Most of the stores involved in the test have new Brand Central departments.

Sears has also begun accepting Visa and MasterCard in at least one of its new Brand Central electronics and appliance superstores and some of its specialty stores, including McKids and carcare centers.

Originally, Sears said it wouldn't accept Visa and MasterCard at its Brand Central stores because its Sears and Discover cards offer a sufficient array of payment methods.

However, some industry experts expect Sears to reverse that decision in order to keep pace with all other major electronics and appliance retailers, which have long accepted Visa and MasterCard.

Sears hasn't released the results of its Visa and MasterCard test, and the company won't make a decision on national rollout until this fall, said spokeswoman Kathy Gucfa.

The nation's largest retailer is also testing interest in a "gold card" extension of its own Discover card.

Discover cardholders are being invited to apply for a new, upscale "Private Issue" Discover card. The new card will carry a $40 annual fee, unlike the regular card, which has no annual fee.

"Private Issue" cardholders also will get 1.5% cash back on purchases over $5,000, compared with 1% on the regular Discover card. The "Private Issue" card also offers a credit limit ranging from $5,000 to $25,000.

The new card is being positioned in mailings as Discover's "gold card," like the upscale cards offered by Visa International, MasterCard International and American Express Co.

Discover officials wouldn't comment on the test of "Private Issue."

DDB Needham Worldwide, Chicago, handles the $35 million Discover account.#

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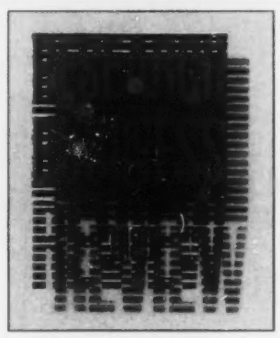

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Gruner & Jahr thinks 'Sassy'

By PATRICK REILLY

Gruner & Jahr, West German-based publisher of *Parents* and *YM*, has emerged as a candidate to acquire either all or part of Matilda Publications' *Ms.* and *Sassy*.

Despite Gruner & Jahr's interest, Matilda isn't officially on the block yet. A sale is only one option executives at the 1-year-old company are considering, sources say.

Matilda executives see one of several scenarios unfolding in the coming weeks: selling both titles, seeking additional investors or maintaining its current cast of investors.

Speculation on a possible sale of the company surfaced last week after the May 26 resignation of Matilda's founder, Sandra Yates. In a memo to the staff, Ms. Yates said she was leaving to "begin work on other publishing projects."

Matilda executives maintained Ms. Yates' resignation isn't connected to discussions about potential ownership changes.

Industry observers have questioned whether Matilda, which has been seeking new investors for months, may be forced to split up the publications in a sale. One interested publisher, who asked not to be identified, said, "*Sassy* is obviously the attraction here."

Elizabeth Crow, president of Gruner & Jahr, said she's looked at the properties. "*Sassy* has some real potential," Ms. Crow said. "It has a brilliant name and some problems too."

Despite a boycott by some advertisers who objected to *Sassy's* candid reports on sex and other matters, the magazine has grown to a

(Continued on Page 74)

Trump Shuttle ready for Pan Am dogfight

By JENNIFER LAWRENCE

After nine months of uncertainty, the Trump Shuttle this week gets off the ground to challenge Pan American World Airways' recent dominance of the lucrative Northeastern market.

An introductory print and radio campaign breaks June 7, the day the Trump Organization is expected to close its purchase of Texas Air Corp.'s Eastern Airlines shuttle for $365 million, including 21 planes.

A long-term campaign will start in late August.

Scali, McCabe, Sloves, New York, last week was chosen to handle the $8 million-to-$10 million account. Lintas:New York, Eastern's agency, had handled shuttle advertising.

A direct-mail effort, also starting this week, will announce the shuttle's new ownership by New York real estate and casino magnate Donald Trump and focus on service. Barry Blau & Partners, Fairfield, Conn., was named direct-response agency.

At least three Boeing 727s and possibly a fourth will have been repainted white with bold red, black and gold stripes with a stylized "T" on the tail and the Trump name on the side of the plane.

"I think his name will help because from the public's point of view his name is a promise that they will get something extra in the way of service or niceties," said Louis Marckesano, analyst at Janney Montgomery Scott.

Still, the challenge will be to go

(Continued on Page 74)

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Will Burger King duet harmonize?

An Advertising Age roundup

Dual agencies or dueling agencies?

Marketing executives on both sides of the agency/client fence are divided in evaluating Burger King Corp.'s decision to split responsibility for its $215 million account between two major agencies.

The division makes sense, some say, while others contend it's a recipe for conflict.

Two or more agencies handling pieces of the same account is commonplace, of course, but New York shops D'Arcy Masius Benton & Bowles and Saatchi & Saatchi Advertising are being asked to provide work from two different angles on a single *brand*, Burger King restaurants (AA, May 22).

D'Arcy will handle "brand identity" advertising, and Saatchi will provide "brand retailing"—or promotional advertising for such things as new menu items or price reductions.

The concept of multiple agencies working a single brand is unusual but not unheard of. AT&T Co. and Sony Corp. of America are among the companies that have split responsibilities for single brands among two or more agencies, and those companies say the strategy works well.

Other advertisers may go the multiple-agency route, possibly including Burger King rival McDonald's Corp.

Rumors that McDonald's is considering splitting its $250 million-plus national account among two or more agencies have circulated at least since the account was shifted to Leo Burnett USA from Needham, Harper & Steers (now DDB Needham Worldwide), both Chicago, in 1981.

McDonald's has looked at cutting up the business by daypart (with Burnett keeping Saturday morning children's commercials and young adults, and Needham or another agency taking adult-oriented time); by age group; or, like Burger King, between "image" and product assignments.

"Almost every cut conceivable has been considered," said a source close to the account. "A split still is discussed [by McDonald's], and probably will happen sooner or later. But it's unlikely McDonald's would do it soon and risk looking like it's following Burger King's lead."

In addition to using Burrell Advertising for advertising targeted to black consumers, and Conill Advertising, New York, for Hispanic efforts, McDonald's has reduced Burnett's hold by airing nationally campaigns created by regional agencies.

These have included the "Mac Tonight" campaign from Davis, Ball & Colombatto, Los Angeles, and the "corporate quality" commercials created by DDB Needham, Washington, that have aired occasionally since breaking during the Super Bowl last January.

Still, Burnett remains McDonald's sole lead agency, and D'Arcy and Saatchi will share that designation for Burger King.

Promising to "stop the leak and build sales," Burger King Exec VP-Marketing Gary L. Langstaff promised that a 12-month marketing plan will be given to operators in August. That means the agencies will have to work together quickly and smoothly.

Some outsiders question how well that will happen.

"I think it will take a remarkable amount of understanding and cooperation and the very best of wills to keep [the agency partnership] intact," said Norman W. Brown, chairman-ceo of Foote, Cone & Belding Communications, Chicago, which unsuccessfully sought to land the Burger King account.

> *"I feel absolutely certain that both agencies expect to walk away with the whole thing in a matter of months."*

Burger King will have to keep a tight rein on the two agencies, said Ken Mayhorne, chairman of VanSant Dugdale, Baltimore.

"They have to have very clear guidelines on the demarcation between the agencies so they don't get into any gray areas," he said.

"It's an unusual move when you consider Burger King has been through so many agencies and so many directions," Mr. Mayhorne said. "This seems to be one more situation where they couldn't make up their minds which agency to choose."

Jeff Christensen, VP-marketing at Norwest Corp., Minneapolis, and a former marketing executive at Pillsbury Co., said hiring two agencies only means Burger King will be "doubly confused."

Perhaps even greater than the danger of tripping over each other is the threat that the two agencies will be plotting to stab each other in the back, some agency executives suggest.

"I feel absolutely certain that both agencies expect to walk away with the whole thing in a matter of months," said Nancy Shalek, president of the Shalek Agency, Santa Monica, Calif. "It sounds kind of like a prolonged, paid pitch."

Said a senior marketing executive with a major food company: "In 35 years in the business, I've never found an agency dying to use another agency's creative. [Both agencies] are going to walk all over each other trying to take the whole account."

Peter Stranger, president of Della Femina, McNamee WCRS, Los Angeles, agreed: "It's conceivable that one agency could emerge with the whole account after all is said and done."

But the double-agency strategy could work if Burger King provides marketing leadership, both Mr. Stranger and Ms. Shalek said.

"I don't think it will work ideally, but I don't think it's as crazy as other people think," Mr. Stranger said.

Some others don't think it's crazy at all.

"It's a good idea that makes good sense for Burger King," said Ron Bess, president of Bayer Bess Vanderwarker, Chicago.

"Burger King is one brand, but within it are a lot of different tasks and challenges that take a high degree of involvement," Mr. Bess said. "Dedicating two agencies to it makes sense as long as Burger King can coordinate it."

Marketers with multiple agencies say the strategy can work and has some clear benefits.

AT&T has its account split among five major agencies, and one segment of the company—its business markets division—has three agencies sharing the wealth.

Charlie Mitchell, director of business advertising and promotion at AT&T's business markets division, said his account's split among New York shops Ogilvy & Mather, McCann-Erickson Worldwide and Young & Rubicam brings "fresh insights" to the company, which sometimes conducts creative shootouts among the shops in developing new campaigns.

Sony is a veteran employer of several agencies with shared responsibilities. For its My First Sony line, for example, Burkhardt & Christy handled TV spots and Slater Hanft Martin did print.

For the Sony Trinitron TV sets, McCann-Erickson does TV advertising, while Slater Hanft Martin handles print.

"We have tried it both ways and have found that sharing advertising tends to bring the best and the brightest to our account," said Jeff Brooks, Sony's VP-advertising.#

This story was written by Scott Hume in Chicago with bureau reports.

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New Products/Brand Leveraging Consultants

RSCG plans new U.S. assault

By PETER S. GREEN

Paris—In its quest to rank among the world's top 10 agencies, Roux, Seguela, Cayzac & Goudard is preparing to buy another New York agency while setting sights on Los Angeles.

In March, RSCG bought a majority stake in Messner Vetere Berger Carey Schmetterer, New York (AA, March 6). Earlier, it had acquired a majority interest in Tatham-Laird & Kudner, Chicago.

"We may soon do an operation to reinforce Messner Vetere," said Jean-Michel Goudard, RSCG International president. He left France last week to visit acquisition prospects in New York.

"Messner will be our biggest U.S. branch in New York, and we will have to get our U.S. branches working together," Mr. Goudard said.

In 1988, Tatham-Laird & Kudner had billings of $217 million, while Messner Vetere's billings reached $60 million.

RSCG will soon be looking to expand into Los Angeles, Mr. Goudard said. He refused to say which agencies he's eyeing in the U.S.

Other French shops have recently been seeking a stronger U.S. presence, too.

Publicis and Foote, Cone & Belding Communications, Chicago, formalized a share swap in January, and Ammirati & Puris, New York, was a major drawing card in BDDP Group's now-embattled bid for U.K. agency Boase Massimi Pollitt.

RSCG's planned U.S. moves are an integral part of its ambitious expansion plans.

"In five years, we will be one of the top 10 agency groups in the world," Mr. Goudard said. Last year, RSCG reported gross income of $210 million, ranking it as the world's No. 18 agency.

RSCG plans to open an agency in Portugal this September. After expansion in the U.S. and Europe, RSCG has its sights set on Asia.#

CORRECTIONS & CLARIFICATIONS

- The following additions and clarifications should be noted for the May 1 "Special Report" on sales promotion agencies: Marden-Kane, Lake Success, N.Y., inadvertently omitted from the chart, reports 1988 revenues of $14 million; Columbian Advertising, Chicago, should have been ranked No. 17 on the full-service list and reports 45% of its activity in consumer promotions; Davidson Marketing, Chicago, and Marketing Continuum, Dallas, should rank on the full-service list as No. 44 and No. 62, respectively; Coddington, Chadwick & Meyerson, New York, realizes 35% of its revenues from creative development; total 1988 revenues for Waldbillig & Besteman, Madison, Wis., were $3.02 million.
- The photographer's credit for Abe Seltzer was inadvertently dropped from the page opposite his Norman Rockwell-esque photo in the AA "Magazines" special issue (May 24, P. 23).#

WPP stock rising; no takeover afoot

By LAUREL WENTZ

London—WPP Group's largest shareholder almost doubled his stake in WPP to 5.04% last week, but he has no plans to try to take over the company.

"I'm 100% a fan" of WPP Chief Executive Martin Sorrell, said Mike Luckwell, a U.K. media investor. "As far as I'm concerned, I have no intention of making any kind of pre-emptive move."

Mr. Luckwell bought a 3% stake in WPP in February 1988 when the company's shares were undervalued after the stock market tumble. He picked up another 2.04% last week at about 650 pence per share. WPP's stock price was again depressed, this time because of Mr. Sorrell's bid for Ogilvy Group.

The price jumped to 673 pence later in the week, largely because of interest generated by Mr. Luckwell's announcement. His total stake of 2 million shares is now worth about $20.8 million, twice as much as Mr. Sorrell's 2.5% stake.

"They have excellent, strong management, and the profits of the company have improved dramatically," Mr. Luckwell said. "Bearing in mind the power base with two of the world's five international agencies [Ogilvy and J. Walter Thompson Co.], they have tremendous potential."

Mr. Luckwell, 46, and Mr. Sorrell met years ago when the two used to give presentations together to the financial community.

Mr. Luckwell is chairman of Parallel Media Group, a specialist in sports sponsorship linked to TV production and distribution.

He also owns 5% of TV-am, a daily 3½-hour breakfast TV slot on the U.K.'s ITV commercial network.#

Koop seeks voluntary curbs

By STEVEN W. COLFORD

WASHINGTON—U.S. Surgeon General C. Everett Koop's parting shot at alcohol marketing is based mostly on industry cooperation, not government intervention.

And that's a much tamer request than advertisers and broadcasters had expected from him.

Only two of Dr. Koop's 10 key recommendations involved advertising and marketing. He called for matching alcoholic beverage ads with an equal number of pro-health and pro-safety messages, and urged the restriction of certain types of advertising and marketing practices, especially those that reach people under the legal drinking age.

The surgeon general said the 10 recommendations, culled from his controversial Workshop on Drunk Driving last December, have the greatest "potential for saving thousands of lives."

All of the workshop's 200-odd recommendations were forwarded to Congress, the White House, state governments and private groups.

A Senate committee chaired by Sen. John Glenn (D., Ohio), is expected to consider the report at a public hearing scheduled to begin June 15.

Included in that lower tier are calls for federal legislation eliminating most tax deductibility for alcohol advertising and putting health warnings in alcohol ads.

The lower tier of recommendations doesn't "necessarily" reflect the surgeon general's own views, a spokeswoman said.

Dr. Koop plans to retire July 13.

His sharpest criticism hit at what he called "marketing practices [that] send the wrong messages about alcohol consumption to the wrong audiences."

Those practices include college promotions, celebrity endorsers, musical- and sporting-event sponsorships, and alcohol ads fashioned around race-car driving or other activities that are dangerous in combination with alcohol, he said.

But, again, Dr. Koop called on alcohol marketers and colleges to curtail such practices voluntarily instead of recommending restrictive legislation.

"The surgeon general rejected by implication the vast majority of proposals from his workshop's advertising panel," said Dan Jaffe, exec VP at the Association of National Advertisers. "He had time to look at all of their more restrictive recommendations, and if he thought they all were right, don't you think he would have given them his outright support?

"Congress will also take that into account when it weighs the recommendations."

Even Anheuser-Busch and Miller Brewing Co., which were singled out for criticism by Dr. Koop for using ads that appeal to children, found something to like in the report.

"Our basic reaction is that he said some things that we can support and some that we have a real objection to," said Steve Lambright, VP and group executive for A-B. "The educational programs he proposed are on target, but it is an oversimplification to say that tax increases and restrictions on advertising will eliminate abuse.

"And if his point is that [Spuds MacKenzie, the dog in Bud Light ads] is aimed at children, we disagree. What is in it for us to aim ads at kids, anyway? We are not naive in thinking that those under age don't drink, but there is nothing in it for us to cater to that market. Just because a child may see Spuds, it doesn't mean this is what causes an underlying alcohol problem."

Wally Snyder, senior VP at the American Advertising Federation, agreed that virtually all ads can be, and probably are, seen by children. But, he said, "You can't separate ads that can be seen by kids just for that reason.

"There are problems with some of his recommendations," Mr. Snyder said. "What is counteradvertising? What is equivalent time? But it appears that farthest from his mind is any mandatory counteradvertising or mandatory restrictions of advertising."

Miller Communications Director Steve Forsyth disagreed with the surgeon general's attack on sporting and musical-event sponsorships and other promotions.

"We don't think sponsorship restrictions are the answer to the problem of under-age drinking," Mr. Forsyth said. "That is an en-

(Continued on Page 70)

Photo by Susan Bowser

Dr. Koop's recommendations were tamer than expected.

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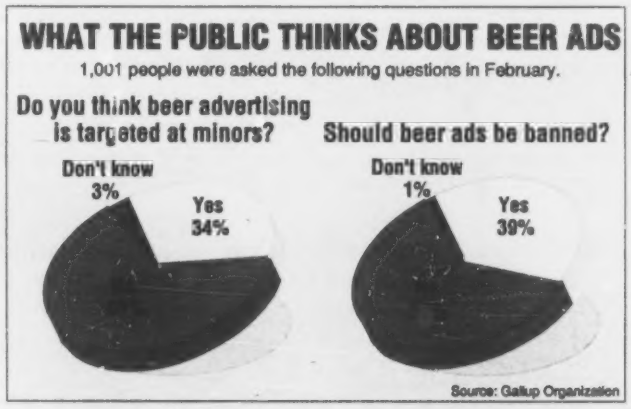
WHAT THE PUBLIC THINKS ABOUT BEER ADS
1,001 people were asked the following questions in February.
Do you think beer advertising is targeted at minors?
Don't know 3%
Yes 34%
Should beer ads be banned?
Don't know 1%
Yes 39%
Source: Gallup Organization

John Heiland

Survey shows 39% favor beer ad ban

By STEVEN W. COLFORD

One-third of Americans surveyed for ADVERTISING AGE believe beer ads are aimed at minors, and an even larger number favors prohibiting those ads.

The Gallup Organization conducted the survey for AD AGE in February via 1,001 phone interviews nationwide with people ages 18 and older selected randomly. The margin of error is plus or minus 3.1%.

The results showed little variation by sex, age, race, geographical region and marital status.

Overall, 34% said beer ads target those below the legal drinking age, and 63% said beer ads aren't aimed at minors.

Slightly more Asian/native Americans (46%), people who had less than a high school education (45%) and blacks (44%) said beer ads do target those below the drinking age.

More people in professional-managerial (72%) and secretarial-clerical (71%) jobs and those ages 18 to 34 (70%) said the ads aren't targeted at those under the legal drinking age.

Of those surveyed, 39% favored a ban on beer ads; 60% opposed it.

Advertising for Anheuser-Busch's Budweiser brand registered the highest recall level among beer ads, 29%, among all people surveyed.

Of those who said they think beer ads are targeted to those below the legal drinking age, 17% singled out Budweiser, the highest for any single brand.

That high correlation between ad awareness for Budweiser and the perception that Budweiser ads target minors may be a simple function of recall level.#

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(Source: S&MM, 1988 Survey of Buying Power)

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PREPARING FOR A UNITED EUROPE

Agencies brace for new Europe

By LAUREL WENTZ

LONDON—An ambitious young new-business director at an agency here is learning Spanish in the hope his job will include continental Europe before 1992.

D'Arcy Masius Benton & Bowles boasts that it pays bills in European Currency Units, better known as Ecus (pronounced ek-ooze).

Ogilvy & Mather is touting the entire country of Belgium as a test market for European product launches.

Multinational agencies have dual priorities in preparing for 1992: gearing up themselves and advising existing or prospective clients.

Increasingly, accounts are moving on a pan-European basis. Many advertisers are consolidating spending by brand or product category with a single agency and launching products with a pan-European rollout.

More than $1 billion in pan-European business has been awarded to agencies since early 1988 *(see chart)*.

Thirty-six accounts worth more than $10 million each have found homes, with a total value of $976 million. Fourteen smaller pan-European accounts—with a combined value of $71 million—also have moved.

Saatchi & Saatchi Advertising's aggressive pursuit of new business is paying off, gaining the most pan-European accounts and the largest dollar amount of any network. Saatchi won seven of the $10 million-plus accounts, totaling about $200 million.

Also, Ayer International and Young & Rubicam each won more than $100 million.

Ayer won about $145 million in pan-European billings from Gillette, Beiersdorf and SEAT. The Spanish automaker's account alone is worth $100 million.

Y&R won five pan-European accounts worth a combined $103 million.

DDB Needham Worldwide, Ogilvy, D'Arcy and BBDO Worldwide each won between $50 million and $80 million.

With such sizable accounts up for grabs, agencies are beefing up their European new-business efforts, a key element in competing successfully in a single European market.

J. Walter Thompson Co. is targeting 25% growth in billings in Europe for this year. JWT recently tightened procedures by requiring local new-business staff to report to Brian Johnson, European new-business director.

Every quarter, JWT staffers report on how they're meeting their targets; they report weekly on what meetings they've scheduled with prospects for the next four weeks.

"It's like any accounting or financial procedure, and we don't see why that shouldn't apply to new business," Mr. Johnson said.

This month, Mr. Johnson is hiring a U.K. new-business director—a job he's done himself until now—to let him concentrate on helping JWT's European offices.

Grey Advertising is restructuring to give key executives pan-European responsibility in the crucial areas of new business, media, finance and creative services.

Roger Clayton, chief operating officer of Grey's agency here, will run a permanent European new-business unit that will draw on the resources of local agencies. The head of Grey's West German agency will be in charge of media, the Italian top executive will have responsibility for finance and France's top executive will be in charge of creative.

"Unless you can change the way people think about their job and territory, you will achieve nothing," said Roger Edwards, Grey chairman here.

With major accounting companies like Ernst & Whinney and Arthur Andersen & Co. working hard at developing 1992 expertise, Mr. Edwards said, agencies "may lose our place as the principal advisers to corporations unless we get our act together."

Taking a different approach, D'Arcy was inspired by winning the U.K. government's account to promote awareness of 1992 and ended up setting up its own 1992 department. That staff tailors presentations for marketers that want to know what impact 1992 will have on their specific industries.

One of O&M's 1992 strategies is Eurotest, a European test market program using Belgium. O&M picked Belgium because of its representative cultural mix, well-developed media, two distinct language groups, open economy and concentrated retail network.#

PAN-EUROPEAN ACCOUNT WINS 1988/1989

These pan-European account shifts each worth $10 million or more have moved since January 1988. Value of accounts in millions of dollars.

Advertiser	Value	Winner
Texaco petroleum	$ 10	DMB&B, London, Amsterdam
Fruit of the Loom outer/underwear	$ 10	Alliance Int'l, London
Kimberly-Clark Kleenex tissue	$ 10	Publicis/FCB, London
Philips personal appliances	$ 10	DMB&B, London, Amsterdam
Helena Rubinstein cosmetics	$ 10	FCA!, Paris
Continental Tire tires	$ 10	Ogilvy & Mather, Frankfurt
Federal Express courier	$ 13	KHBB, London
Northern Telecom corporate	$ 13	BSB Dorland, London
Philips lighting	$ 15	DMB&B, London, Amsterdam
Spanish Tourist Bureau	$ 15	DDB Needham, Madrid
Johnson & Johnson Carefree/skincare	$ 15	Young & Rubicam, Frankfurt, Milan
UDG Gordon's Gin	$ 15	DMB&B, London
Europcar auto	$ 16	McCann-Erickson, Paris
Gillette Natrel Plus	$ 16	Saatchi & Saatchi, London
Int'l Wool Secretariat	$ 17	BBDO, Paris
Reckitt & Colman Airwick	$ 17	Young & Rubicam, Paris
Canon camcorders	$ 17	Saatchi & Saatchi, London
Jacobs Suchard coffee	$ 18	Saatchi & Saatchi, Frankfurt
UDG Johnnie Walker whisky	$ 20	WCRS, London
Quaker Gatorade	$ 20	Young & Rubicam, London
Philips/Whirlpool	$ 20	Publicis/FCB, London
Trans World Airlines	$ 21	Young & Rubicam, London
Hewlett-Packard computers	$ 25	Saatchi & Saatchi, London
Seagram's Martell	$ 25	DDB Needham, London
Alfa Romeo auto	$ 25	Conquest Europe, Milan
Gillette Antica, Aapri, Silkience	$ 30	Ayer Int'l, London
United Int'l Pictures promotion	$ 30	Young & Rubicam, London
Henkel detergents and cleaners	$ 30	Lowe Int'l, HDM, BBDO, TBWA
Johnson & Johnson Silhouette, Serena	$ 32	Saatchi & Saatchi, London
3M various products	$ 36	HDM Int'l, Brussels; Grey, London; Grey, Milan; BSB Dorland, London
Olivetti computers	$ 50	Ogilvy & Mather, Milan
Beiersdorf Cosmed division*	$ 50	TBWA, N W Ayer, Burnett
Johnson Wax household/personal care*	$ 55	FCB, DDB Needham, both London
Johnson & Johnson o.b. tampon	$ 60	Saatchi & Saatchi, London
SEAT auto	$100	Ayer Int'l, Madrid
Sara Lee/Douwe Egberts various products*	$100	BBDO, Saatchi & Saatchi, HDM, BSB

* Figure is how much entire pan-European account worth, not necessarily how much moved.

Marketers proceed despite hazy future

(Continued from Cover)

viously included in the taxation. The U.K. furiously is fighting the plan, which would mean, for example, that families there would pay a value-added tax on children's shoes for the first time.

Tobacco marketers have their eye on a proposal to restrict the use of people and realistic settings in tobacco ads and to ban the use of tobacco-product brand names for non-tobacco products, such as lighters or fashion collections. Final approval is expected by yearend.

The regulatory clouds that could eventually control the amount of tar and nicotine in tobacco products could have a silver lining for multinational marketers.

As part of the drive to increase competition within the EC, the state-owned tobacco monopolies in France, Italy and Spain are being forced to allow international brands greater access to their countries.

Philip Morris Cos., British-American Tobacco, R.J. Reynolds Tobacco Co. and other marketers expect shares of their best-selling brands to increase on a Europewide basis, even as various marketing tools are taken away by the expected European bans.

One indirect result of directives harmonizing taxes and excise duties may be a ban on duty-free sales at airports, potentially damaging to spirits and tobacco marketers.

Those sales are likely to be transferred to domestic markets, where a strong international image can boost sales against less prestigious national brands. That prospect makes strong international branding important for distillers.

Anticipating this, Guinness-owned United Distillers, marketer of Johnnie Walker Scotch whisky and Gordon's gin, has identified a strong, consistent image as a marketing priority for Europe in 1992.

A September relaunch for Johnnie Walker in Europe began with the consolidation last month of its $25 million European account at WCRS Mathews Marcantonio, London.

"We [previously] had an adaptation of the American campaign" in the Netherlands, said Rob Hermans, managing director, United Distillers' European division. "In Spain, [the campaign] was Johnnie the 'Skywalker.' In Italy, we called it the 'Bambino.' All these campaigns had a different image; there was no unity."

Like United Distillers, General Motors is anticipating certain EC directives and is moving ahead.

GM decided to install catalytic converters on cars sold in West Germany because of anticipated stricter EC emission guidelines.

Besides dealing with European competitors, U.S. automakers must be prepared to face the Japanese.

Japanese automakers already have grabbed 11% of Europe's 13 million-unit new-car market, and experts predict that share will double by 1995.

Japanese auto market shares vary enormously within the EC. In France and Italy, strict local quotas for passenger car imports limit their shares to 3% and 0.7%, respectively. The U.K. and Germany impose no quotas.

How Japanese imports will be dealt with in 1992 is still unclear, but a single European quota looks likely. That probably means more Japanese penetration of the now-more restrictive markets.

GM Europe was set up three years ago in Zurich to coordinate the activities of national subsidiaries. The pan-European research—and subsequent design changes—seem to be working. The midsize Vectra (called Cavalier in the U.K. but not the same auto as the Cavalier sold in the U.S.) is expected to exceed first-year sales projections of 350,000 units. The model was launched in the fall.

The Vectra's suspension can handle the rough treatment of Germany's Autobahns yet delivers the smoother drive preferred in France, said Ken Levy, director of media relations for GM Europe.

Interior styling reflects the orderly look northern European drivers like, while lively colors and patterns for seat covers make the same car attractive to southern Europeans, Mr. Levy added.

Also, advertising has a more consistent look now. GM used Lowe International for the Vectra's U.K. and West German launches; McCann-Erickson, Zurich, adapted the campaign for other countries.

In the food arena, marketers' biggest concerns about coming directives are that they be specific and leave no room for varying interpretations.

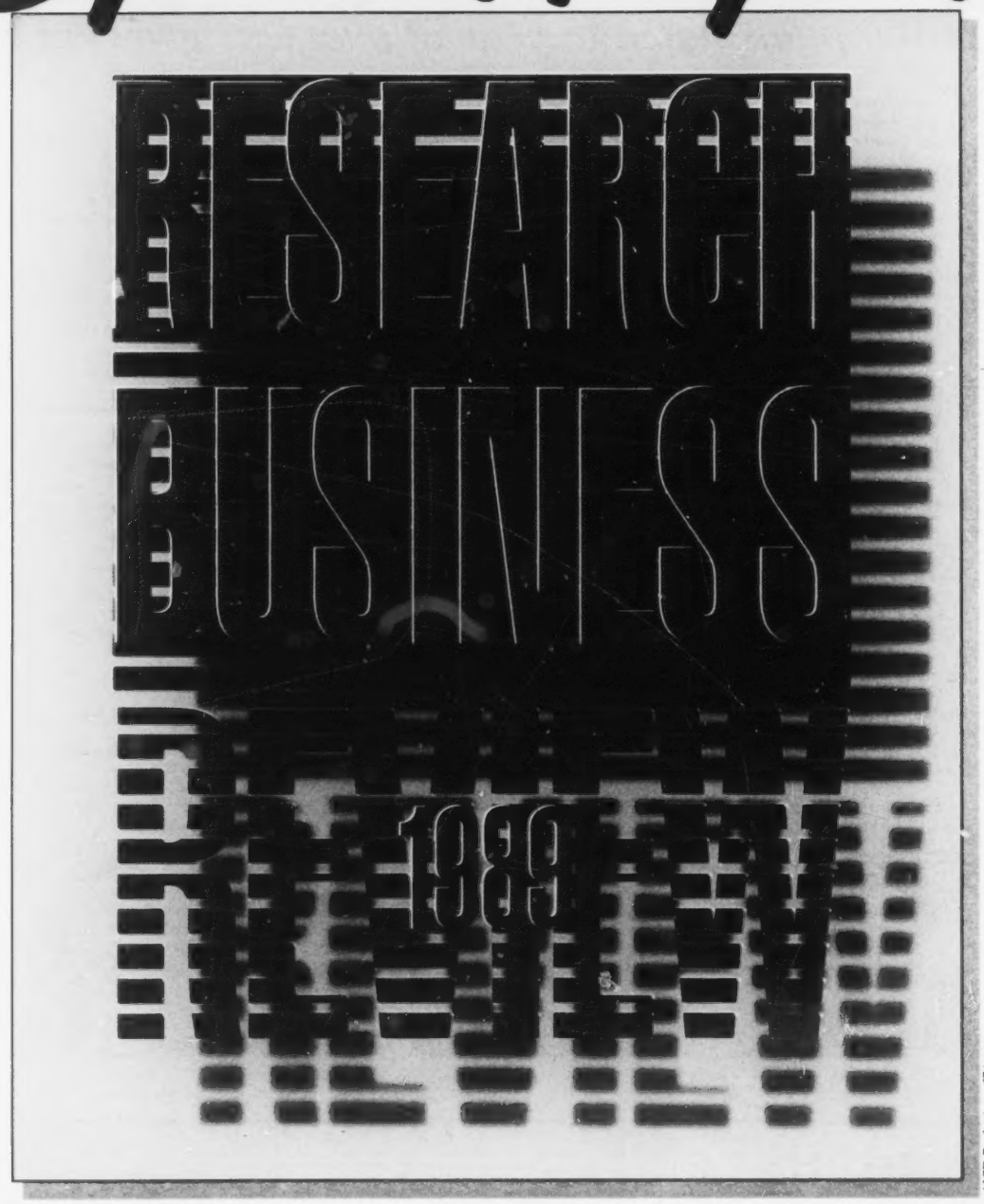
For example, when foods are labeled "fresh," marketers want clear direction on what comprises a fresh food. Another area certain to be regulated will be nutrient labeling, now controlled by each country.

So far, food marketers have been more involved in bidding wars for takeovers as rivals rush to acquire the critical mass they say they will need to compete in the new Europe.

Although there may be more action like Nestle's victory last year over Jacobs Suchard for control of U.K. confectioner Rowntree, many food companies still believe a more unified Europe will have little impact on their business.

Said Michael Sargent, marketing services manager at H.J. Heinz Co.: "My personal view is that a single Europe is not going to help us sell one tin of beans or a single bottle of ketchup."#

Special Report



AVID Productions, Chicago

Leading 50 researchers top $2.6 billion

Growth rate off a bit; D&B adds No. 2 company

By Jack J. Honomichl

Top line data from this, the 15th Annual Industry Review compiled exclusively for ADVERTISING AGE, show that:

- Combined revenues of the industry's Top 50 organizations were up 13.9% in 1988, but the growth rate was lower than that of 1987 (16.8%) and 1986 (16.2%).
- After adjustment for inflation, the Top 50's "real growth" was 9.8% compared to 13.2% in 1987 and 14.3% in 1986.
- The Top 50's growth rate was buoyed by revenues from outside the U.S. where inflation is relatively high and where the U.S. dollar continues to be weak vis-a-vis many major foreign currencies.
- After discussing the heady impact of foreign revenues, and based on the performance of 140 research organizations, for which I have 1987 to 1988 revenue data, it seems that the growth of expenditures for research services within the U.S. grew about 7.8% in 1988, or 3.7% after accounting for inflation.
- Total expenditures for research in the U.S. in 1988, including work done by non-profit research organizations and agencies of the federal government in-house, were slightly over $2.1 billion.
- The biggest research story of 1988 was the acquisition of IMS International (No. 2 on the list) for $1.7 billion by Dun & Bradstreet Corp. This, plus the acquisition in 1984 of A.C. Nielsen (No. 1), gives D&B control of the two largest research organizations in the world and more than $1.2 billion in research revenues, about $524 million of which is in the U.S.

The main element in this analysis comes from the 1987 to 1988 revenue records of 50 leading U.S. marketing/advertising/public opinion research organizations, which in aggregate had worldwide revenues of more than $2.6 billion in 1988, up 13.9% over 1987.

After adjustment for inflation (4.1% in 1988, according to the U.S. Department of Labor Consumer Price Index-U monthly average), this melts down to a "real growth" rate of 9.8%.

Of the Top 50's $2.6 billion in revenues, $888.2 million, or 34%, came from operations outside the U.S. (vs. 31.8% in 1987).

Five major organizations—Nielsen, IMS, Research International, MRB Group and Louis Harris & Associates—got more than half of their revenues from outside the U.S.

When I eliminate the overseas revenues of these five organizations, the Top 50 list shows a growth rate of 8.3% in 1988, or 4.2% after adjustment for inflation.

Another set of depreciating data comes from the Council of American Survey Research Organizations, which shows that 90 members other

(Continued on Page S-2)

Jack J. Honomichl is ADVERTISING AGE's *research columnist.*

Top 50 research companies listed

Changes, expansion plans noted in year of overseas growth and acquisitions

RANK 32

ABT Associates

Cambridge, Mass.
Research revenues: **$10.1** million
Percent change: **24.3%**

This organization, which specializes in technical and economic analyses, mostly for the federal government, had total revenues of $37.8 million, of which 27%, or $10.1 million, was derived from market research activities, including focus groups, mail surveys, in-person interviews and telephone surveys.

Ad hoc surveys and consultation in customer satisfaction surveys account for about 45% of research volume. Other services include strategic marketing, concept tests, corporate image and positioning, market assessment and segmentation, new-product forecasting, market information systems, training and human resources management and productivity.

Fields of specialization include financial services, healthcare, insurance, automotive, high technology, travel and lodging and telecommunications.

A central telephone interviewing facility in Amherst, Mass., has a 100-station capacity, with on-line monitoring and a 32-station network of CATI terminals.

Senior VP, Business Research and Consulting Group, is Wendell Knox, 41.

RANK 35

Admar Research

New York
Research revenues: **$9.8** million
Percent change: **2.1%**

Admar specializes in consumer tracking studies, product testing and advertising studies that employ copyrighted methodologies.

Revenues include those of two field affiliates, Market Trends and Survey Research. The two field interviewing offices have a 55 interviewing stations.

The company has 52 full-time employees. Henry Ostberg is chairman-president.

RANK 3

Arbitron/SAMI/Burke

Minneapolis
Research revenues: **$320.0** million*
Percent change: **-1.5%**

This conglomerate is divided into two units: Arbitron Co., New York, which includes SAMI as of 1988, and Burke Marketing Services, Cincinnati.

Burke, which had revenues estimated at $73 million in 1987, is in the process of being acquired by its management group. Included are Bases, Burke Marketing Research, Burke Canada, Burke International Research, Test Marketing Group and Burke Institute. This transaction is expected to be finalized in the near future.

The main operation, Arbitron Co., provides syndicated radio audience measurement service in 259 markets, using mail diaries, and TV/cable measurements in 213 markets, using a combination of mail diaries and meter or people meter-equipped households. In addition to printed reports, radio and TV stations, advertisers and agencies may receive audience data through computer-based electronic book systems.

Starting in 1989, Arbitron will produce Hispanic Reports for 16 separate markets.

Arbitron is expanding its ScanAmerica single-source service, which electronically measures TV viewing via people meters and product purchases via an in-home scanner device that "reads" UPC bar codes. Now available in Denver, ScanAmerica service is planned for New York, St. Louis, Sacramento-Stockton and Minneapolis-St. Paul in 1990, and Phoenix in 1991.

Arbitron's SAMI division provides product movement reports for 54 SAMI-defined marketing areas based on warehouse withdrawal data from supermarkets, drugstores and mass merchandisers. A companion service, Samscan, produces product movement data measured by UPC scanning in 35 SAMI-defined markets and a total of 2,100 supermarkets.

SAMI also maintains a data base of causal data, which includes free standing inserts, couponing and store features. Clients can receive SAMI product data via DecisionMaster, a PC-based analytical system.

The Burke Marketing Services unit specializes in field and tab, full-service survey research, TV copy testing, market modeling, single source test-marketing facilities and training seminars for research professionals.

The company employs 3,700.

Arbitron/SAMI/Burke reports to David P. White, 51, president of CDC's Business Services Group. Arbitron Co. President A.J. "Rick" Aurichio is 51. Jack Brown, 45, is president of Burke Marketing Research.

* Revenues do not include Broadcasting Advertisers Reports and Radio-TV Reports, acquired by Arbitron in 1987.

About 1% or $3.3 million in 1988 revenues were generated from business outside the U.S.

RANK 25

ASI Market Research

New York
Research revenues: **$14.8** million
Percent change: **-11.4%**

In early 1988, IDC Services, ASI Market Research's parent company, was acquired by Apollo Partners, a private company founded by former top Viacom executives. The revenue decline from 1987 was largely due to the prolonged Writers Guild strike. The strike curtailed TV pilot show production, and a significant segment of ASI's revenue comes from pre-testing pilots.

ASI concentrates in testing TV commercials and print ads and evaluating entertainment projects such as TV shows and movie films.

Persuasion Plus, ASI's TV commercial testing system, is based on Tru-Share, its validated measurement of persuasive impact. Both Persuasion Plus and ASI's other commercial testing service, Recall Plus, are CATV-based and operate in 11 to 15 cities. ASI's Apex system fuses recall, persuasion and diagnostics. In 1988, the company introduced Attention/Linkage Analysis, a recall model for copy testing. It also opened a new 120-station telephone interviewing facility in Great Bend, Kan.

ASI has 71 salaried exempt and 425 non-exempt employees. Sales/service offices are located in Chicago and Los Angeles. Gerald Lukeman, 57, is president-ceo.

RANK 27

Birch/Scarborough Research

Coral Springs, Fla.
Research revenues: **$13.2** million
Percent change: **17.9%**

Birch Radio, which in February received Electronic Media Radio Council accreditation, develops syndicated radio audience ratings. It uses a telephone-based methodology and monitors more than 250 markets, 109 of which are measured continuously.

Birch quarterly summary reports include qualitative and product usage data, cross-media comparisons, standard demographic analy-

Wendell Knox
ABT Associates

Henry Ostberg
Admar Research

A.J. Aurichio
Arbitron

Gerald Lukeman
ASI

Thomas Birch
Birch/Scarborough

Leading researchers

(Continued from Page S-1)

than those listed in the Top 50 had combined revenues of $220 million in 1988, up 3.8% over 1987.

Most of these companies are too small to make the Top 50 listing, or for some other reason did not qualify.

By adding the Top 50 to the CASRO group, we have the records of 140 research organizations ranging from huge worldwide conglomerates down to some with revenue in the $500,000 range. In total, their 1988 revenues were more than $2.8 billion, of which 31.4% came from outside the U.S.

After deducting the overseas revenues of Nielsen, IMS, Research International, MRB and Harris, this 140-company list shows a growth rate of 7.8% in 1988, and just 3.7% after adjustment for inflation. This is probably the best approximation of how much more was spent for research services within the U.S. in 1988 through for-profit organizations.

To determine the size of the U.S. marketing/advertising/public opinion research market in 1988, take the 140-company total of $2.8 billion and subtract the $888.2 million coming from overseas; that leaves more than $1.9 billion. From that apply a 5% deflation factor to account for subcontracting, a common industry practice.

For instance, one of the Top 50, Mediamark, uses another Top 50 company, Chilton, to do all the field work in its annual study of magazine readership in 10,000 households.

By adding the revenues of Mediamark to those of Chilton, we are in effect taking that part of client expenditures for Mediamark's study and counting it twice. The 5% deflation factor is a conservative estimate, but probably close to the truth of the matter if that could be determined accurately. This brings the U.S. expenditures through for-profit companies down to more than $1.8 billion.

To arrive at the total market, add in about $270 million to account for research done by non-profit research organizations affiliated with universities (for example, NORC at the University of Chicago or the Survey Research Center at the University of Michigan), research done in-house by agencies of the federal government and in-house by some major advertisers.

This process produces an estimated size of a research market of slightly more than $2.1 billion in 1988.

There are few changes in the 1988 list from that of 1987. Revenues of Cambridge Reports are now included in those of Research International, because of acquisition. Gallup Organization is out because of acquisition by Selection Research Inc., Lincoln, Neb.

Directions for Decisions' revenues dropped below $5 million.

Three companies new to the list are Intersearch Corp., Marketeam/Doane Marketing Research and ABT Associates.

Beyond that, the most striking development in 1988 was the effort of numerous U.S. researchers to expand their business outside the U.S. through joint ventures, licensing agreements or direct sales of services. Included in this group are M/A/R/C Inc., Information Resources Inc., Custom Research, J.D. Power & Associates, McCollum/Spielman, National Research Group and Elrick & Lavidge.

The flip side is continued growth in the number of U.S. research organizations that are owned by non-U.S. (mostly British) corporations. The Top 50 list of 1988 contains eight: MRB Group, Yankelovich Clancy Shulman, Millward Brown (ex-Ad Factors), Field Research Corp., National Research Group, Mediamark, NFO Research and Birch/Scarborough. Together, these companies had revenues of $198.3 million in 1988.

As in previous years, the 1988 revenues for each of the Top 50 organizations are actual and may include revenues gained from acquisitions during the year, as explained in the profiles.

But the growth rates of the Top 50, as much as possible, have been calculated on a comparable base from year to year.

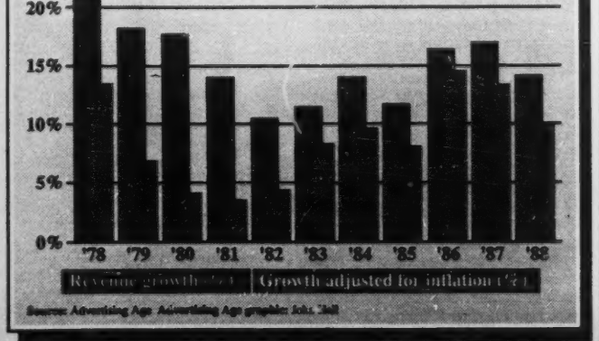
So, if company A bought company B during 1988, company A's growth rate is calculated on its revenues of 1988 plus those of company B for 1988 vis-a-vis a comparable base in 1987 (just the opposite was done in cases of divestiture). If this procedure were not followed, the industry growth rate would appear to be much higher but would be to some degree merely a reflection of acquired revenues.

Also, as in past listings, the revenues for the Top 50 are for research activities only. Certain companies, as explained in the individual company profiles, have significant additional revenues from non-research activities.

The company-by-company profiles that begin above detail the operations of each of 1988's Top 50 research shops, major changes that took place in 1988 and their expansion plans for the remainder of 1989. □

Top 50 companies' growth slows

Total revenue growth—after being adjusted for inflation—of the top 50 U.S. research companies dropped from 13.2% in 1987 to 9.8% in 1988



Top 50 U.S. research organizations

Rank 1988	Rank 1987	Organization	Research revenues 1988 total	'88-'87 % chg	Address	Telephone	Top executive, title
1	1	**A.C. Nielsen***	**$880.0**	20.5	Nielsen Plaza, Northbrook, Ill. 60062	(312) 498-6300	John Holt, chmn-ceo
2	3	**IMS International***	**365.0**	22.0	800 Third Ave., New York 10022	(212) 371-2310	Serge Okun, president-ceo
3	2	**Arbitron/SAMI/Burke**	**320.0**	(1.5)	8100 34th Ave. South, Minneapolis 55440-4700	(612) 853-8100	A.J. Aurichio, president
4	4	**Information Resources**	**129.2**	22.5	150 N. Clinton St., Chicago 60606	(312) 726-1221	John Malec, chmn
5	5	**Research International**	**103.4**	9.1	26a Great Peter St., London SW1P 2BX	01-799-2363	Ian Hunt, ceo
6	7	**MRB Group**	**78.2**	28.0	380 Madison Ave., New York 10017	(212) 916-8985	Frank Stanton, chmn-ceo
7	6	**WESTAT**	**64.3**	5.3	1650 Research Blvd., Rockville, Md. 20850-3129	(301) 251-1500	Joseph Hunt, president-ceo
8	8	**M/A/R/C Inc.**	**51.1**	1.6	7850 North Belt Line Rd., Irving, Texas 75063	(214) 506-3400	Cecil Phillips, chmn-ceo
9	9	**NFO Research**	**40.9**	5.1	2 Pickwick Plaza, Greenwich, Conn. 06830	(203) 629-8888	William Lipner, pres-ceo
10	10	**Maritz Marketing Research**	**39.9**	4.7	1395 N. Highway Drive, Fenton, Mo. 63026	(314) 827-2325	William Lewellen, president
11	11	**Market Facts**	**37.8**	1.0	676 N. St. Clair St., Chicago 60611	(312) 280-9100	Verne Churchill, ceo
12	12	**Elrick & Lavidge**	**31.4**	4.9	10 S. Riverside Plaza, Chicago 60606	(312) 726-0666	J. Edward Shrawder, pres.
13	13	**NPD Group**	**29.8**	16.0	900 W. Shore Rd., Port Washington, N.Y. 10050-0402	(516) 625-0700	Tod Johnson, president-ceo
14	14	**Yankelovich Clancy Shulman**	**24.5**	(6.2)	8 Wright St., Westport, Conn. 06880	(203) 227-2700	Robert Shulman, president-ceo
15	15	**Chilton Research Services**	**23.7**	11.8	1 Chilton Way, Radnor, Pa. 19089-0193	(215) 964-4606	Marjorie Michitti, vp-gen mgr
16	16	**Walker Research**	**21.7**	8.0	3939 Priority Way South Dr., Indianapolis 46280-0432	(317) 843-3939	Frank Walker, chmn-ceo
17	17	**Louis Harris & Associates**	**19.4**	4.3	630 Fifth Ave., New York 10111	(212) 698-9600	Louis Harris, chmn-ceo
18	28	**Starch INRA Hooper**	**19.0**	8.4	566 E. Boston Post Rd., Mamaroneck, N.Y. 10543	(914) 698-0800	William Wilson, president-ceo
18	NA	**Intersearch Corp.**	**19.0**	25.3	132 Welsh Rd., Horsham, Pa. 19044-0189	(215) 657-6400	Alan Widra, chmn-president
20	22	**Pharmaceutical Data Services**	**18.3**	30.7	P.O. Box 52115, Phoenix 85072-2115	(602) 391-4731	Sheldon Silverberg, president
21	19	**Opinion Research**	**17.2**	9.6	P.O. Box 183, Princeton, N.J. 08542-0183	(609) 924-5900	Andrew Brown, president-ceo
22	21	**National Analysts**	**15.3**	5.5	400 Market St., Philadelphia 19106	(215) 627-8110	Marshall Greenberg, president
23	20	**Harte-Hanks Marketing Services**	**15.0**	2.0	65 Route 4, River Edge, N.J. 07661-1924	(201) 342-6400	Richard Hochhauser, president
24	23	**Decision Research**	**14.9**	14.6	33 Hayden Ave., Lexington, Mass. 02173	(617) 861-7350	Eric Almquist, gen mgr
25	18	**ASI Market Research**	**14.8**	(11.4)	79 Fifth Ave., New York 10003	(212) 807-9393	Gerald Lukeman, president-ceo
26	24	**National Research Group**	**14.2**	23.5	7046 Hollywood Blvd., Los Angeles 90028	(213) 856-4400	Joseph Farrell, chmn-ceo
27	26	**Birch/Scarborough Research**	**13.2**	17.9	12350 NW 39th St., Coral Springs, Fla. 33065-2404	(305) 753-6043	Thomas Birch, chmn-ceo
28	27	**Mediamark Research**	**13.0**	16.1	341 Madison Ave., New York 10017	(212) 599-0444	Timothy Joyce, chmn-ceo
29	33	**Market Opinion Research**	**11.4**	34.0	243 West Congress, Detroit 48826	(313) 963-2414	Frederick Currier, chmn-ceo
30	25	**Custom Research**	**10.8**	(5.3)	10301 Wayzata Blvd., Minneapolis 55426-0695	(612) 542-0800	Jeffery Pope, partner
31	29	**Data Development**	**10.4**	4.0	120 Fifth Ave., New York 10011	(212) 633-1100	Jerry Rosenkranz, chmn
32	NA	**ABT Associates**	**10.1**	24.3	55 Wheeler St., Cambridge, Mass. 02138	(617) 492-7100	Wendell Knox, sr vp
33	36	**Wirthlin Group**	**10.0**	26.0	1363 Beverly Rd., McLean, Va. 22101	(703) 556-0001	Richard Wirthlin, chmn
34	37	**J.D. Power & Associates**	**9.9**	30.1	30401 Agoura Rd., Agoura Hills, Calif. 91301	(818) 889-6330	J. David Power III, president
35	31	**Admar Research**	**9.8**	2.1	304 Park Ave. South, New York 10010	(212) 677-1700	Henry Ostberg, chmn-president
36	32	**McCollum/Spielman International**	**8.9**	2.6	235 Great Neck Rd., Great Neck, N.Y. 11021	(516) 482-0310	Donald McCollum, chmn
37	38	**Lieberman Research West**	**8.8**	27.6	1900 Avenue of the Stars, Los Angeles 90067	(213) 553-0550	Arnold Fishman, chmn
38	39	**Millward Brown Inc.**	**8.6**	30.3	751 Roosevelt Rd., Glen Ellyn, Ill. 60137	(312) 858-3760	Robert Meyers, president-ceo
39	34	**Guideline Research**	**8.2**	(3.5)	3 W. 35th St., New York 10001	(212) 947-5140	Norman Passman, president
40	44	**Total Research**	**7.5**	33.9	5 Independence Way, Princeton, N.J. 08540	(609) 921-8100	Lorin Zissman, president-ceo
41	40	**Kapuler Marketing Research**	**6.9**	5.2	3436 N. Kennicott Ave., Arlington Heights, Ill. 60004	(312) 870-6700	Stanley Kapuler, president
42	42	**Conway/Milliken & Associates**	**6.8**	13.8	875 N. Michigan Ave., Chicago 60611	(312) 787-4060	Foy Conway, ceo
43	35	**Response Analysis**	**6.7**	(16.0)	377 Wall St., Princeton, N.J. 08542	(609) 921-3333	James Fouss, president
44	46	**CLT Research Associates**	**6.5**	20.3	345 Park Ave. South, New York 10010	(212) 779-1900	Lowell Allen, president
45	41	**Marketing Research Services**	**6.3**	(1.0)	15 E. Eighth St., Cincinnati 45202	(513) 579-1555	Edward Horgan, president-ceo
45	45	**Newman-Stein**	**6.3**	14.6	902 Broadway, New York 10010	(212) 777-2700	William Stein, partner
47	43	**Vanderveer Group**	**6.1**	5.2	555 Virginia Drive, Fort Washington, Pa. 19034	(215) 646-7200	Richard Vanderveer, chmn
48	49	**Field Research**	**5.7**	9.6	234 Front St., San Francisco 94111	(415) 392-5763	Aaron Levy, president-ceo
49	50	**Oxtoby-Smith**	**5.0**	(3.0)	215 Park Ave. South, New York 10003	(212) 614-0040	Joseph Smith, president
49	NA	**Marketeam/Doane Marketing Rsch**	**5.0**	11.6	555 North New Ballas Rd., St. Louis 63141	(314) 569-1324	Carl Block, president-ceo
		Subtotal-top 50	**2,609.9**	**13.9**			
		All other**	**220.0**	**3.8**			
		Total: 140 organizations	**2,829.9**	**13.0**			

Notes: Dollars are in millions. For more information (including revenues from non-research activities), see profiles of top 50 U.S. research organizations, beginning on Page S-2. Percent change figures are pro forma, to account for acquisitions. * Indicates that company revenues are AA estimates. ** Includes revenues of 90 survey research firms (not in top 50) that provide financial information on a confidential basis to the Council of American Research Organizations (CASRO). **Source:** Advertising Age.

Marjorie Michitti
Chilton

Lowell Allen
CLT Research

Foy Conway
Conway/Milliken

Jeffery Pope
Custom Research

Jerry Rosenkranz
Data Development

Eric Almquist
Decision Research

J.E. Shrawder
Elrick & Lavidge

Aaron Levy
Field Research

Norman Passman
Guideline

sis and daypart audience estimates.

Birch Radio also offers Target Market Reports, including analysis of black listenership in 41 markets and Hispanic in 16 markets. Its Airline Target Market Reports cover 101 markets.

The Birch/Scarborough Multi-Media Consumer Profile service annually studies retail shopping, product and service usage of radio, TV and newspaper audiences in 30 top markets.

Birch has 145 full-time employees and about 600 part-timers in its corporate office, four sales/marketing offices and six telephone interviewing facilities.

The company's majority interest is owned by VNU Business Information Services, a unit of United Dutch Publishing Cos., Haarlem, The Netherlands.

Thomas Birch, 36, is chairman-ceo; William Livek, 34, is president-chief operating officer.

RANK 15

Chilton Research Services

Radnor, Pa.
Research revenues: **$23.7** million
Percent change: **11.8%**

Early this year Chilton, an ad hoc custom marketing research company, introduced Easy Access. The software package connects client PCs to Chilton's mainframe, providing instant information 24 hours a day.

The company is organized into specialty groups focusing on telecommunications, computers, business-to-business, customer satisfaction measurements, entertainment, transportation, utilities and retailing.

An in-house statistical group is dedicated to modeling/forecasting and statistical analysis. A field department handles large-scale personal interview projects and election and exit-poll surveys for ABC News.

Chilton operates dedicated telephone interviewing centers for customer satisfaction studies for four Baby Bell companies; one unit is dedicated to training telephone company customer service reps using custom simulated role-playing techniques.

The company has three interviewing centers with a total of 168 positions, all CATI-equipped. The CATI system incorporates on-line sample control and interactive cross tabulations. Chilton has 218 full-time salaried employees.

Marjorie Michitti, 39, is VP-general manager of Chilton Research, a wholly owned subsidiary of Capital Cities/ABC.

RANK 44

CLT Research Associates

New York
Research revenues: **$6.5** million
Percent change: **20.3%**

CLT Research, a full-service custom survey company, does strategy research, market segmentation, concept/product testing, positioning research and tracking/test market surveys for both consumer product and business-to-business clients. It emphasizes package goods and financial services.

CLT also is involved in respondent-interactive computerized interviewing, offering instant data retrieval along with controlled interviewing environments and digital translation of concepts, storyboards, or story-matic commercials; customer satisfaction surveys; and international research coordinated through its New York office, an activity that will be expanded in 1989 through an international network established in 1988.

There are 50 employees, CLT is jointly headed by President Lowell Allen, 46, and Leslie Moran, 46.

RANK 42

Conway/Milliken & Associates

Chicago
Research revenues: **$6.8** million
Percent change: **13.8%**

Conway/Milliken & Associates, a custom survey company, specializes in concept development and evaluation; product research covering sensory and in-home testing; ingredient screening and RSM product optimization, and continuous tracking and telephone research for consumer products. This year the company plans to launch a promotions research group.

During 1988, CMA organized a consulting group, which includes Q-Team Qualitative, Developmental Workshops and Super Group consumer idea generation.

The company also introduced Fitest last year. The quantitative service measures fit/congruence between concept and product.

It has two central telephone interviewing facilities: one with 30 stations in Chicago and one with 50 stations in St. Louis. All are CRT-equipped. The company employs 70 full-time salaried workers.

Founder Foy Conway, 58, is ceo.

RANK 30

Custom Research

Minneapolis
Research revenues: **$10.8** million
Percent change: **-5.3%**

This custom survey company is organized into six divisions, including the Consumer Research division, Corporate Services division and Medical Research Bureau.

Its Custom Research Telephone division offers central telephone WATS interviewing, with 50 CRT-equipped stations located in St. Paul, Minn. In 1988, the company's Custom Research International contracted with NOP Market Research, London, to make available in the U.K. CRI's Critique prediction model and Criterion concept testing methodology.

CRI's Services Research Group markets a service called Service Quality Audit to evaluate customer satisfaction. CRI has 70 full-time salaried employees—plus 150 part-timers—and service offices in Union, N.J., Chicago and San Francisco.

It is managed by two partners, Judith Corson, 44, and Jeffery Pope, 48.

RANK 31

Data Development

New York
Research revenues: **$10.4** million
Percent change: **4.0%**

This full-service, custom survey research organization includes Data Development Corp., New York; New Rochelle (N.Y.) Conference Center; and The Telephone Center, with facilities in New Rochelle and, new in 1989, Greensboro, N.C. In total, these phone interviewing facilities have 105 stations, 90 of which are CRT-equipped. In 1988, it divested another unit, New York Conference Center, and the growth rate has been adjusted accordingly.

DDC, with 75 full-time employees, concentrates on strategic and market structure studies, tracking surveys, product/service positioning and product testing. Proprietary methodologies include: Copy II (copy strategy); Adopter (total brand equity); and Marketscore (in-depth study of food service market). New services in 1989: Copy IIA and Satisfind (a customer satisfaction measurement system).

During 1988, DDC relocated its headquarters office. Jerry Rosenkranz, 53, is chairman and Joseph Goldstein, 53, is president-ceo.

RANK 24

Decision Research

Lexington, Mass.
Research revenues: **$14.9** million
Percent change: **14.6%**

In 1989, this full-service research company plans to expand its work in buyer decision-making research, including discrete choice modeling and brand equity studies.

DRC currently specializes in custom ad hoc survey work for consumer goods and business-to-business marketers. Industry specializations include computer, telecommunications, professional service companies (including ad agencies), financial, healthcare, travel and leisure, package goods, utilities, media and direct marketing.

Decision Research also conducts market research training seminars emphasizing the interaction of qualitative and quantitative techniques. DRC also conducts jury simulation panels for legal clients, including running mock trials.

A division of Temple, Barker & Sloane, a subsidiary of Marsh McLennan Cos., DRC has 75 full-time employees in four offices. Offices in Atlanta and San Francisco were added in 1988 to existing locations in Lexington, Mass., and New York. Eric Almquist, 41, is general manager.

RANK 12

Elrick & Lavidge

Chicago
Research revenues: **$31.4** million
Percent change: **4.9%**

Elrick & Lavidge's revenues include those of subsidiary Quick Test Opinion Centers, Philadelphia. This national network of 25 mall interviewing sites accounts for about 38% of E&L revenues.

Late in 1988, Quick Test acquired Field Facts, Framingham, Mass., a field interviewing service with 14 locations. These are now being merged into the Quick Test organization, and Field Facts' 1988 revenues have not been factored into E&L's figures.

During 1988, E&L entered into a joint venture with Advertising Research Corp., Berkeley Heights, N.J., to launch a syndicated service that measures Yellow Page readership. Also, Quick Test set up a joint venture with Field Facts U.K., the first step in developing a European field service organization.

E&L specializes in survey research for consumer product and business-to-business clients through full-service offices in Atlanta, Chicago, Cincinnati, Downers Grove, Ill., Los Angeles, Paramus, N.J., and San Francisco. Combining personnel in these offices and field facilities, E&L employs a full-time salaried staff of about 225 and about 850 part-timers.

E&L operates four telephone interviewing facilities with more than 300 stations, about 57% of which are CATI-equipped.

J. Edward Shrawder, 52, is E&L's president; Sanford Schwartz, 37, is president of Quick Test.

RANK 48

Field Research

San Francisco
Research revenues: **$5.7** million
Percent change: **9.6%**

Recently purchased by London-based KLP Group, this full-service, custom survey research company mainly focuses on ad hoc projects for clients in the following areas: utilities, health services, petroleum products, financial services, high-tech electronics, consumer products and services, print and broadcast media, retail chains, state government and law firms.

The Field Institute, a division within FRC that accounts for about 10% of revenues, publishes The California Poll, a public opinion news service that provides syndicated reports to California newspapers and TV stations, and The California Opinion Index, which performs surveys related to public policy issues.

FRC also operates a custom-designed audience measurement service for sports broadcasts on radio. Clients include radio flagship stations and major sports franchises.

The company has 75 full-time salaried employees in two offices, San Francisco and Los Angeles. It has two central telephone interviewing centers with a total of 80 stations, most of which are CATI-equipped.

President-ceo is Aaron Levy, 54; founder Marvin Field, 67, is chairman.

RANK 39

Guideline Research

New York
Research revenues: **$8.2** million
Percent change: **-3.5%**

Guideline Research Corp. specializes in custom market research—concept product tests, AAU tracking studies, TV copy research, product and corporate strategic and image studies, industrial research, advertising claim substantiation studies and magnitude estimation to optimize product development.

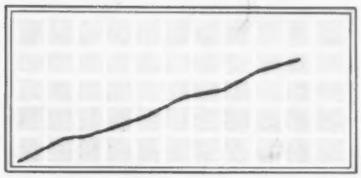
During 1988, GRC created a legal services division to provide custom studies for use in trademark, infringement or claim substantiation proceedings.

GRC includes Guideline Research, Topline Research, Guideline-West, and Tabline Tabulating Services.

The company has more than 50 full-time salaried employees in offices in New York and Los Angeles. It intends to open another branch office this year.

GRC is headed by President Norman Passman, 56, and Jay Friedland, 49.

MARKETING RESEARCH



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RANK 23

Harte-Hanks Marketing Services

River Edge, N.J.
Research revenues: **$15.0** million
Percent change: **2.0%**

Harte-Hanks Marketing Services is a unit of Harte-Hanks Communications' Harte-Hanks Direct Marketing subsidiary.

The unit's Custom Research division offers full-service survey work, specializing in communications, retail and financial research, especially as they relate to direct marketing.

In 1988, Urban Data Processing, Billerica, Mass., an EDP Service bureau that provides data-base processing for marketing and research applications, was renamed Harte-Hanks Technologies.

Two new services from the company are CIS Direct and P/CIS; they offer financial institutions a direct-marketing data base with research capabilities and desktop market research applications.

Richard Hochhauser, 44, is president of Harte-Hanks Direct Marketing and its Marketing Services Group.

RANK 17

Louis Harris & Associates

New York
Research revenues: **$19.4** million*
Percent change: **4.3%**

U.S. operations of this Gannett Co. survey research subsidiary are broken into divisions, including telecommunications, computers, healthcare, banking and financial services, automobiles, public policy and corporate affairs.

About 40% of Louis Harris' work in the U.S. is for foundations, governmental agencies and other nonprofit entities.

A new joint venture, Harris/Scholastic Research, specializes in marketing and social research among school children. Multi-client surveys track corporate, financial, public and leadership opinions and behavior.

Founder Louis Harris syndicates a column in 150 newspapers.

Richard Hochhauser
Harte-Hanks

Louis Harris
Louis Harris

Serge Okun
IMS

John Malec
IRI

Alan Widra
Intersearch

Stanley Kapuler
Kapuler

About 57% of LHA revenues come from European subsidiaries: Harris Research Centre and Louis Harris Medical Surveys in London and Louis Harris France in Paris.

Harris also has conducted numerous survey projects outside the U.S., most recently in China, Poland, Hungary, Zimbabwe, Senegal, Jamaica and Latin America.

The New York office has 100 full-time salaried employees and a central telephone interview facility with 40 CATI-equipped stations.

Louis Harris, 68, is chairman-ceo; Humphrey Taylor, 54, is president-chief operating officer.

* 57.2% or $11.1 million of 1988 revenues were generated by activities outside of the U.S.

RANK 2

IMS International

New York
Research revenues: **$365.0** million*
Percent change: **22%**

This pharmaceutical industry researcher, a wholly owned subsidiary of Dun & Bradstreet Corp. since 1988, receives only about 40% of its revenues from U.S. operations. About $220 million comes from operations in 40 other countries.

IMS measures consumption of pharmaceutical and other healthcare products, evaluates physicians' prescribing patterns and provides services to help pharmaceutical companies manage their sales forces.

Basic services include pharmacy sales reports, which measure prescription and over-the-counter drug sales in more than 60 countries, and medical indices, which provide data on the patterns and treatments of diseases based on the records of practicing physicians in 40 countries. Data is made available to multinational pharmaceutical manufacturers through Multinational Integrated Data Analysis System, which provides electronic access to 18 national data bases.

In 1988, IMS began collecting pharmacy sales information in six West African countries. Another new service, Post Marketing Surveillance, monitors large numbers of patients taking a new drug.

Sales management services include Sales Territory Report, which is available in 19 countries and measures sales and market share at the territory level; SalesTab, an online version of Sales Territory Report; Call Reporting, which enables clients to track sales rep contacts with physicians; Profiling, which provides targeted information such as practice characteristics and prescribing preferences; and Territory Planner, a computerized sales training program.

In 1989, IMS will introduce Territory Manager, a data base service for sales representatives using laptop computers.

IMS market research operations employ about 3,600 employees.

Serge Okun, 42, is IMS president-ceo, reporting to Dun & Bradstreet President-Chief Operating Officer Robert Weissman.

* Some 60% of IMS' 1988 revenue, or $220 million, was derived from international activity.

RANK 4

Information Resources Inc.

Chicago
Research revenues: **$129.2** million*
Percent change: **22.5%**

Information Resources Inc. activities are compartmentalized into five areas:

The BehaviorScan system is a network of single-source data collection facilities in eight mini-markets. The network collects data via UPC scanning-equipped grocery and drugstores and household panels. It also offers the ability to target TV commercials to specific households. BehaviorScan facilities are used to test consumer promotions, advertising and product introductions.

Early in 1989, IRI announced plans to close down two BehaviorScan markets, Salem, Ore., and Rome, Ga. In West Germany, IRI operates a BehaviorScan facility via a joint venture with GfK GmbH.

InfoScan is a syndicated tracking service—both national and in 28 local markets—that provides weekly reports on product movement, share of market and promotional activity based on data from 2,380 stores.

Through a companion service, InfoScan provides household purchase information on 60,000 households clustered around a group of metro-sampling pods and BehaviorScan mini-markets. Tracking household purchases permits further diagnosis of factors such as trial and repeat, buyer demographics, brand loyalty, etc.

Decision Support Systems' main product is Express, a software product that applies to marketing, finance and corporate planning and analysis.

Survey Based Services accounted for about $11 million of IRI's 1988 revenue. Assessor is a simulated test market service to evaluate new-product concepts and sales potential without full-scale test marketing. Early in 1989, IRI announced plans to divest or close Data Group, a telephone survey unit, and the Custom Projects Group.

IRI's acquisition of ABA Group increased its store/shelf management activity with the Apollo retail store management system, now being integrated into the main IRI organization.

During 1988, IRI acquired Javelin Software Corp. in a transaction finalized in the first quarter of '89. Also in 1988, IRI entered into a joint venture, EuroScan GmbH, a company designed to develop market-measure services and management information services in Europe.

John Malec, 44, is chairman; Gian Fulgoni, 41, is vice-chairman-ceo.

* Revenues include $18.3 million from outside the U.S., up 121% from 1987 and accounting for 14.2% of total revenues.

RANK 18

Intersearch Corp.

Horsham, Pa.
Research revenues: **$19.0** million*
Percent change: **25.3%**

A full-service custom research organization, Intersearch provides a range of qualitative and quantitative collection methodologies. It conducts focus groups, teleconferences, telephone interviews—through five satellite interviewing centers with 300 WATS stations, half equipped for CRT interviewing, personal interviews and mall intercept studies; one mall facility has a test kitchen.

Areas of specialization include medical and healthcare, computers, business-to-business and consumer products. Intersearch also is involved in veterinary products, casino research, political polling, tracking studies, new-product concept evaluations and marketing and promotional strategies.

The company has 153 full-time employees and more than 600 part-timers.

Alan Widra, 57, is chairman-president.

* Revenues do not include non-research subscribers to an independent long-distance telephone company operated by Intersearch.

RANK 41

Kapuler Marketing Research

Arlington Heights, Ill.
Research revenues: **$6.9** million
Percent change: **5.2%**

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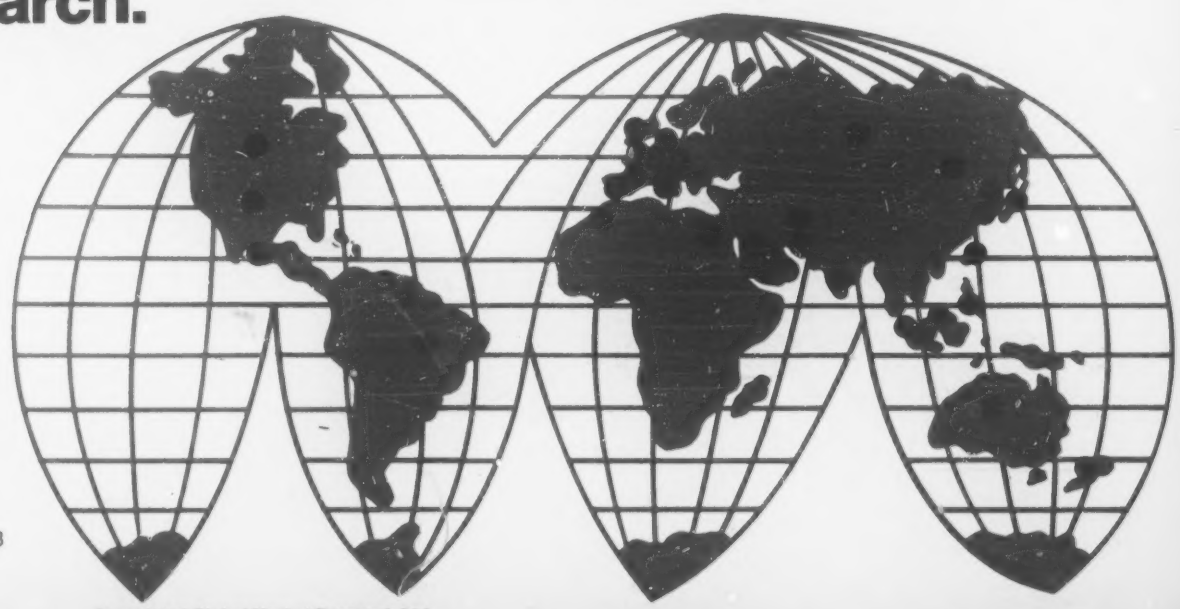

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MOR

William Lewellen
Maritz

Harold Spielman
MSI

puler Marketing Research offers quantitative and qualitative surveys.

In 1989, Kapuler will institute its National TelePanel, a probability WATS-generated national household panel targeting moderate incidence categories.

QuantiFocus, a system introduced in 1988, conducts and analyzes individual in-depth interviews via telephone.

Kapuler also introduced last year Customer Satisfaction Systems, a joint venture operation specializing in customer satisfaction measurements.

It has 40 full-time salaried employees, 34 hourly employees and a staff of 275 part-time coders and interviewers. Its phone center has 140 stations, 90 of which are CRT-equipped.

Stanley Kapuler, 48, is founder-president.

RANK **37**

Lieberman Research West

Los Angeles

Research revenues: **$8.8** million*

Percent change: **27.6%**

Lieberman Research West, a custom ad hoc survey researcher, is organized by industry specialization.

The company focuses on entertainment—pre-testing movie and TV pilots—healthcare, package goods and fast food.

Analysis of financial services and the high-tech/computer industries is being added in 1989. Also new this year are an Asian Omnibus Study, covering five Asian nationalities in California; the Lieberman Los Angeles Poll, a regular survey of consumers and business on both topical and marketing issues; and two focus group facilities.

In 1988, LRW expanded its ISA WATS interviewing facility to 75 CRT-equipped stations. It has 65 full-time salaried employees and 150 part-timers.

Arnold Fishman, 44, is chairman; Michael Liebergall, 42, is president.

* Revenues include those of subsidiary Interviewing Service of America.

RANK **8**

M/A/R/C Inc.

Irving, Texas

Research revenues: **$51.1** million*

Percent change: **1.6%**

M/A/R/C has two primary business divisions.

Custom Marketing Research includes: Entro, a new-product forecasting model; the Advertising Index, which evaluates advertising copy and media plans; M/A/R/C Base, a research data-base system that categorizes and models historical research findings to identify factors in product success or failure; and traditional ad hoc or ongoing survey research programs.

M/A/R/C's Database Marketing division provides a full-service in-house capability in Database Marketing, including consulting, design, creative, mailing, fulfillment, systems management, retrieval and analysis and predictive modeling.

Data collection capabilities include three WATS centers with 235 positions, all CRT-equipped; the Local Market Network with 37 central location sites in 29 cities equipped with PCRS, M/A/R/C's PC data collection software; and a National Panel of 100,000 households used for mail and phone research.

M/A/R/C has client service offices in Irving and nine cities and 448 full-time employees plus a weekly-hourly staff of 1,000.

Cecil "Bud" Phillips, 64, is chairman-ceo; Sharon Munger, 42, is president-chief operating officer.

* Total corporate revenues in fiscal year ending March 31, 1989, were $61.8 million, of which 83% were from research activities. The balance primarily was derived from data-base maintenance services.

RANK **49**

Marketeam/Doane Marketing Research

St. Louis

Research revenues: **$5.0** million

Percent change: **11.6%**

Marketeam/Doane Marketing Research's 11.6% revenue increase from 1987 to 1988 was enough to push it into the Top 50 listing for the first time.

Marketeam Associates, the parent company, conducts custom and shared cost research for consumer product and business-to-business clients. The Doane Marketing Research division specializes in custom and syndicated research for agribusiness. Doane's 25,000-household Countrywide Farm Panel and data base of commercial farm statistics are used to study the agribusiness sector.

During 1988, Doane expanded its multi-client syndicated service offerings in crop chemicals, seed and animal health products.

Doane also increased its attention on monitoring dealer sales and measuring media usage among farmers. In 1989, it will offer a single-source data base tying media usage patterns to product purchase at the farm level.

In 1988, Marketeam started a Service Quality Assessment Service to evaluate customer service programs, and launched Ad*Quick Test which measures impact of print ads and concepts.

A full-time salaried staff of 65 and 175 part-time employees are located in full-service offices in St. Louis and Cleveland. A central telephone interviewing facility has 70 lines.

Carl Block, 52, is founder, president-ceo.

RANK **11**

Market Facts

Chicago

Research revenues: **$37.8** million*

Percent change: **1.0%**

Most of Market Facts' revenues, which were relatively flat from 1987 to 1988, come from custom marketing research studies for marketers of consumer package goods and services, industrial products and governmental agencies and associations.

The company uses a variety of data collection facilities. Telephone interviewing—national and local—is done through three separate central facilities in the Chicago area, which total 144 stations, all CATI-equipped.

Market Facts also maintains a network of eight regionally dispersed shopping mall interviewing centers, where a system of standardized data collection procedures and computer networking for quota control and interim reporting are now being installed.

The third primary data collection facility is its 275,000-household

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Consumer Mail Panel, which also serves as the data base for custom and syndicated research services in the fields of financial services and healthcare.

Marketest Group provides customized store testing, both for new product test marketing and promotional testing for mature food and drug products.

A weekly telephone survey omnibus service, TeleNation, is now in its third year.

The company has 510 full-time salaried employees in 13 separate offices.

Verne Churchill, 56, is ceo; Thomas Payne, 43, is president-chief operating officer.

* These revenues include Market Facts-New York, a wholly owned subsidiary. They do not include Market Facts of Canada, which is 50% owned by Market Facts.

Marketing Research Services RANK 45

Cincinnati
Research revenues: **$6.3** million
Percent change: **-1.0%**

Marketing Research Services is organized into groups that perform a variety of functions ranging from field studies to sophisticated market segmentation analysis.

The Analytical Services Group emphasizes tracking studies and customer satisfaction/quality measurement studies for industries such as banking, chemicals, communications, consumer products, energy, retail, restaurant/fast food and travel. The Health Services Group performs services measurement and patient satisfaction studies. The Retail Group does market share studies for both grocery and department store retailers and feasibility and business environment studies. On-site national in-person interviewing is provided by the Field/Mall Studies Group.

The company's data collection capabilities include a 125-station, CRT-equipped WATS center in Cincinnati, two high-traffic mall facilities and a field staff.

MRS has 80 salaried employees, 48 of whom are exempt, and about 200 part-time workers.

Edward Horgan, 47, is founder and president-ceo.

Market Opinion Research RANK 29

Detroit
Research revenues: **$11.4** million
Percent change: **34%**

This survey researcher was the fastest growing of the top 50 research companies last year. Its 34% jump to $11.4 million edged out No. 40 Total Research Corp.'s 33.9% increase to $7.5 million.

MOR concentrates on consumer and industrial marketing research; media, especially newspapers; audience studies; social and public policy research, and healthcare, public utilities and transportation studies.

It also has become well-known for its political surveys for prominent Republican candidates. In early 1988, Robert Teeter resigned as MOR's president to devote his full attention to the election campaign of George Bush. MOR's political group conducted much of the Bush campaign research, contributing greatly to the revenue increase in 1988.

Also in 1988, MOR opened a subsidiary, MOR/New York, to work more closely with New York-based media clients.

MOR has 71 full-time salaried exempt employees and 16 hourly workers. For telephone interviewing, it operates central facilities in the Detroit area, which total 120 stations, all CATI-equipped.

Frederick Currier, 65, is chairman-ceo.

Maritz Marketing Research RANK 10

St. Louis
Research revenues: **$39.9** million
Percent change: **4.7%**

Maritz Marketing Research is primarily involved in custom marketing research, but it also has syndicated services for the automotive and agricultural industries.

The Maritz Inc. subsidiary last year acquired Arizona Field Research, a data-collection company with facilities in Tucson and Phoenix, and the growth rate has been adjusted to reflect that additional revenue.

Early this year, MMR acquired mall interviewing facilities in Washington, and Columbus, Ohio, and opened a new mall facility in San Bernardino, Calif.

During 1988, Maritz opened a new mall facility in Topeka, Kan., and launched Maritz AmeriPoll, a public opinion poll on topics of interest to media and their audiences.

CustomerCare, a four-step methodology for assessing customer satisfaction data, also was introduced in 1988. Customer satisfaction research programs account for about 20% of Maritz' revenues.

The company employs 392 full-time workers—270 salaried exempt—and about 2,000 part-time interviewers and supervisors located in six full-service division offices; three sales offices; three service offices operated by the Automotive division; and data-collection units that include two branch offices, 44 focus group suites, 26 mall locations, 32 test kitchens and 625 phone lines, which include 228 CATI phone and mall interviewing stations.

William Lewellen, 58, is president.

McCollum/Spielman International RANK 36

Great Neck, N.Y.
Research revenues: **$8.9** million
Percent change: **2.6%**

MSI is organized by divisions. The AC-T division's main service is AC-T/AD*VANTAGE, a multi-region, central location TV copy testing

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methodology.

Its two evaluative models are Potential Attitude Motivation Shift, which evaluates advertising performance in relation to a brand's category position, and Advertising Weight Simulation Model, which studies advertising and media weights' impact on brand share and volume.

AC-T services are available in Europe, Asia, Japan and Puerto Rico through affiliates.

MSI's Prolog division evaluates advertising, providing frame-to-frame real-time reaction to TV commercials and delayed playback of respondents' non-verbal response to advertising. The service is based on mall interviews.

Child Research Services, a wholly owned subsidiary, specializes in one-on-one interviews, focus groups and large-sample studies of children, teens and their parents. Studies include communications research, product/concept tests, concept evaluation and parent-child interaction analysis.

MSI changed its name from McCollum/Spielman Research last year and has 70 full-time employees.

Donald McCollum, 66, is company chairman; Harold Spielman, 62, is ceo.

RANK 28

Mediamark Research

New York

Research revenues: **$13.0** million

Percent change: **16.1%**

MRI, which is 80% owned by MAI Plc., London, operates a syndicated media/product purchase research service that is based on annual, in-home personal interviews with 20,000 adults. The service monitors consumers' exposure to advertising media and, via a leave-behind questionnaire, purchase data on an extensive line of consumer products and services.

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Timothy Joyce
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Frank Stanton
MRB Group

Marshall Greenberg
National Analysts

Catherine Paura
National Research

William Stein
Newman-Stein

William Lipner
NFO Research

John Holt
A.C. Nielsen

Data are linked to the Prizm, Acorn, Vision and Clusterplus geodemographic systems and the Vals psychographic system. Clients such as advertising agencies, product and services marketers, magazines, newspapers, broadcasters and cable networks can gain on-line access to the MRI data base.

MRI also produces two special reports based on two-year, 40,000 household data bases that cover business-to-business activity and the affluent market. Reports related to the top 10 local markets, including audience data on newspapers and broadcast stations, also are available.

A microcomputer system called MEMRI enables subscribers to process MRI and other data bases. MRI's Custom Research division specializes in special market studies.

MRI has 52 full-time salaried employees in New York, Chicago and San Francisco offices.

Timothy Joyce, 55, is chairman-ceo; Alain Tessier, 55, is president-chief operating officer.

RANK 38

Millward Brown Inc.

Glen Ellyn, Ill.

Research revenues: **$8.6** million

Percent change: **30.3%**

Millward Brown Inc.'s services include custom ad hoc surveys, consumer and industrial research work and continuous tracking studies marketed under the banner of Advance Tracking Program. ATP uses continuous survey data to evaluate and model the effects of advertising expenditures.

Founded as Ad Factors, MB has been a wholly owned subsidiary of Leamington, England-based Millward Brown PPL since 1986. In March the parent company was acquired by WPP Group, London.

MB has 350 employees—75 of whom are full-time salaried employees. Three client service offices in Glen Ellyn, Monroe, Conn., and Riverside, N.J., include central telephone interviewing operations. Two offices in Rockford, Ill., and Racine, Wis., are dedicated to phone operations. MB has more than 275 WATS dialing stations, of which 165 are CRT-equipped.

In 1989, MB will relocate its Glen Ellyn headquarters to Naperville, Ill.

Robert Meyers, 40, is president-ceo.

RANK 6

MRB Group

New York

Research revenues: **$78.2** million*

Percent change: **28.0%**

MRB Group, a subsidiary of WPP Group, London, consists of Simmons Market Research Bureau and Winona Market Research Bureau in the U.S. Together, the two units account for $36.8 million, or 47% of MRB revenues.

Overseas, MRB consists of BMRB, Mass Observation and MRB International in the U.K.; Basicresearch in West Germany; Hellas MRB in Greece; and JMRB in Japan.

In 1989, SMRB will publish a special Affluent Study on the media and purchasing habits of households with incomes of more than $75,000.

The largest MRB service is the syndicated Simmons study of Media & Markets in the U.S. Now in its 26th year, this study is based on in-depth interviews with 19,000 adults and includes information on media usage, product and brand purchasing, leisure activities, Vals lifestyles and geodemographic segmentation.

Advertisers, agencies and media can gain access to the SMRB data base via printed reports, commercial on-line services, and Choices, which allows non-technical users to retrieve data for new product development, market segmentation, new business solicitation and media analysis.

Custom Studies, the SMRB consultancy, analyzes the SMRB data base as well as perform full-service custom marketing research in consumer and business-to-business markets. About one-third of its revenues come from studies outside the U.S. SMRB's Custom Media Studies division conducts audience studies for specific media vehicles.

Winona Market Research Bureau, with offices in Minneapolis and Phoenix, provides survey research and custom retail store audits. Its central telephone survey facility has 210 CRT-equipped stations. MRB employs a full-time staff of 732 in 12 offices worldwide.

Frank Stanton, 59, is chairman-ceo.

* Activities outside the U.S. accounted for 53.1% of 1988 revenues, or $41.5 million.

RANK 22

National Analysts

Philadelphia

Research revenues: **$15.3** million

Percent change: **5.5%**

National Analysts, a division of Booz, Allen & Hamilton, conducts qualitative and quantitative custom ad hoc surveys for commercial clients and not-for-profit institutions, including federal, state and local governent agencies.

Methodologies include telephone and mail surveys. A recent large-scale in-home interviewing project for the U.S. Department of Agriculture involved the use of lap-top microcomputers to collect data on-site. In 1988, the company introduced NA-lyzer, an interactive PC-based software package that speeds up analysis of survey data.

NA's commercial business is organized by staff specialists: automotive, financial services, information/telecommunications, litigation support, pharmaceuticals and medical equipment, retailing and utilities.

NA has 58 full-time salaried employees and 85 full-time non-exempt employees in its Philadelphia and New York offices.

Marshall Greenberg, 53, is president.

RANK 26

National Research Group

Los Angeles

Research revenues: **$14.2** million*

Percent change: **23.5%**

National Research Group does marketing research for the entertainment industry, especially films. Survey work includes tracking awareness, imagery and interest, audience screenings and copy testing.

Through a London office and affiliates in Tokyo and Sydney, NRG conducts research in 12 countries. The central telephone interviewing in Los Angeles will expand to 120 stations in 1989.

The company has 350 full-time employees.

Co-founder Joseph Farrell, 53, is chairman-ceo; co-founder Catherine Paura, 38, is president-chief operating officer.

* About 15% of NRG's 1988 revenues, or $2.1 million, came from outside the U.S.

RANK 45

Newman-Stein

New York

Research revenues: **$6.3** million

Percent change: **14.6%**

Newman-Stein consists of a main office in New York, a unit in San Francisco and Shelf Power, a New York-based standardized package design testing company co-founded with DGM Inc. in 1986.

The company specializes in consumer research of concept, product, package and advertising testing, tracking studies and all elements of strategic research—attitude, image and market segmentation studies. The company also offers qualitative research services, including focus groups and personal one-on-one interviews.

It has 50 full-time salaried employees.

Newman-Stein is jointly headed by Lawrence Newman, 49, and William Stein, 50.

RANK 9

NFO Research

Greenwich, Conn.

Research revenues: **$40.9** million

Percent change: **5.1%**

NFO Research, a full-service sur-

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vey subsidiary of Pergamon/AGB Research PLC, maintains a mixed mail panel of more than 1 million consumers. Samples of the panel, categorized by demographic and product ownership characteristics, are surveyed via mail or telephone.

The panel is used for concept and product testing, presented to panelists via videotape. Attitude and usage studies, tracking and segmentation studies, several systems for which are available through NFO's proprietary Analycor service, also are conducted.

NFO also markets syndicated services for the beverage, mail order and carpet and rug industries.

Another syndicated service for the Yellow Pages industry, available through the National Yellow Pages Monitor service, will be expanded during 1989. NFO also will introduce a Hispanic Panel in relevant major markets.

Through its NFO/SRG International subsidiary, White Plains, N.Y., NFO provides access to the Pergamon/AGB Research Group in 35 countries.

Telephone facilities located in Toledo, Ohio, and Greensboro, N.C., have more than 150 stations supported by CATI systems.

The company employs 700 in offices in Greenwich, Toledo, Chicago, St. Louis, San Francisco, Minneapolis and Cincinnati.

William Lipner, 41, is president-ceo.

RANK
1

A.C. Nielsen

Northbrook, Ill.
Research revenues: **$880.0 million***
Percent change: **20.5%**

Considering its large revenue base, A.C. Nielsen realized a substantial 20.5% revenue increase in 1988 and maintained its No. 1 status among research companies.

About 57% of revenues are generated from operations in 27 countries, and the monetary conversion rate has had a favorable impact on its growth rate.

A subsidiary of Dun & Bradstreet Corp., Nielsen last year acquired Neville Clark International and its subsidiary Logistics Data System, a worldwide supplier of software for store and shelf management. It also acquired Prodis, a Netherlands-based research company, and U.K.-based Syndicated Data Consultants, which specializes in health & beauty-aid research.

The amount of 1988 revenue contributed by Neville Clark, Prodis and SDC cannot be determined. But the acquisitions hyped its 1988 growth.

Nielsen Marketing Research's flagship Scantrack syndicated service, which provides weekly data on package-goods sales, market share and retail prices from supermarket scanners, added 10 markets in 1988, bringing total penetration to 50 markets. NMR also introduced Scantrack services in Australia, Canada, Japan and New Zealand.

The company also has started to include data from key convenience stores.

It also is integrating data from its new service, NPD/Nielsen Electronic Household Panel, into Scantrack. Members of the 15,000-household panel use hand-held scanners in-home to record all purchases. During 1988, 2,500 households were equipped with meters to record TV viewing.

Nielsen also is now creating a data collection system based on local-market panels; its goal is 27,000 households in 11 markets. Electronic ID cards will record purchase data at scanner-equipped check-outs and record panel household purchases. A comparable system is being introduced in the U.K.

At Nielsen Media Research, 1,800 households were added to its national people-meter TV panel in 1988, bringing the total to 4,200 households nationwide. During 1988, people-meter based measurements were expanded to cover cable TV, syndicated programming and videocassette usage.

Nielsen also measures local market TV viewing in 210 markets via diary and/or meter equipped household panels. Meters were added to two markets in 1988 and five markets will be added this year, bringing the total to 22 metered markets.

John Holt, 48, is chairman/ceo of A.C. Nielsen, and Dun & Bradstreet exec VP and board member. Albert Kretch, 46, is president of Nielsen Marketing Research; James Lyons, 54, is president of Nielsen Media Research.

* About $500 million or 56.8% of Nielsen's 1988 revenues resulted from operations outside of the U.S.

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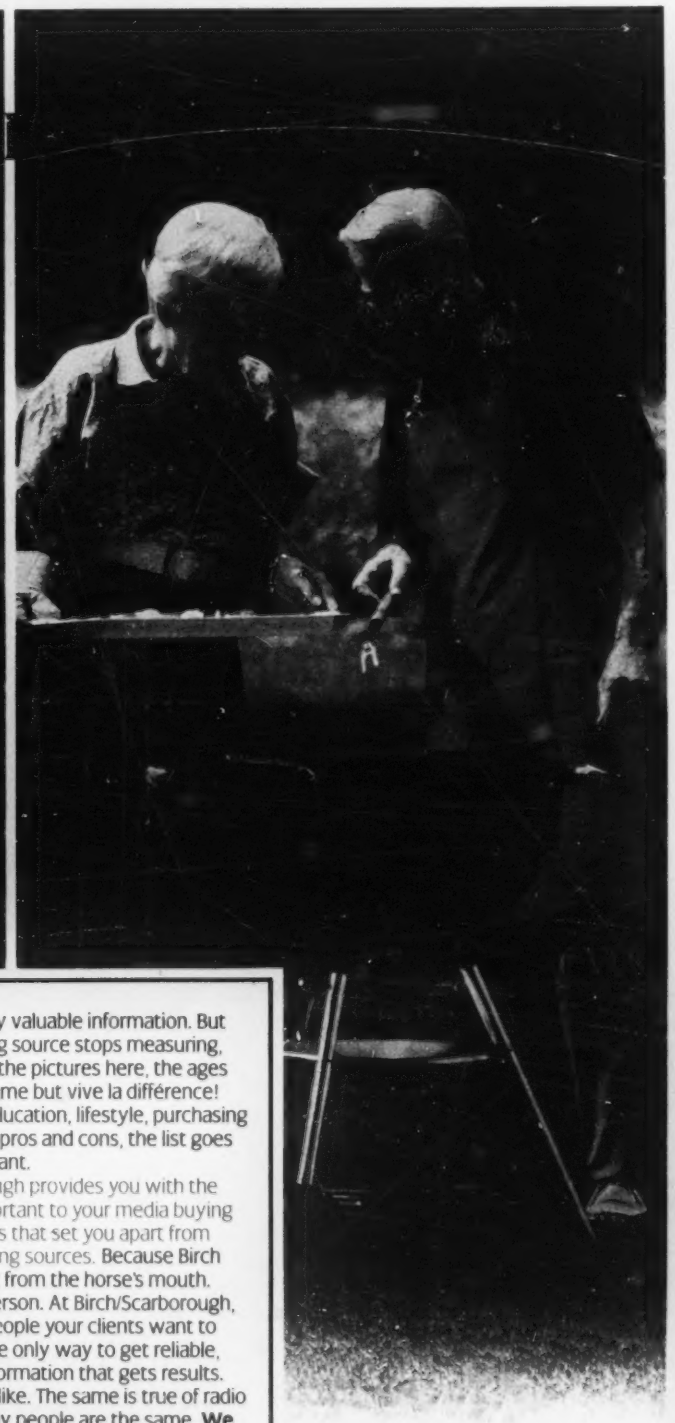

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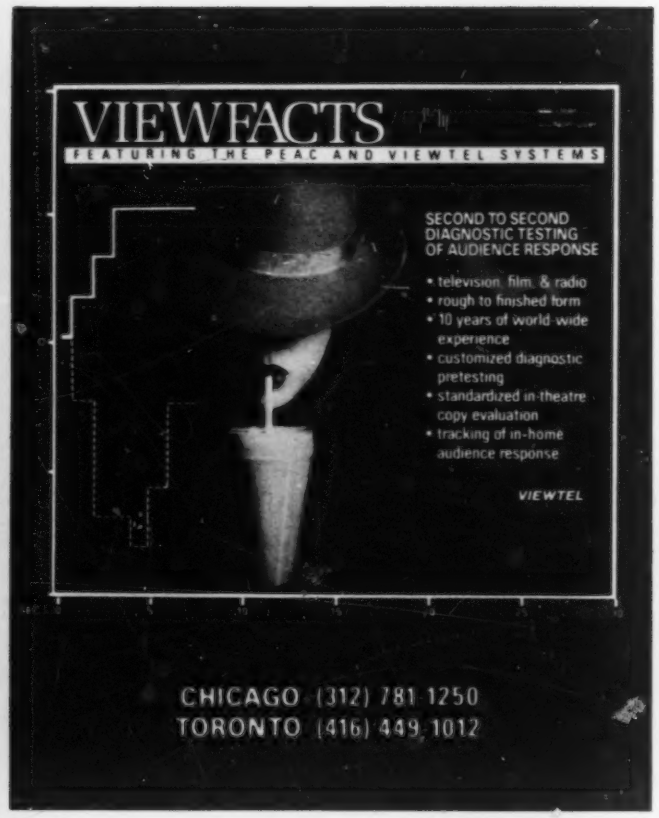
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RANK **13**

NPD Group

Port Washington, N.Y.
Research revenues: **$29.8** million*
Percent change: **16%**

The NPD Group is organized into two business units. Syndicated Services provides tracking data bases that cover product movement through retail channels; consumer purchasing and consumer attitude-awareness studies for industries such as toys, apparel, textiles, sporting goods, jewelry, petroleum/automotive, electronics, healthcare, food service/restaurants, and in-home food consumption.

These syndicated data bases are obtained by combining data-collection methodologies such as mail panel, invoice audits, point-of-sale computerized audits and telephone interviewing.

The Custom Services business unit consists primarily of HTI Custom Research and Marketing Models divisions. HTI operates a 250,000-household mail panel and a related central telephone interviewing facility in College Park, Md. The Marketing Models division provides proprietary mathematical modeling, such as ESP and BrandStar, for pre-test marketing and new product simulation.

NPD has 350 full-time salaried employees located in offices in Port Washington, Chicago, Mission Viejo, Calif., Houston, College Park and—new in 1988—Cincinnati.

Tod Johnson, 44, is NPD's president-ceo.

* Excluded from revenue figures are sales related to NPD's Packaged Goods division, which was spun off in 1987 into a joint venture company, NPD/Nielsen.

About $750,000, or 2.5%, of 1988 revenues came from activities outside of the U.S.

Tod Johnson
NPD Group

Andrew Brown
Opinion Research

Joseph G. Smith
Oxtoby-Smith

Sheldon Silverberg
PDS

RANK **21**

Opinion Research

Princeton, N.J.
Research revenues: **$17.2** million
Percent change: **9.6%**

Opinion Research Corp., a survey research subsidiary of Arthur D. Little Inc., in 1988 introduced a Choice Analysis Market Simulation model to analyze consumer trade-offs and preferences. Last month the company also launched a monthly omnibus survey of the Hispanic population.

ORC provides full-service market research from field and tab and tracking studies through sophisticated multivariate, conjoint and market segmentation studies. Specialties include telecommunications, pharmaceuticals/healthcare, financial services, travel and tourism, environmental issues and employee studies. Shared-cost surveys include the every-other-week General Public Caravan and a quarterly executive Caravan among business executives.

The ORC Market Research division conducts consumer and industrial studies related to awareness, trial and usage, customer satisfaction, market segmentation, consumer needs and wants, product pricing and positioning and advertising effectiveness.

The Corporate Research division specializes in ad hoc and continuous tracking studies of corporate image, issues, communications and strategies.

ORC has 175 full-time employees in Princeton and branch offices in Boston, Washington, Chicago and San Francisco.

The company has a central telephone facility with 100 stations and is CATI-equipped.

Andrew Brown, 44, is president-ceo.

RANK **49**

Oxtoby-Smith

New York
Research revenues: **$5.0** million
Percent change: **-3.0%**

This survey researcher is distinctive in that about 50% of its revenues come from acting as clients' "in-house" consumer research arm, functioning as both research consultant and supplier. O-S provides this service for clients such as Block Drug, Coca-Cola Foods, Equimark, MCI Telecommunications and Videotel.

The balance of the company's revenues comes from custom ad hoc surveys, consulting, and research and testimony relating to legal matters, including trademark infringement and advertising claim substantiation.

During 1988 O-S introduced Pro-Sort, a standardized service for pretesting sales promotions.

O-S's staff of 65 full-time salaried employees is supported by internal field, data processing via a VAX 3499 computer, and a WATS line interviewing center with 20 CRT-equipped stations.

Joseph G. Smith, 62, is founder-president.

RANK **20**

Pharmaceutical Data Services

Phoenix
Research revenues: **$18.3** million*
Percent change: **30.7%**

An operating unit of PCS Inc., PDS saw its revenues rise a substantial 30.7% in 1988, far above the research company average of 13.9%.

The company offers three distinct product lines that collect, analyze and supply marketing information to prescription drug marketers in the U.S.

Alpha Data Services uses data from a network of 10,000 pharmacy computer terminals to develop sales performance evaluations and market potential analyses. Its companion syndicated Alpha Services, conducts audits to develop product brand share and trend data.

Dresden Davis Organization provides Scriptrac. This service provides targeted lists of physicians for direct-marketing promotions, and primary market research on prescribers and users of prescription medication.

Hospital Data Services electronically collects data from 75 hospitals regarding drug use/DRG/costs/procedures and ICD-9.

PDS also provides custom ad hoc research and data base management services.

The company has 167 employees in Phoenix and Philadelphia.

Sheldon Silverberg, 43, is president.

* Revenues do not include those of a subsidiary, Medilog GmbH., Nuremberg, W. Germany.

RANK **34**

J.D. Power & Associates

Agoura Hills, Calif.
Research revenues: **$9.9** million
Percent change: **30.1%**

J.D. Power & Associates is a full-service marketing information/research and consultancy best known for its work in the automotive industry, although it also carries out ad hoc and independently funded subscriber surveys for other consumer and industrial clients.

Power's automotive-related services cover market and media research, consulting, planning and forecasting, distribution analysis and publications, which include the survey results.

The most prominent service is based on annual surveys of customer satisfaction with product quality and dealer service. Other

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J. David Power
J.D. Power

Ian Hunt
Research Int'l

James H. Fouss
Response Analysis

William Wilson
Starch

surveys include automotive consumer profiles. Power sponsors advanced product clinics, product comparison clinics and the Super-Dealer Roundtable. It also does automotive market forecasting in a joint venture with Data Resources, a McGraw-Hill Inc. subsidiary.

In 1988, Power opened offices in Detroit and Coventry, England. There are 190 employees at Power, 46 of whom are salaried/exempt.

Founder J. David Power III, 57, is president.

RANK 5

Research International

London

Research revenues: **$103.4** million*

Percent change: **9.1%**

Research International, with 1,060 full-time employees, considers itself the world's largest ad hoc survey research company. A wholly owned subsidiary of Ogilvy Group since 1987, it has subsidiaries in 14 countries and associates in five others. About 80% of revenues come from outside the U.S.

The company's operating units specialize in attitude and usage studies; multivariate analysis and mapping; print and TV ad testing; new-product development; modeling; market segmentation; and behavioral research. Brand names include Sensor, MicroTest, Solve and Smart.

Decisions Center Inc., the New York unit, has 190 full-time employees and includes Express Data Center—a network of 23 computerized mall locations—and Facts Center—a 94-station, CATI-equipped telephone research facility. Its revenues in 1988 were $15.1 million. DCI/RI specializes in custom survey research: market structure and strategy studies; print and TV copy testing; tracking studies; concept and product testing; and legal studies.

The Cambridge Reports unit has 40 full-time employees and 1988 revenues of $5.6 million. The division specializes in syndicated and ad hoc survey research, focusing on regulated industries such as utilities, financial services and insurance, telecommunications and healthcare. It also performs quarterly, issues-oriented national public opinion surveys.

Ian Hunt, 57, is ceo of Research International.

* Revenues include two U.S. units: Decisions Center Inc., New York, acquired in 1987; Cambridge Reports, Boston, acquired in 1988. Growth rate is calculated on a common base, year to year.

About 80% of 1988 revenues, or $82.7 million, were derived from activities outside of the U.S.

RANK 43

Response Analysis

Princeton, N.J.

Research revenues: **$6.7** million

Percent change: **-16.0%**

Response Analysis, which earned the dubious distinction of suffering the greatest percentage revenue drop among the top research companies from 1987 to 1988, concentrates on commercial survey research.

In 1989, RA plans to expand its activity in strategic research and consulting on business, social and policy issues.

It currently focuses primarily on multi-sponsored and custom studies in financial services, healthcare and telecommunications, litigation support and large-scale U.S. governmental agency survey projects.

The company maintains telephone interviewing facilities in Princeton and in Hamilton Township, N.J., totaling 59 stations. Response Analysis employs 75 full-time and 63 hourly workers.

During 1988, company ownership passed from founders Herbert Abelson and Reuben Cohen to an employee group, and Response Analysis established an outside Advisory Board.

James H. Fouss, 49, is president.

RANK 18

Starch INRA Hooper

Mamaroneck, N.Y.

Research revenues: **$19.0** million*

Percent change: **8.4%**

Starch INRA Hooper jumped to No. 18 in this year's ranking from No. 28 last year. Much of the revenue increase can be attributed to SIH's 1988 acquistion of E. Friedman Marketing Services.

SIH now consists of three operating divisions.

Friedman Data, a collection service headquartered in Detroit, has offices in 27 mall locations throughout the U.S., most of which have focus group facilities and test kitchens. Friedman also has central WATS line interviewing facilities in Michigan and Phoenix. Together with Hooper, this gives SIH an interviewing capability of nearly 100 stations. A CATI system is being installed this year.

Starch Media Research division handles special audience studies and custom media research. It produces the Starch Ad Readership work, Ballot Ad Readership mail surveys and Impression Study Group, which tests print ads and TV commercials.

Roper Market Research division handles both domestic and international ad hoc research work, which includes dealing with the international INRA network of research affiliates. Roper also handles SIH's Limobus, a monthly personal interviewing omnibus service, Roper Reports, *Public Pulse* monthly newsletter, Market Monitor and SIH's panel operations.

Including Friedman, SIH has a full-time staff of 234 employees, 113 of whom are salaried exempt.

William "Jay" Wilson, 52, is president-ceo.

* Revenues include those of E. Friedman Marketing Services. The growth rate is calculated on a common base, year to year.

About 5.3% of 1988 revenues, or $1 million, were derived from activities outside of the U.S.

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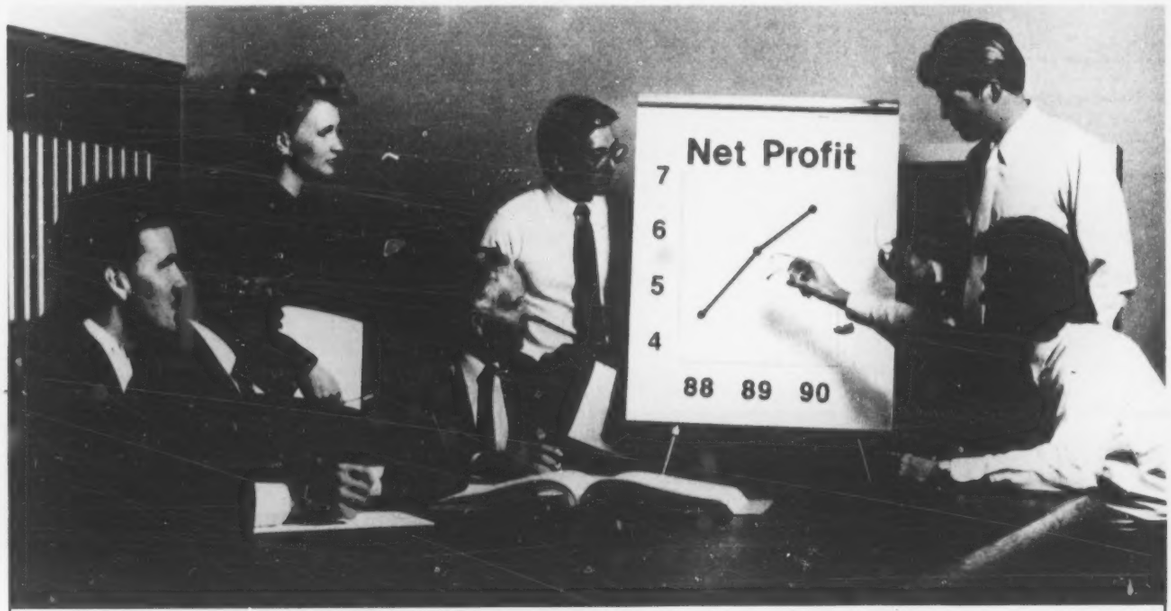

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RANK 40

Total Research

Princeton, N.J.
Research revenues: **$7.5** million
Percent change: **33.9%**

Total Research Corp. realized the second highest revenue jump among the Top 50, logging an impressive 33.9% increase last year.

This custom, ad hoc survey researcher emphasizes proprietary, standardized packages of statistical and analytical techniques.

In 1989, Total Research plans to introduce Rx/Mod to model the role of patient characteristics in prescribing various drugs; Proxim, which will model the elasticity of retail customers to site location; and Equitral, a multi-client service to track brand equity. Last year the company introduced Predictive Segmentation and Pro/Position, which is used to develop product positioning strategies.

Other Total Research packages include its Price Elasticity Measurement System, which evaluates pricing strategies, and Competitive Share Model, which predicts the effect of product line extension or product elimination on market share.

Components Assessment analyzes competitive markets and determines the effect product attributes have on purchase decisions, and Brand-Power is a comprehensive strategic market structure study.

Total Research collects data via telephone and personal interview, focus groups, mail surveys, communication content analysis, store audits and product usage tests. Central telephone interviewing facilities are located in Princeton and Tampa, Fla.

Most of the 76 stations are CATI-equipped.

The company has 98 salaried exempt employees and 300 part-timers.

Founder Lorin Zissman, 58, is president-ceo.

RANK 47

Vanderveer Group

Fort Washington, Pa.
Research revenues: **$6.1** million
Percent change: **5.2%**

About 43% of Vanderveer Group's total revenues are generated from research studies and consulting activities in the pharmaceutical, healthcare, financial, package goods, industrial manufacturing and telecommunications markets. Studies focus on product positioning, new-product development, concept generation and testing, market assessment, trend analysis and consumer behavior and usage.

The company uses quantitative and qualitative research techniques, plus in-depth telephone interviewing. New methodologies are staff-developed and often are rooted in psychological segmentation.

Its data collection facilities include a central telephone interviewing center with 60 WATS stations and two focus group facilities. Data-base management capabilities include a recently developed custom Database Monitoring System for monitoring U.S. physicians.

Vanderveer Group has 50 salaried employees.

Richard Vanderveer, 41, is chairman; Roger Green, 35, is president.

Lorin Zissman
Total Research

Richard Vanderveer
Vanderveer Group

Frank Walker
Walker Research

Joseph Hunt
Westat

Richard Wirthlin
Wirthlin Group

Robert Shulman
Yankelovich

RANK 16

Walker Research

Indianapolis
Research revenues: **$21.7** million*
Percent change: **8.0%**

Walker is organized into three strategic business units. Research & Analysis is a full-service, custom ad hoc survey research operation with client service offices in New York, Cincinnati, Indianapolis and San Francisco.

Datasource offers data collection, tabulation, data-base management and computer services. Its network of data collection offices in Tampa, Fla., Cincinnati, Fort Wayne, Ind., Indianapolis and Phoenix have 240 telephone interviewing stations in total, a majority of which are CATI-equipped. Customer Satisfaction Measurement is a quality improvement consulting organization specializing in designing and administering customer satisfaction measurement programs. Clinical Evaluations, a Walker affiliate, conducts Phase III clinical investigations and trials of drugs, cosmetics, foods, animal products, medical devices and electronic products.

In 1988, Walker conducted its eighth biennial update of its Industry Image study, which measures consumer attitudes toward surveys and polls. Walker employs 131 full-time salaried, 126 full-time hourly and 500 part-time employees.

Chairman-ceo is Frank Walker, 54; President-chief operating officer is James Sammer, 50.

* Total revenues were larger as a result of some non-research activities.

RANK 7

Westat

Rockville, Md.
Research revenues: **$64.3** million*
Percent change: **5.3%**

Westat specializes in large-scale survey research projects, the majority of which are conducted for U.S. government agencies. The company also does custom ad hoc surveys for a variety of commercial and association clients.

The revenue gains realized in both 1987 and 1988 primarily resulted from the National Medical Expenditures Survey sponsored by the Department of Health & Human Services. Westat was hired as prime contractor, along with two subcontractors. The subcontract work, worth $9.8 million in 1988, is included in its revenues.

Westat has a staff of 406 exempt salaried employees—up 9.1% from 1987 levels—with an additional 118 non-exempt employees and a telephone-interviewing, survey-processing and field-interviewing staff of more than 700. Central telephone facilities are located in Gaithersburg and Frederick, Md.

Joseph Hunt, 53, is president-ceo.

* Revenues include those of Crossley Surveys, a Westat subsidiary, but do not include those of computer services unrelated to research projects.

RANK 33

Wirthlin Group

McLean, Va.
Research revenues: **$10.0** million
Percent change: **26.0%**

About 66% of Wirthlin Group's $15.1 million in total revenues were attributed to its Research division.

The division is organized into strategic groups covering communications and public affairs, marketing research and political studies. The company has gained prominence for its White House public opinion survey, funded by the Republican National Committee during the Reagan administration, and its campaign work for state Republicans. This activity helps explain the 26% surge in 1988 election year revenues. The company also focuses on developing strategic communications programs. It performs survey work for Hill & Knowlton.

During 1988, Wirthlin Group started a program of public seminars and custom in-house seminars for marketing research professionals.

The company has 80 full-time employees, 44 of whom are salary exempt. Client service offices are located in New York, Princeton, N.J., Chicago, Santa Ana, Calif., and Los Angeles. A Provo, Utah-based telephone interviewing facility has 142 stations, 60 of which are CATI-equipped.

Richard Wirthlin, 58, is founder-chairman; James Granger, 45, is chief operating officer.

RANK 14

Yankelovich Clancy Shulman

Westport, Conn.
Research revenues: **$24.5** million*
Percent change: **-6.2%**

In 1988, Yankelovich Clancy Shulman acquired London-based Albemarle Market Research, a full-service survey company, and renamed it Albemarle/Yankelovich Clancy Shulman. It also acquired American Marketing Services, Newport Beach, Calif., a survey company that was renamed Yankelovich Clancy Shulman/West.

YCS's 1988 figures do not include these acquisitions.

YCS is organized into two units. The Research Unit includes consumer marketing research, business-to-business research, public opinion/policy studies, corporate communications studies and multi-sponsored surveys. Proprietary techniques include Target Optimizer, Position Optimizer, Strategic Cube, Product/Feature Optimizer and research models.

The Consulting Unit specializes in product positioning and relaunch; market structure analysis; new-product and service development; concept screening and prioritization; acquisition studies and new-business analysis; and marketing plan development. Syndicated surveys include Monitor, Youth Monitor and Hispanic Monitor.

YCS has 135 employees and branch offices in Chestnut Hills, Mass., and Newport Beach, Calif.

Robert Shulman, 37, is president-ceo.

* About $2 million or 8.2% of YCS revenues were attributed to activities outside the U.S.

Contributor Jack J. Honomichl coordinated this Research Business Review.

Coming

Next week ADVERTISING AGE's Special Report will focus on **Business to Business Advertising.**

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Tom Wolfe talks about Age of America—P. 44

A walk through Burnett's new headquarters—P. 66

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NEWSPAPER

June 12, 1989

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Last Minute News

Doyle Graf Raj deal dies amid turmoil

NEW YORK—The trio of young executives who agreed to buy Doyle Graf Raj canceled the deal last week after the agency was fired by its largest client, J.P. Morgan & Co.

Managing Director Tom Carroll, 33; Creative Director Robin Raj, 32; and Director of Planning Adam Stagliano, 32, said they plan to open a new agency this week called Carroll Raj Stagliano.

They claimed Doyle Graf Raj President William S. Doyle "did not operate in good faith" and "violated terms" of their agreement.

Mr. Doyle, 44, said the deal collapsed because the management group couldn't raise the financing.

He said he became aware of that the day after the buyout was announced (AA, June 5) and that he immediately opened new negotiations to find another buyer. Mr. Doyle said he expects to announce a deal for the $40 million shop this week.

Sources said Mr. Doyle's decision to shop the agency before the management buyout was scheduled to close led to client discord and the top executive walkout.

Mr. Doyle had been been trying to arrange a sale or merger for several months.

The shop has had financial problems resulting primarily from its move last year to luxurious quarters in Saatchi & Saatchi Advertising's downtown headquarters building.

The management turmoil "was not in and of it-

(Continued on Page 8)

Time Inc. titles imperiled by bid

By PATRICK REILLY

NEW YORK—Time Inc. Magazine Co.'s venerable stable of publications could be headed for the selling block because of Paramount Communications' intervention in the Time Inc./Warner Communications merger.

The cleaving of such titles as *Fortune*, *People* and flagship *Time* from the publishing giant may be the eventual result of Paramount's $10.7 billion bid for Time Inc., media observers say.

One of its established and thriving properties, such as *People*, a circulation and advertising powerhouse, could sell for $1 billion, industry experts say.

The Paramount bid possibly will draw others, and some rumored suitors include Gannett Co., Walt Disney Co. and financiers Ronald Perelman and Robert M. Bass. But no matter who ends up owning Time Inc., sources say, at least some of the magazines will probably be sold to finance the deal.

And if publications are sold, that would cause a fundamental shift in the balance of power within the U.S. magazine industry, where Time Inc. magazines have been dominant so long. The leverage Time Inc. magazines have had with national advertisers is virtually unequaled because of their mass circulation.

"The No. 1 publishing company is being torn apart by deals," said Peter Diamandis, chairman of Diamandis Communications Inc. "I hope for all the employees' sake it is settled and settled soon. But I doubt it will be. You may be witnessing the end of a great magazine company."

Reaction to Paramount's Time Inc. bid is mixed, but the deal would face fewer regulatory problems than Warner's offer. See stories on P. 77.

There's no consensus on what will eventually happen to Time Inc.'s magazine unit or its other businesses. Although Martin Davis, chairman-ceo of Paramount, said no sell-offs would be required if its bid goes through, that's being discounted by many observers.

Sources say Time Inc.'s top executives also believe Paramount will sell off some of its parts.

Several analysts say other units of the Time Inc. empire, such as the cable properties or book publishing company, could be sold before any of the magazine titles. But, of the variety of auctioning scenarios being discussed, Time Inc.'s magazine properties garnered the most rapt attention.

Some predict that Time Inc.'s titles will be sold individually to reap the maximum selling price.

"A very realistic possibility is the magazine [properties] will be sold off," said Alan Gottesman, an analyst for PaineWebber. "Advertisers would love to be able to play off one [magazine]

(Continued on Page 77)

China quake

New crackdown may shatter plans of Western marketers

By JULIE SKUR HILL

The burgeoning consumer marketing business in China was jolted last week after violence erupted in the streets of Beijing.

Ad agencies, marketers and media shut offices, moved out non-Chinese employees, postponed agreements and pulled advertising as business took a back seat to safety following the tumult in Tiananmen Square.

Businesses ground to a halt and employees were encouraged to stay home. Expatriates left the country, some even fleeing by bicycle, to avoid becoming targets of the People's Liberation Army.

Bozell had little choice but to close its affiliate China Link office in Beijing when the army started occupying the building, an agency source said.

Kentucky Fried Chicken Corp. immediately closed its outlet in Tiananmen Square June 4, the day the violence started. It has no plans to re-open until "we can ensure the safety of our employees and when a normal business environment returns," said Richard Detwiler, a KFC spokesman.

The chaotic environment led many advertisers to cancel their Chinese campaigns. Among the most visible advertisers to withdraw their ads were American Express Co.; United Airlines; Kraft General Foods Group; Holiday Inn Lido; Unilever; Nestle; and Hewlett-Packard Co., sources said.

The U.S. toy industry faces manufacturing delays in China, and Mao fashions may be in jeopardy—P. 76.

Until the violence ends and it's known who's running the Chinese government,

(Continued on Page 76)

Associated Press photo

Civil unrest in China is prompting U.S. companies to reassess their plans.

Advertisers mull Whittle debate

By PATRICK REILLY

The heated public debate over "Channel One," Whittle Communications' daily news program for schools, is making some national advertisers take a wait-and-see stance on whether they will sign up for the national rollout.

Several major advertisers, including Levi Strauss & Co. and Procter & Gamble Co., said they were pleased with the proposed reach of "Channel One" and its ability to target a teen audience. But whether they join the national rollout will depend on research results, such as on advertising recall, gleaned from this spring's seven-week test of the program in six middle and high schools around the country.

Even so, Whittle executives are predicting a horse race among major marketers, especially in the fast-food and retail categories, that want to advertise on "Channel One."

That prediction came last week after Whittle announced that "Channel One" will be expanded to include two other program channels and that schools will be offered more flexibility.

These moves are seen as a way to appease education leaders critical of "Channel One" because it brings TV advertising into the classroom.

The non-commercial "Classroom Channel" is expected to carry instructional programming. Whittle also will offer "The Educators' Channel," which may carry ads along with news and programs for school education staff to teachers' lounges. Only schools with "Channel One" will be able to get the other two channels.

The company said the $200 million national rollout of "Channel One" will start March 5, almost six months earlier than originally planned. The satellite-fed program will be launched in 1,000 schools; by the end of 1990, about 8,000 schools will be wired.

Each school will be supplied with a satellite dish, central recording equipment and about 40 video monitors.

Chairman Christopher Whittle begins selling his program to advertisers today in earnest and said he expects to sell all available time within four months.

But some advertisers that participated in the test are being careful not to align themselves too closely with the project.

"We are monitoring the public debate [about 'Channel One'] on an ongoing basis," said Dan Chew, marketing manager for Levi Strauss, one of the test advertisers. "There's lots of talk about it in the hallways, but as for the national rollout, we don't know yet."

Sources at P&G, a heavy advertiser in other Whittle media projects, said the company will make its decision after viewing the research.

"We need to make sure the brands and the people involved feel comfortable with 'Channel One' relative to the controversy," one source at P&G said. "And they may not."

Mr. Whittle said the test market research shows "Channel One" has "substantially better recall scores than those from network TV."

He said testing of students in the pilot schools and five control schools also showed the pilot school students' knowledge of

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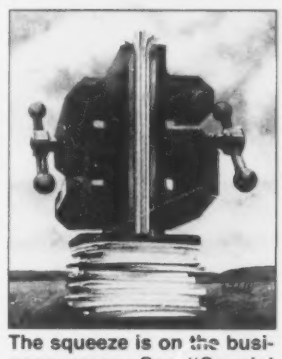

The squeeze is on the business press. See "Special Report," following P. 40.

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New Mazda ads geared to image

By RAYMOND SERAFIN and CLEVELAND HORTON

Mazda Motor of America will target "neo-traditionalists" in a new campaign that tries to boost both the awareness and image of the company.

The new marketing thrust will be unveiled July 1 when Mazda launches a multimedia effort for its new Miata roadster, said Janet Thompson, VP-advertising.

It will be followed in mid-August by a campaign introducing a new theme line for the full Mazda line, Ms. Thompson said. Foote, Cone & Belding, Santa Ana, Calif., is Mazda's agency.

Ms. Thompson disputed a report that a shake-up on the ad account is imminent and said all the major "housecleaning" was done last summer. "I sure wouldn't wait until right about the middle of a launch to do it," she said.

Several teaser ads for the Miata have appeared in the automotive buff magazines. A four-page ad is scheduled to run this week in the newsweeklies. The ad is glued along the right-hand side with the warning: "Do not open before July 1." Inside is a photo of the Miata.

Auto writers have referred to the Miata as a technologically modern version of old British and Italian roadsters.

Mazda research has shown the car, priced around $15,000, will have a strong appeal to a wide range of ages, especially older buyers, who have yearned for a sports car and now have the discretionary income to afford the Miata.

The ad campaign for Miata will play on the "nostalgic" theme, Ms. Thompson said.

"Neo-traditionalist" is a term coined by Yankelovich Clancy Shulman to describe a lifestyle that embraces traditional values, such as family, but in a contemporary context of the social changes that have occurred over the past few decades. Neo-traditionalists aren't faddish but seek solid products.

Ms. Thompson said Mazda already attracts a sophisticated, highly educated buyer. "They're discriminating people—they almost had to be to find Mazda," she said, an acknowledgment that the brand lacks the awareness enjoyed by competitors such as Toyota and Honda.

FCB undertook a major reorganization shortly after Mazda consolidated its two U.S. distribution and marketing arms last summer.

About 40 new people have joined the 150-person shop, covering most of the senior-level positions. FCB is still looking for a creative director to replace Jim Barr (AA, May 1).#

Omnicom appears to be BMP winner

By LAUREL WENTZ and GARY LEVIN

BDDP Group let its hostile takeover bid for Boase Massimi Pollitt lapse June 9, virtually ensuring that Omnicom Group's higher, friendlier offer will win.

BMP Chairman Martin Boase and Group Chief Executive Peter Jones met in New York June 8 with Omnicom executives to discuss the anticipated merger between BMP Davidson Pearce and DDB Needham in the U.K.

If the deal goes through, Messrs. Boase and Jones will run a new Omnicom U.K. holding company that may include the merged BMP-DDB Needham agency, BBDO U.K. and BMP's marketing services operations (AA, May 22).

BBDO Worldwide and DDB Needham Worldwide are Omnicom units.

BBDO is believed to be negotiating separately to buy Still Price Court Twivy D'Souza, London, and merge it with the weak BBDO U.K. shop. But Still Price also is in talks with Lintas:Worldwide.

Shareholders of London-based BMP have until June 22 to accept Omnicom's 365 pence-a-share offer, valuing the company at about $200 million. If more than half of BMP stock isn't tendered, Omnicom is likely to extend the bid, a BMP spokesman said. BDDP had offered 345 pence per share.

Omnicom said that as of late last week, it owned 27.5% of BMP and had commitments from BMP managers and directors for another 11.5%, bringing its total to 39%. The

(Continued on Page 77)

Saatchi may come up short

Analysts see more profit woes

By LAUREL WENTZ and JON LAFAYETTE

When Saatchi & Saatchi Co. unveils half-year results June 14 at simultaneous analyst meetings in New York and London, the financial community may start marking down its forecasts for the full year.

Analysts are predicting pretax profits of £18 million to £22 million for the half year ended March 30, only one-third of the pretax profits Saatchi made during the same period last year.

To meet forecasts for the full year, ending Sept. 30, Saatchi will need a rapid recovery in the second half.

Saatchi's pretax profits for the year are estimated at £92 million to £95 million. So the company would have to achieve pretax profits of about £74 million in the second half to fall into that range if the first-half results come in as expected.

Pretax profits last year were £138 million last year.

The consulting division, Saatchi's hardest-hit business, is expected to post full-year pretax profits of about £20.8 million, down from £22.8 million last year.

Chairman Maurice Saatchi prepared analysts for his company's first-half slump at the March annual meeting. But they're still uncertain about what the second half will bring.

"There is scope for a big uplift in the second half," said Neil Blackley, an analyst at James Capel & Co., London.

Analysts say clients who've deferred spending—one of the reasons cited by Mr. Saatchi for the company's poor first half—may help turn things around, as British Airways, British Rail, Hewlett-Packard Co. and Hyundai cars, among others, resume expected ad levels.

Another analyst, however, said he expects to slash his full-year profits forecast by about £10 million after the results announcement this week.

And even more optimistic analysts are cautious because they don't fully trust Saatchi's budgeting systems or the control exercised by the holding company over subsidiaries.

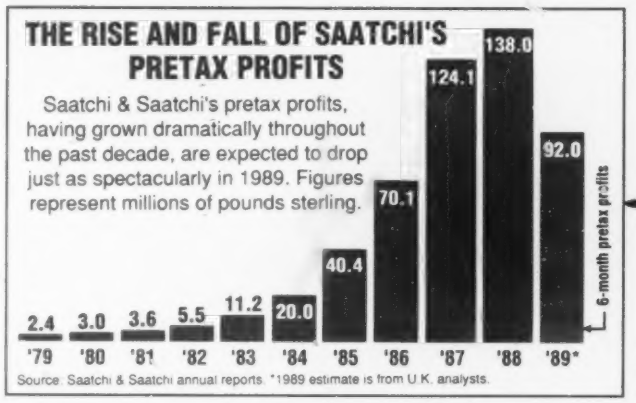
James Dougherty, an analyst at County NatWest Securities USA, New York, said he believes the company will be forced to slash its full-year forecast.

"To make [the forecast] would require an enormous swing for the second half," he said.

"The problems are at the holding company level," Mr. Dougherty added. "The operating companies, maybe they're not doing great but they're not doing that badly. The problem is they have these tremendous debt service, preferred-dividend payments, and they have these deferred payments.

"They mortgaged everything to

(Continued on Page 78)



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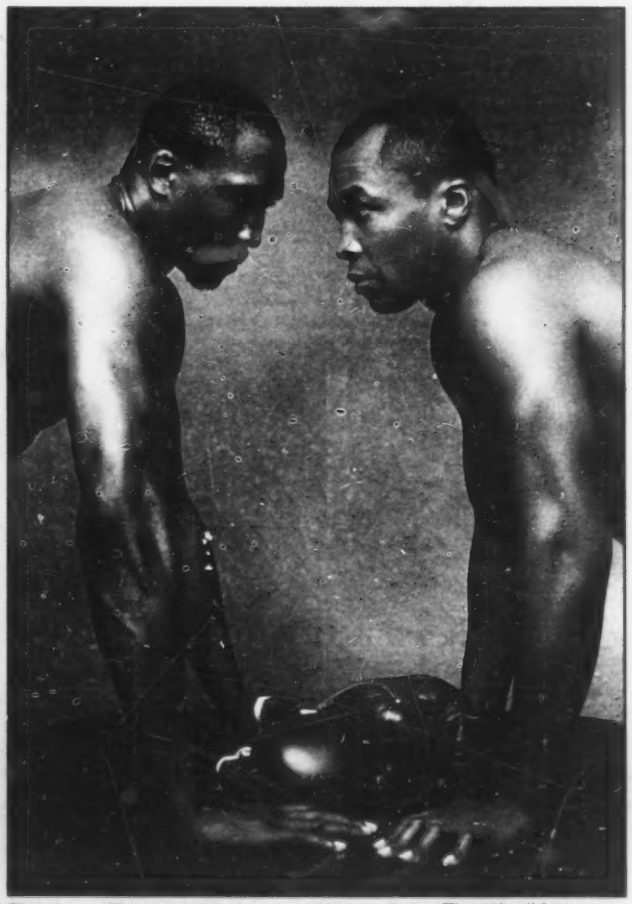

They're calling tonight's Leonard-Hearns fight "The War," but some marketers are calling it a big opportunity.

THAT RIGHT HOOK

Tie-ins are key to sports' value

By WAYNE WALLEY and SCOTT DONATON

Tonight's championship fight between Sugar Ray Leonard and Thomas "Hitman" Hearns has been dubbed "The War." But for four marketers, the real battle will be waged outside the ring.

Ashton-Tate Corp., Catalina Marketing Corp., Anheuser-Busch and Coca-Cola Co. are spending an estimated $10 million in sponsorship fees, and the challenge they face is how best to maximize the value of those dollars.

That's the same challenge facing the 3,900 companies expected to spend an estimated $2.1 billion on event sponsorships this year, and just how they leverage their involvement is the key to continued sponsorship success, participants say.

Ashton-Tate, for example, will use its $3 million sponsorship of "The War" to launch its "Winner by technical knockout" campaign promoting new software. Foote, Cone & Belding, Los Angeles, is the agency.

And Catalina is providing grocery stores with special coupons created in-house that feature information on the match and urge shoppers to join Messrs. Leonard and Hearns, the "Champions Against Drugs," in the "War Against Drugs." Catalina does inventories of products as they leave checkout counters.

Most observers say these kinds of tie-ins will help the $1.4 billion business of sports marketing keep growing.

"You have to be selective in how you do your sponsorship," said John Hellweg, VP-marketing services at Stroh Brewery Co. "You've got to position yourself carefully through merchandising involvement at the retail level, on-site hospitality and promotional support. The more you can extend a sponsorship, the more you can get out of it."

But as the popularity of event sponsorship grows, so does

(Continued on Page 75)

TV networks play a game of 'added value'

By SCOTT DONATON

The sports divisions of ABC-TV and CBS-TV hope to score extra points with advertisers this year by creating a series of promotions to usher in a "new age" of value-added sports programs.

ABC Sports is launching an 11-city "birthday party" tour to celebrate the 20th anniversary of "NFL Monday Night Football" this fall, while CBS Sports is developing promotions centered on its 1990 sports schedule.

ABC has put a $1 million-plus price tag on a title sponsorship for the "Monday Night Football" tour and last month hired People & Properties, Greenwich, Conn., to handle the deal.

The network's efforts are "part of a whole new emphasis on added-value programs," said Kurt Sanger, marketing consultant to ABC Sports.

If the football tour succeeds, a similar tour will be launched to mark the 30th anniversary of ABC's "Wide World of Sports" in 1990, Mr. Sanger said. Other promotions could be centered on the Triple Crown, the Indianapolis 500 and the Tour de France.

"ABC Sports is starting to put together promotions that we can bring to our clients

(Continued on Page 78)

Hershey takes on Jell-O with new pudding line

By JUDANN DAGNOLI

Hershey Foods Corp. is extending the names of its best-selling chocolate bars to refrigerated puddings.

Sources say Hershey plans to roll a five-item line of ready-to-eat puddings national starting this fall.

The flavors of the chocolate-based puddings are Hershey's Kisses; Hershey's Chocolate; Hershey's Chocolate & Almond; Hershey's Chocolate & Vanilla; and York Peppermint Pattie (to which Hershey acquired the rights from Cadbury USA last summer).

DDB Needham Worldwide, New York, is handling the new line.

Initially, the Hershey puddings will be introduced to less than half the country. That area will include the Northeast; other regions aren't known. The company declined to discuss the product.

Six individual serving cups are sold in each package.

Hershey has put its famous name on a refrigerated product only once before: ready-to-drink Hershey's chocolate milk, introduced in 1984. The milk is marketed through licensing agreements with dairies.

With the introduction, Hershey is taking on General Foods USA's Jell-O Pudding Snacks, the runaway leader in the $156.3 million refrigerated pudding market.

Although Beatrice/Hunt-Wesson

(Continued on Page 78)

World News Roundup

MADRID—Repsol, the state-owned oil company, is reviewing its $20 million account. Incumbent Tiempo/BBDO and four other agencies are pitching. A decision is expected next month.

MOSCOW—Grey Germany, Duesseldorf, and Rostorg Reklama here will sign a joint venture agreement later this month.

LONDON—Asda supermarket group moved its $19.2 million account to Publicis here from Bartle Bogle Hegarty. J. Walter Thompson Co., D'Arcy Masius Benton & Bowles and BMP Davidson Pearce also pitched.

TORONTO—Molson Breweries of Canada launched a $16.6 million TV campaign to promote responsible drinking. Ian Roberts Advertising handles the four-year campaign.

LONDON—Guinness' Arthur Bell Distillers will launch a new white spirits drink called Gordon's Twist, a blend of gin and lemon juice. TBWA will handle the $6.4 million launch.

New commericals breaking in October for Panasonic will feature babies talking about camcorders and how only one VCR is needed to view the tapes.

Electronics gets more ad juice

By IRA TEINOWITZ

The long dry spell in consumer electronics advertising may be ending.

Improved profits, technical advances and a growing fight for the camcorder market have buoyed electronics marketers. Now they're eager to boost ad spending—mostly for their video lines—in the fourth quarter.

Panasonic Co., Sharp Electronics Corp., Sony Corp. of America, Zenith Electronics Corp. and Thomson Consumer Electronics plan to hike spending in the fall. Zenith, Sharp and Thomson (marketing under the RCA brand) each could more than double fourth-quarter ad spending. Traditionally, the lion's share of industry spending comes in that quarter.

Measured media spending for video equipment and accessories rose 23% in 1988, the first increase in four years, according to BAR/LNA Multi-Media Service. However, the $94 million still lagged far behind 1984's peak spending of $136 million.

More of those dollars will be restored this year as marketers promote high-end products, new features or new products.

For example, two Panasonic commercials set to break in spot markets in October feature two babies discussing its camcorder's virtues. One baby notes a second VCR isn't needed to play the camcorder's tapes. Grey Advertising, New York, is the agency.

Panasonic, which will boost spending 20% to about $12 million on its video lines, also will use spot TV to promote a new VCR that can be programmed by phone. Print campaigns also will support a top-line Prism TV (ad copy claims "It's not the next step in TV. It's the step after that") and a portable audio player ("Never, never call it a boom box").

Sharp's advertising, from its new agency, Griffin Bacal, promotes its camcorders' zoom capability plus new products including a compact disc player that plays audio and videodiscs of any size and a new projection TV that can produce a picture from 100 inches to 200 inches wide.

Sharp said its overall ad spending will increase 33% to about $24 million this year. The company plans to spend $5 million on its audio and TV products in the fourth quarter, up from virtually nothing a year ago.

Sony will unveil a new, more humorous approach for its advertising. On TV, the company will promote its new CCD-TR5 Handycam 8mm camcorder—the world's smallest—and its Personal Video products. McCann-Erickson Worldwide handles TV spots; Slater Hanft Martin handles print.

Sony also will push its large-screen color TVs, its entire VCR line (which includes Beta, VHS and Super 8 models) and some compact disc products.

Separately, the company will mark the Walkman's 10th anniversary with a new campaign.

Sony spent $20 million last year on electronics advertising.

Zenith has yet to disclose details of its ad spending, handled through Foote, Cone & Belding, Chicago. The company spent less than $5 million on consumer advertising last year, even though its Zenith brand color TVs control 12.8% of the $6.6 billion market, second only to RCA's 16.2%.

Thomson could double last year's $3.5 million fourth-quarter spending for its video lines, said Bruce Hutchison, manager-marketing communications. Spending on the lines totaled $12.6 million in 1988.

While details haven't been finalized, Thomson will continue its "No. 1 with the toughest critics in the world" theme. A new camcorder spot breaks on network TV next month via Ammirati & Puris, New York.

For years, TV and video product advertising was the backbone of consumer electronics companies' ad budgets. In recent years, however, cutthroat price competition prompted marketers to pare spending. Several, like General Electric Co., even sold off their consumer electronics businesses.

The trend started to change last fall when Philips Consumer Electronics announced plans to increase the Magnavox brand's spending by 50% to $30 million for 1988 and introduced a high-end line of Philips TV and audio products (AA, Sept. 26). Backer Spielvogel Bates is the agency.

Analysts say one reason for the spending increase is that TV prices have risen for the first time in a number of years.

"There have been three price increases of 1% to 3% each in the past year," said David Lachenbruch, editorial director of *Television Digest*, an industry newsletter.

Another reason is the abundance of consumer camcorders. With prices not yet dropping, marketers are using advertising to differentiate their products in the high-profit market.

Finally, with profits on low-end TVs still minimal, marketers are using advertising to try to push consumers toward more profitable, more expensive sets.

"TV is a very competitive marketplace that is price-driven," said Bob Greenberg, Panasonic general manager-communications. "We want to demonstrate the technical capabilities of our audio and video products."

While most marketers are increasing ad budgets, Goldstar Electronics International is cutting spending. Goldstar spent $6 million last year, including corporate image advertising, because of the company's involvement in the Summer Olympics in its native South Korea. Spending this year, via TBWA, is expected to be less than $2 million.#

Publications rewrite delivery story

By LAURA LORO

The need for immediate information is leading some newspapers and magazines to test faster delivery methods, including overnight shipments and facsimile transmission.

In April, *Business Week* launched an extra-cost overnight delivery service, guaranteeing delivery of the weekly by 10:30 a.m. Friday instead of possibly Friday and probably first thing the next week.

At about the same time, *The Hartford* (Conn.) *Courant* began faxing to subscribers business news and summaries of the following day's stories. *USA Today* also offers information from its pages via fax and personal computer.

In addition, a handful of fax newspapers are starting up, one offering an hourly news summary *(see story on Page 56)*. And the emergence of these fax-only newsletters—such as *News Fax* and *News Travel Fax*—is fueling the traditional media's interest in new delivery systems.

The quick-information trend is more an enhancement to traditional business for the print media than a new vehicle for publications and delivery methods. But fax delivery opens an extremely targeted medium for advertisers since it requires phoning individuals.

THE RACE TO DELIVER NEWS

Consumer and trade publications are using a variety of methods to deliver information first.

Consumer publications	Delivery method	Number of subscribers	Cost	Description
Business Week	overnight courier	100	$495/yr.	Friday delivery
Hartford Courant	fax	NA	$2,500/yr.	News summary; no ads
USA Today Decisionline	computer	34*	$250-3,000/mo.	News in 18 subjects; takes ads
SportsCenter	computer	3,500	$5-15/hr.	Current information; takes ads
NewsAlert	fax	NA	$2/page	Daily news summary; takes ads
Trade publications				
Inside Radio	fax	NA	$340/yr.	Weekly supplement; takes ads
News Fax	fax	500	free	Hourly updates; ad-supported
Radio & Records "Hot Fax"	fax	1,000	$50-350/yr.	Customized news; takes personalized ads

*Corporate subscribers, access to 600,000 end-users. SOURCE: ADVERTISING AGE

For newspapers, faxing a day-before summary is "an opportunity to reinforce a core product," said Peter Winter, VP-marketing and new technology for the Newspaper Advertising Bureau.

It's also a defensive maneuver, he said. As phone companies prepare to enter electronic publishing, "newspapers are pursuing different electronic distribution channels with increasing vigor."

As for the magazines, *Business Week* began its overnight delivery service via Federal Express Corp. "because people called and requested it," said Mary Pizzarelli, subscriptions marketing manager.

Most requests came from financial executives who said that what's on the magazine's cover affects their business, she said.

Business Week approached Federal Express, which has since had inquiries from trade publications, said Dick Metzler, FedEx managing director of express marketing, "but we haven't proactively marketed the idea."

"It makes a lot of sense for us. The growth rate of the overnight-letter segment is declining; faxing has had an impact on that," said the FedEx executive.

Overnight delivery of publications "is great business for us. We can sustain it for a long time. It's new, incremental business, and it's not prone to be faxed," Mr. Metzler said.

For newspapers, faxing "is highly advantageous if costs can be kept down. Consumers . . . get a highly personalized news product delivered to them and equally targeted . . . direct-response advertising," said the Newspaper Advertising Bureau's Mr. Winter.

"This is not a threat to traditional newspapers [but] a spinoff to enhance interest in the regular paper," said Bruce Thorp, media analyst for Provident National Bank.

The *Courant's Fax Paper*—a legal-size sheet of late news and a summary of the next day's news transmitted by MCI Communications Corp.—has no plans to carry advertising.

Some observers believe *Courant* parent Times Mirror Co. may launch similar services at its other papers, such as the *Los Angeles Times* and *Newsday*, depending on the *Courant's* success.

"It expands the presence of the *Courant*, but I don't see it ever being a factor in revenue," said John Morton, newspaper analyst for Lynch, Jones & Ryan.

The *Courant* advertises *Fax Paper* with house ads and direct mail, both created in-house.

The *Courant's* daily circulation is 225,000, according to the Audit Bureau of Circulations. The paper wouldn't disclose the number of fax subscribers, composed primarily of business leaders.

The concept of faxing news is bet-

(Continued on Page 56)

WHO'S ON TOP IN EUROPE

Rank	Network	1988 European gross income	% change over '87	European billings '88	% change over '87	'88 European gross income as % worldwide	'88 European billings as % worldwide	Network's top European office in '88 billings
1.	Publicis-FCB[1]	$327,110	19.7%	$2,234,307	21.0%	50.0%	51.3%	Publicis Conseil, Paris
2.	Saatchi & Saatchi Advertising	289,128	26.7	2,093,041	36.3	39.1	41.6	Saatchi & Saatchi U.K., London
3.	Young & Rubicam[2]	267,532	33.0	1,784,491	33.0	35.3	34.0	Young & Rubicam Holdings, London
4.	McCann-Erickson Worldwide	264,128	17.5	1,761,631	17.5	40.2	40.2	McCann-Erickson U.K., London
5.	Backer Spielvogel Bates	262,904	23.2	1,664,247	23.4	38.1	35.6	BSB Dorland, London
6.	Ogilvy & Mather	249,027	24.3	1,565,337	24.4	39.2	38.1	Ogilvy Group, London
7.	Lintas:Worldwide	214,388	15.0	1,429,966	14.6	39.8	39.9	Lintas:Germany, Hamburg
8.	J. Walter Thompson Co.	194,635	10.6	1,438,217	19.2	34.8	37.3	J. Walter Thompson Co., London
9.	HDM	186,312	42.9	1,265,868	42.9	66.8	65.3	HDM France, Paris
10.	D'Arcy Masius Benton & Bowles	170,280	27.5	1,232,253	37.4	39.7	36.7	DMB&B, London
11.	WCRS/Belier	167,355	40.9	1,153,693	43.2	57.7	56.9	Belier WCRS, Paris
12.	Grey Advertising[3]	163,900	35.6	1,093,213	35.6	37.9	37.9	Grey Communications Group, London
13.	BBDO Worldwide	129,344	21.8	883,334	21.7	22.2	21.8	Team/BBDO Group, Duesseldorf
14.	Lowe, Howard-Spink	120,140	36.7	825,946	37.7	61.0	62.8	Lowe, Howard-Spink, London
15.	DDB Needham Worldwide	118,778	16.3	790,315	8.5	29.7	26.2	DDB Needham, Duesseldorf

Figures are in thousands of dollars. [1]Gross income and billings figures for **Publicis-FCB** include 100% of Publicis Conseil, Paris. Publicis-FCB, the European arm, owns 20% of Publicis Conseil. If only 20% had been included, the network would have dropped to the No. 6 position, but FCB Publicis contends that the arrangement of interlocking directorates and exchange of stock makes the two agencies virtually a single entity. [2]Gross income and billings figures for 1988 for **Young & Rubicam** reflect the deduction of $15 million and $100.1 million, respectively. These figures represent the non-advertising part of Y&R's public relations arm, Burson-Marsteller, in Europe. Also, Y&R's European percentage ownership in HDM is not included in Y&R's totals. [3]Gross income and billings figures for 1988 and 1987 for **Grey Advertising** were supplied by the agency. Grey would not disclose equity percentage holdings in its overseas offices. Source: Advertising Age

Publicis-FCB leads Euro-networks

By LAUREL WENTZ

LONDON—The international alliance that Foote, Cone & Belding forged with Publicis, France's largest agency, has propelled the combined network to No. 1 among agency networks in Europe.

The figures are based on the percentage of equity held in European offices. The Publicis-FCB figure includes 100% of the income of Publicis Conseil, Paris.

Publicis-FCB, the European arm, owns 20% of Publicis Conseil (the rest is owned by Publicis Communications). If only 20% had been included, the network would be No. 6. But Publicis-FCB contends the arrangement of interlocking directorates and exchange of stock makes the two agencies virtually a single entity.

Formal documents were signed earlier this year combining Foote, Cone & Belding Communications' European operations with those of Publicis Communications.

The interlocking network and joint ownership of various units make this alliance different from other partial ownership networks.

An ADVERTISING AGE survey of 17 countries shows the top 15 multinational agency networks continued buoyant growth with an average 26.5% increase in gross income in Europe for 1988.

The growth rate has slackened from the 40% boost in gross income for Europe's top 10 networks in 1987, partly because the dollar remained fairly constant in 1988.

Among the top 15 agency networks, less than half are U.S.-owned. Assuming London-based WPP Group's acquisition of Ogilvy & Mather is approved, six of the top 15 would be majority-owned by U.K. groups and two by French groups. The remaining seven would be under U.S. ownership.

The two fastest-growing networks were HDM, which increased gross income by 42.9% in 1988, and WCRS/Belier, 40.9%.

HDM's growth is being fueled by European clients like French automaker Peugeot, which is hiking spending to raise its European market share.

Publicis-FCB was able to leap into first place due to the dominance of Publicis Conseil, which contributed $125 million to total gross income.

Outside France and Italy, the Publicis-FCB network doesn't rank in the top 10 in any other major markets. In the U.K. and France, where FCB and Publicis have maintained separate agencies, FCB's gross income fell in 1988.

Saatchi & Saatchi Advertising ranked No. 2 with gross income of $289.1 million. Saatchi and Young & Rubicam, in third place, are the only networks that have agencies in the top 10 of all five of Europe's major markets—the U.K., France, West Germany, Italy and Spain.

Although Saatchi's flagship London agency continues to dominate the European network, Saatchi's fastest-growing agencies were in Germany (44%) and Spain (47%).

Y&R is about to plug the last gap in its European network by buying into an agency in Turkey.

It's also looking at adding second agencies to avoid client conflict at the main agency in France, the U.K., Germany and the Netherlands.

Y&R posted extraordinarily high growth in all five of the major markets in 1988—Spain (86%), France (67%), Germany (54%), U.K. (44.5%) and Italy (33%).

Close behind was No. 4, McCann-Erickson Worldwide, with $264.1 million in gross income, and No. 5 Saatchi-owned Backer Spielvogel Bates, with $262.9 million.

McCann was in the top 10 in all the major markets except France, where it ranks No. 13. Backer was the No. 1 agency in five small markets but growth in its largest market, the U.K., was a mediocre 7%.

No. 6 O&M, with gross income of $249 million, ranks above its new sibling, J. Walter Thompson Co., in all but four markets (Italy, Spain, Turkey and Portugal). O&M's 24% growth rate was boosted by the $100 million nine-country Ford of Europe business, which moved from JWT in 1988.

No. 8 JWT is still absorbing the Ford loss. Its 10.6% growth in gross income was the lowest of any top 15 network in 1988. Additional account losses in Germany and France limited JWT's income growth to 1.6% in Germany, and in France income fell by 33%.

No. 7 Lintas had the second-lowest network growth rate at 15% and posted uneven results. In Germany, Lintas grew by 18% and knocked Team/BBDO out of the coveted No. 1 slot. Lintas grew fast in Spain (50%), Italy (27%) and France (20%), but income fell in Scandinavia and increased by less than 2% in the U.K.

After large-scale defections by staff and clients—including Unilever—Lintas is in talks with Still Price Court Twivy D'Souza and other London agencies in search of a creative shop with strong management to acquire and merge with.

No. 10 D'Arcy Masius Benton & Bowles' fastest growth was in France, Germany and the U.K., where the agency increased gross income by more than 30%.

WCRS/Belier and Lowe are growing fast but have a presence only in the major markets. Grey Advertising grew by more than 50% in France, Belgium and Switzerland and by more than 30% in the U.K. and Spain.

BBDO Worldwide's weakest market is the U.K., where the agency ranks No. 41, and France, where it is No. 19 but grew by 38% last year. BBDO's growth was slowest—6.6%—in its strongest market, Germany.

DDB Needham Worldwide moved its international headquarters from New York to its largest overseas office, Paris, which grew by 38% last year compared with 2% in Italy and 0.7% in the U.K.#

McCann links direct shops

By KEVIN COTE

LONDON—McCann-Erickson Worldwide is unifying its direct-marketing operations in Europe, joining 14 offices under the name Europe McCann Direct.

The unit will compete against WPP Group's Ogilvy & Mather Direct and Young & Rubicam's Wunderman Worldwide subsidiaries on a network basis.

Malcolm Miles, chairman of McCann-Erickson Network in the U.K., composed of all McCann agencies in that country outside of London, was appointed manager of Europe McCann Direct. Total billings for McCann Direct in Europe are $55 million, he said.

Currently, only McCann Direct offices in London and Frankfurt are treated as separate profit centers. The other 12 offices in the network are either divisions or departments of the full-service ad agency.

But the aim is to create a network that operates independently of McCann's ad agencies, Mr. Miles said.

McCann Direct has just won the European account for the Amadeus computerized flight reservation system, a new account. Amadeus is a joint venture between European airlines SAS, Iberia, Lufthansa and Air France. McCann Direct will promote the system to the travel trade all over Europe.#

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Special Report

The media squeeze is on

Business publishers caught in vicious rate-cutting trap as big shakeout looms

By Scott Donaton

The business press is caught in a vise that tightens with each declining ad page. Publishers are looking to relieve the tension and grab market share by resorting to rate cutting, particularly as advertisers concentrate trade book placements in fewer titles.

Industry insiders label rate negotiation a quick fix, however, saying the strategy will come back to haunt its practitioners.

The stage is being set for a classic shakeout as the industry rides a swelling tide of new trade titles and an eroding base of ad pages.

Standard Rate & Data Service, after accounting for launches and failures, reports that from 1984 to 1988 an average of 154 additional business publications each year jumped in to slug it out for fewer ad pages.

And failures are on the rise. If the pace established from January to April is maintained, 243 business titles will falter this year, up from 188 last year, according to SRDS.

Space Analysis Systems and *Business Marketing*, a sister publication of ADVERTISING AGE, estimate business press ad pages will drop 1.5% in 1989 from the previous year. Although rate-card increases boosted ad revenue 18.2% from 1985 to 1988, ad pages declined 11.5% during the same period, according to a 516-magazine study conducted by Business Development Group.

Titles up, pages down. Enter rate negotiation.

"The practice is growing because we hit that ad page wall, and there are publishers foolish enough to just throw away rate cards," says Bernard Kovach, president-ceo of Bill Communications.

Rate negotiation also is being fueled by exclusive placements.

"Where companies were buying four books [in a category], they're now buying two," says Ned Borowsky, president of North American Publishing Co. "That's where price cutting comes from. In the past, you could be the No. 3 book, the No. 4 book, and you could hold your position and grow a little each year because markets were expanding."

But few markets are expanding now, he says, adding that growth must come at the competition's expense. "It's the Nos. 3, 4 and 5 books in the market that are cutting rates to hang on because costs are escalating," Mr. Borowsky says. "They figure why not get what they can get for 10% or even 30% of their [ad] space."

Category-leading books are likely to withstand negotiation pressure, offering value-added services to channel deals away from straight dollar discounts, while lower-tier books will cut rates to get business, endangering editorial quality and long-term health.

Most magazines cannot survive on cut-rate revenues, says Michael Speciale, VP-media services at Spencer Bennett Nowak, a Seekonk, Mass.-based business-to-business agency. "It will backfire in their faces."

If price becomes the only factor in media selection, at some point the publisher has to decide what level of profitablity is reasonable, says Dan Comiskey, VP-publisher, *Building Supply Home Centers*. "If rates are being negotiated, other areas of the magazine will have to absorb those declines in revenue."

Sal Marino, president-ceo at Penton Publishing, fingers advertisers as the culprits.

"Most of the pressure is coming from large advertisers and their agencies, who are used to this kind of practice in the consumer press and electronic media," he says. "The agencies are merely applying that practice in new areas."

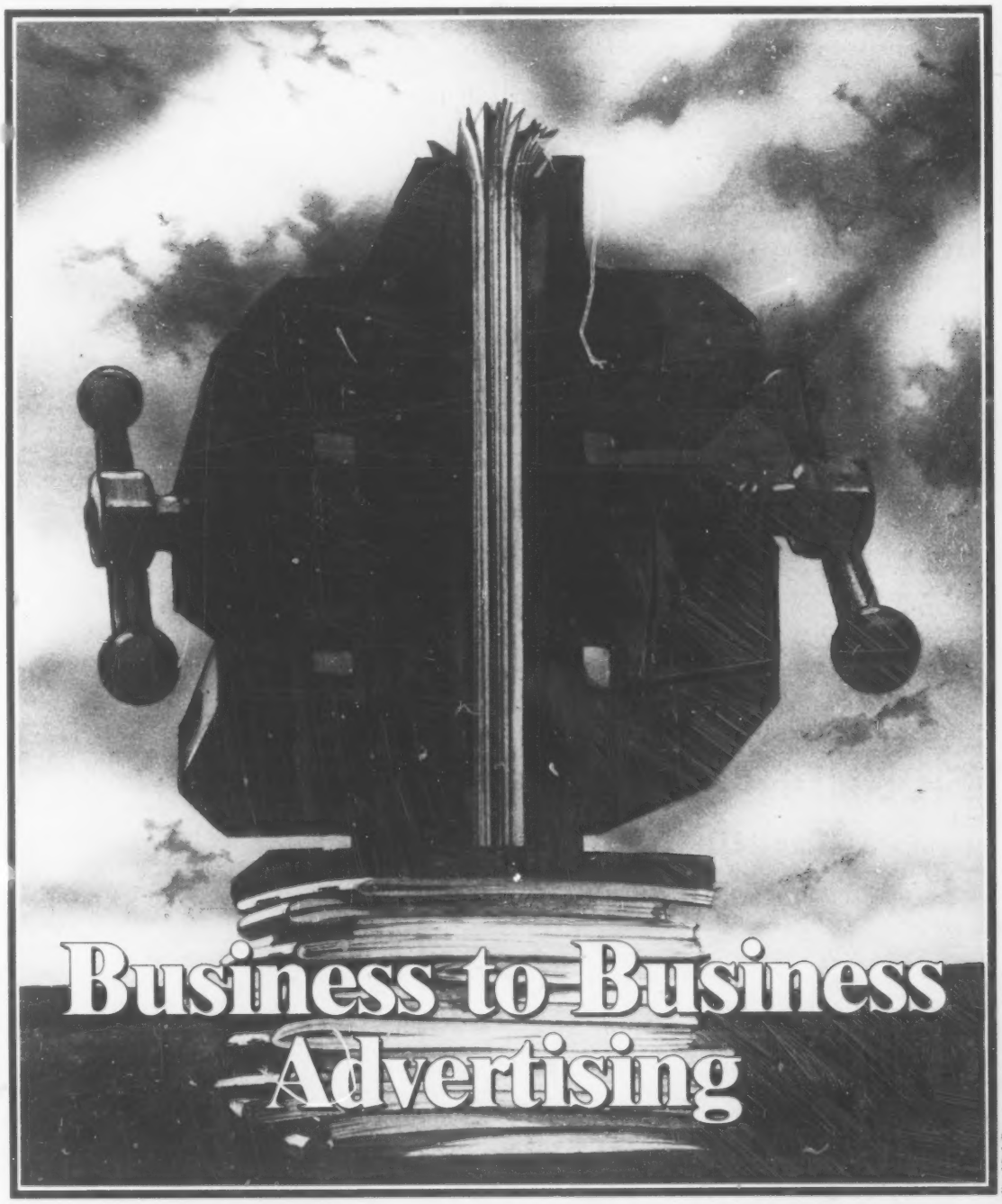
Mr. Speciale counters that business publishers started the practice, which he faults.

"I don't think any magazine should go off rate card," he says. "They should stay on the card and provide information to illustrate the value of the vehicle, not base it on cost. They prostitute themselves when they do that."

Some people say both advertisers and publishers are to blame and that the practice is dangerous for both parties.

"The client gets hurt when you buy on a commodity basis. That's what happened to television," says Arun Sinha, media director, Anderson & Lembke, a business-to-business agency in

(Continued on Page S-10)



Kurt Mitchell

How contenders become pretenders

Unplugging of weak computer books an example of larger woes

The business press is turning into a horse race. And increasingly the only positions that pay dividends are win, place and show as advertisers tighten budgets and take a hard look at secondary publications within industry categories.

An investigation of one category—in this instance, old-line computer books targeted at managers of information services and mainframe computer data processing operations—speaks volumes about the stresses facing business publishers with lower-tier books. With ad revenues remaining generally static or shrinking, growth for category leaders now often comes at the expense of competing publications.

Illustrating how high the stakes have risen, this was a six-book category at the start of 1988. *Infosystems* folded in spring 1988, followed by *Computer Decisions*' demise this spring, while the three category-leading titles gain in ad revenue. □

Desperate living in the bottom tier

Magazine ad revenues ($000,000)

	1988	1987	1986
Category total	$96.8	$99.3	$105.0
1. Computer World	52.0	50.0	49.0
2. Datamation	18.0	17.0	17.5
3. Information Week	15.0	13.0	12.0
4. MIS Week	9.0	9.9	11.5
5. Computer Decisions	2.5	7.1	10.5
6. Infosystems	0.3	2.3	4.5

Source: Communications Trends Inc.

Media insiders thrash young agency buyers

Their inexperience and lack of understanding catch flak from long-time veterans watching competitors make in-roads

By E.S. Ely

What's plaguing the trade books is young, inexperienced media buyers. Going a step further, Penton Publishing President-CEO Sal Marino dropped the hangman's rope on young media buyers just out of college.

"There's no way they [young media buyers] have the time to dig into [trade magazines] deeply or understand them editorially," says Mr. Marino.

The remarks—made at a recent university career conference—were anything but an idle complaint. They address the frustration many trade publishers feel toward agencies, as their market share continues to wilt against other media strategies.

Mr. Marino's remark about inexperienced media buyers refers to a consequence, not the cause of the forces at work in business-to-business advertising in recent years.

"There's no way [young media buyers] have the time to understand [trade magazines] editorially."

Sal Marino
Penton Publishing

What weight is given to these different forces depends on who is talking.

A major loss—in the view of publishers and traditional business-to-business agencies—has been the gradual disappearance of the seasoned trade media buyer at medium and large agencies.

This process began with the recession of 1973, says Fergus O'Daly, chairman-CEO of Poppe Tyson, New York. Agency heads looking to cut personnel costs reasoned there was little need for a specialized business buyer.

Clients, also pressed, sacrificed ad directors experienced in the trade press.

"They fired most of the pros in this business between 1973 and 1983," says Mr. O'Daly.

The number of purely business-to-business agencies also has declined. "You have an ever shrinking field of business-to-business media buyers," says Michael Walsh, media director at Gray & Rogers, Philadelphia.

The loss has been critical, depriving the trades of their strongest advocates, says Michael Speciale, VP-media services for Spencer Bennett Nowak in Seekonk, Mass.

The business specialist lived his craft, Mr. Speciale says. "He studied it. He talked to the media reps. He became a premium in the marketplace."

Most important, knowing his industries and their trades, the specialist could argue a strategy that might put the client in a half-dozen books or more, for optimal reach at the greatest cost efficiency.

"He looked at more than just numbers," says Mr. Speciale. "He read the magazines."

Their places are now held by less-experienced buyers with less clout, Mr. O'Daly and others claim. Often the buyers are part of a team considering trades as but one option along with TV and consumer publications.

Too often the younger buyers are dipped into trades as a brief stop before consumer media, says Mr. Speciale. "They are not being trained properly," he says.

These critics charge the young buyers, as TV generation children, are daunted by the complexity of trade publications, the many niches and the subtleties of editorial slant that separate books and can prove crucial in buying decisions.

They also say buyers neither identify with the editorial, as they might a consumer book, nor can they rely only on the numbers, as they can with consumer publications' sophisticated, computer-accessible syndicated research. Trade numbers are more complex, and hardly uniform.

Also, there are more magazines. The Standard Rate & Data Service trade directory is twice the thickness of its consumer directory, says Mr. O'Daly, and that only represents the top 600 or so titles. In computer books alone, there are about 1,100 publications, he says.

"So many magazines are so specific by function interest or industry covered," says Mr. Marino.

"You can have a chemical product that goes into over 5,000 different products in over 60 different markets," says Mr. O'Daly. That extreme diversity makes it impossible for consumer media specialists to adopt their approach to trade press buying, he says.

"It's a whole different thing you've got to look at," Mr. O'Daly says. "It isn't just numbers. He's got to see the reps, he's got to do an analysis, and it can take six hours," while consumer magazine data is at their fingertips via computer.

As a result, the buyer adopts what

(Continued on Page S-9)

E.S. Ely is a New Jersey-based free-lance business writer.

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Books take matters into their own hands

Frustrated with agencies, publishers set up 'one-stop marketing centers'

If they won't join you, beat 'em. That seems to be the strategy employed by business-to-business publishers as they increasingly bypass recalcitrant ad agencies and go directly to advertisers.

"The only thing we have left is to force the issue," says VNU Business Publications President-CEO Robert Lydon.

The pitch directly to agency clients shouldn't be to buy space—at least initially—but to stress, "We're here to help you solve your marketing problems," says Mr. Lydon.

Publishers also are working to recoup marketing dollars lost to competing alternative media by becoming what they like to call one-stop marketing centers for their industries.

Such programs, says Edgell Communications' Chairman-CEO Robert Edgell, "often tap new dollars from advertisers. The more we can become an all-around supplier and servicer to the advertiser, the better it is."

As they sharpen marketing strategies to gain share, publishers' tactics fall into two categories: creating better data for advertisers and creating closer ties to them through value-added programs that enable advertisers to use magazine readership as a research base.

Publishers increasingly are stepping in to provide some of the marketing direction once furnished by clients' ad managers.

For example, Cahners Publishing Co. offers syndicated research of several of the industries its publications cover. Although syndicated research is extremely costly, observers say it would put trades on an equal footing with consumer magazines and will become common in larger business-to-business advertising categories.

Unlike the traditional readership study, syndicated research breaks down an entire industry, offering readership data on all publications and detailing key purchasing decisions. For example, determining what share of restaurant operators buy which brands of cooking oil can be an invaluable tool for a potential or current advertiser.

Publishers are increasingly offering data developed from readership studies, showing distribution overlap among competing publications. Advertisers then can determine the number of books needed to maximize penetration.

CMP Publications offers quantitative proprietary research with an overlay of conferences and focus groups. "We're making the editorial come alive," leveraging an editorial presence into an industry presence, says Kenneth Cron, VP-group publisher. The focus groups provide top managers with insight into customers' real needs, he says.

VNU is making available to advertisers a panel of 5,000 subscribers. The group can be used to test ad copy, new product viability or help determine what will make a customer switch to a competing product, for example.

But realizing that agencies remain an essential link in the buying process, Business Publications Audit of Circulation has instituted another step in the race for ad pages. Training seminars for media buyers, originally running in May and June, have been extended into the fall season.

—E.S. Ely

Tops in the trades

Leading agencies in 1988 business publication billings ($000,000)

Rank/Agency	1988	1987	% change
1. Levine, Huntley, Schmidt & Beaver	$58.3	$2.2	2,514.8%
2. Young & Rubicam	57.9	55.1	5.0
3. J. Walter Thompson Co.	52.7	51.1	3.1
4. Della Femina, McNamee WCRS	44.7	42.6	5.0
5. Doremus & Co.	43.0	54.0	-20.4
6. FCB-Publicis	37.3	15.6	139.3
7. Ketchum Communications	36.9	27.9	32.0
8. Ogilvy & Mather Worldwide	35.0	12.0	191.7
9. McCann-Erickson Worldwide	33.1	27.2	21.7
10. HDM	16.1	16.4	-1.8
11. Campbell-Mithun-Esty	15.9	18.2	-13.1
12. LGFE Inc.	15.6	10.8	44.4
13. Albert Frank-Guenther Law	15.5	15.6	-0.2
14. Fallon McElligott	13.7	8.7	58.1
15. Lewis, Gilman & Kynett	12.5	13.9	-10.1
16. Hammond Farrell	12.4	12.2	2.1
17. Hoffman York & Compton	10.8	7.5	43.1
18. Al Paul Lefton	9.8	10.4	-5.8
19. Christopher Thomas/ Muller Jordan Weiss	9.0	NA	NA
20. Fahlgren & Swink	8.9	10.4	-14.3
21. Chiat/Day	8.9	18.9	-53.1
22. N W Ayer	8.7	15.4	-43.6
23. Meldrum & Fewsmith	8.6	8.1	5.0
24. McKinney & Silver	7.5	7.0	7.1
25. Rumrill-Hoyt	7.4	7.8	-4.7
26. Mintz & Hoke	7.1	5.8	23.5
27. BBDM Advertising	7.0	3.9	77.0
28. BBDO Worldwide	6.9	7.9	-12.0
29. Cramer-Krasselt	6.8	5.8	15.6
30. Liggett-Stashower	6.7	6.0	11.9

Source: Advertising Age

Buying binge not over: Cahners

McDermott targets medical, food and construction properties as areas to grow

By Ed Fitch

Cahners Publishing Co. can't seem to stay out of the press.

Its acquisitions of *American Baby*, *Modern Bride* and *Variety* turned heads in the industry.

The spotlight burned brighter last month, just before the Association of Business Publishers convention, when Cahners' parent company, Reed International, said it would acquire Rupert Murdoch's travel and hotel-industry publications and electronic publishing properties.

Compounding that $825 million acquisition's impact were hints by Cahners executives that these mega-buys merely suggested bigger things to come.

"The Murdoch purchase didn't deplete our war chest," Terrance McDermott, Cahners Magazine division president, told ADVERTISING AGE.

The comment prompted one wag to describe Cahners as "a big rhinoceros that leaves a huge imprint where it steps." Below Mr. McDermott fends off that charge and outlines the challenges facing business press publishers.

ADVERTISING AGE: *Is there any truth to the statement that Cahners has become "a big rhinoceros?"*

Mr. McDermott: Not in my opinion. At an association meeting populated by a number of major companies but also some small companies, what are they going to say? If I was a small company and watched Cahners go out and make a multimillion-dollar deal, I'd feel the same way.

If it were true, we'd be a lot more concerned that we were getting too big for our britches. But I don't think that's happening. We just went through a major reorganization to keep the point of decision-making close to the publisher and the marketplace.

AA: *How do the benefits of a large corporate structure translate down to the individual book level?*

Mr. McDermott: The big thing is we are able to give a publisher a lot more of his net revenue dollar to invest back into his product. We buy paper, printing and film at a much more efficient level than a small company can.

Say we can produce our publications and return an additional 3% profit to the publisher's margin. On a $10 million book, that's a whole lot of money.

AA: *You have said the company has the desire and capital to go after virtually any acquisition in the business and consumer magazine area.*

Is it likely, following the Murdoch purchase, that you'll be out of commission for a while as the company digests those acquistions?

Mr. McDermott: No. Reed announced the launch of a new women's magazine title called *Me* one week after the Murdoch purchase.

Would we walk away from a piece of business that we thought would complement our other business?

Absolutely not.

Every group publisher has a hit list of books they want to buy or launch. Our style is to get into markets in an in-depth way.

Anything in the framework of markets we want to increase our involvement in, we'd be anxious to do.

However, the bottom line is we're in business to grow a publishing company, we're not in the acquisitions business. Everything we do will be in that context.

We don't want to get indigestion.

AA: *The softness of the industry suggests that titles would be low priced. Yet, analysts claim the Murdoch purchase was $150 million or $200 million above value. Why pay a premium?*

And, in general, what is the market like for acquisitions?

Mr. McDermott: Things are going 10 to 12 times [earnings], and we think that 15 times is not that big a deal.

Whoever said the right level was 7 times was whistling "Dixie." You can't buy a dead magazine for 7 times.

If we paid a premium for Murdoch it was because of our belief in Murdoch's dream. The growth and potential of the electronic side of the business will be dramatic. It's a great investment in the future.

And we had a major stake in the international travel market [with *World Airways Guide*]. We are willing to pay a premium for synergy.

Doug Goodman

"Our style is to get into markets in an in-depth way," says Terrance McDermott, Cahners Magazine division president.

AA: *Are there any specific properties the company is pursuing?*

Mr. McDermott: We're always looking very hard at the medical market. We have 13 titles in that area and would like to have more. It's a business where you need significant critical mass.

No. 2 would be in the design and construction field because of our stake in those areas with the interior design and building industry publications.

AA: *Is it true Cahners has a goal of carrying 50% trade, 50% consumer titles?*

Mr. McDermott: We don't have any set strategy.

We will continue to grow what we call "special interest consumer publications," but the percentage [of trade to consumer] will be an accident of good fortune.

Consumer properties are at 20% now, but we don't have any grand plan to be 50-50.

AA: *What consumer properties are you most interested in? Do you look specifically for consumer magazines that have an existing trade counterpart to offer advertisers one-stop shopping?*

Mr. McDermott: That is priority No. 1. I call it the "tip of the spear strategy."

Because we're a major player in the food and restaurant business, we'd love to have a compatible consumer property like *Gourmet* or *Bon Appetit* The same thing goes with our building books because of the strength of *Professional Builder* and the interior publications.

AA: *Do you prefer acquisitions or start-ups?*

Mr. McDermott: Historically, we've leaned toward acquisitions.

Probably you will see us launch more titles over the next five years. We want to challenge the company to do it.

We've been known as a company that can acquire a property and make it better. But we have not had a great track record as a launch house and we would like to be known as people who can launch books as well as buy and run them.

The prices of busiress magazines are nuts. Prices are so high, you can take the same money and launch a new property.

Specifically, you will see some activity from the new Business Newspaper division, which includes *Variety*.

AA: *What's the near-term outlook for the business? Can we expect to see the softness continue?*

Mr. McDermott: The same situation will continue through 1989.

We see a turnarourd in terms of a business increase starting in the second quarter of '90. But I don't think it will be really strong until calendar '91 because of the way budgets are set.

We're predicting an economic uptick in the fourth quarter and because our business usually lags about tine months behind the economy, next June looks good, particularly in markets that turn faster and where schedules aren't cast in stone.

The big challenge is to convince advertisers to increase business press' percentage in the marketing mix. The problem is that we are getting a decreasing percentage of the media pie.

It's now something like 2.2% or 2.5% of budgets. We want to bring it back to the 3%-plus range.

Cahners is committing in the fall to create major programs to bring new research information and data to the marketing community to show the value of business communications. We have to get the word out in the most sophisticated way that communicates the value of business communications.

AA: *What are the biggest issues facing trade publishers?*

Mr. McDermott: Marketers and advertisers are searching out other vehicles like direct mail, audio-visual, VCRs. We have a generation of marketers and advertisers who really aren't sure what works.

The problem is traditional media are held to task for performance, while the new stuff isn't measured at all.

A lot of times it comes out of the president's office because he wants to try AV or something.

When it doesn't work, people aren't going to run in and tell him his idea was dumb.

Also, some of the new people on the block don't think there's a downside risk to cancelling programs in traditional media.

The downside is jeopardizing the value of a brand name.

It can take decades to win customers in markets like high-tech and engineering. The onus is on us to prove it to buyers.

AA: *What impact is new technology having on trade publishing?*

Mr. McDermott: New technology will offer a great way to structurally change our operating costs and still produce high-quality publications. It will be a great partner in the '90s to guarantee profits.

Our ad rates will stay even with internal inflation. We have 40 category leaders, so we're not going to see great increases coming from page gains among those books. I think we can gain through technology.

You also need to use it to find new ways to have an impact on your audience.

You have to look for an intelligent formula of print and other communication devices.

Hopefully we're smart enough to recognize that magazines, newspapers, data package and maybe a cable show is what the advertiser and user really wants.

American Baby, for example, has five publications, a distribution company, plus a cable TV show. *Professional Builder* is on the newsstand and selling house plans to builders, and it has added five remodeling issues.

AA: *Define the trade publishing company in 1995.*

Mr. McDermott: The trade publishing company in 1995 will be able to bring their products into the market faster and, through technology, at less expense.

To keep up with all the options that the end user has to get information, we have to get that information to them in whatever speed or form is necessary. The publishing companies will have to be comfortable with all kinds of transmission vehicles—whatever the market demands.

The companies that didn't participate in high-growth technologies like electronics and computers are not the first-tier publishing companies in the '80s.

In the '90s those of us who have been involved in those industries will be able to use the knowledge gleaned in the '80s. To date, though, we've done a better job of reporting on technology than using it.

In a universe where competition for the reader/viewer/listener is getting so intense, the real challenge is to find a way to get information to them in a way that meets their needs. □

Competitors ally to bring in new ad sources

M-H Management Network packages 54 leading magazines to woo general advertisers like United, Avis into trade books

By Leslie Gilbert

The McGraw-Hill Management Network is challenging *Forbes* and *Fortune* for advertising directed at executive readers.

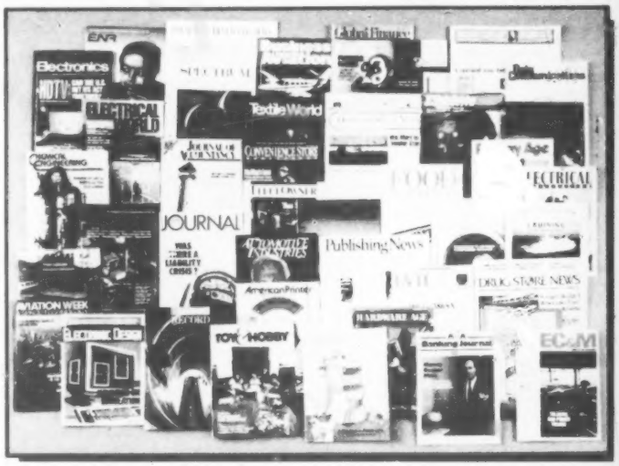
The Management Network's April launch marks the first time competing business publishing companies have joined together to boost ad page sales.

Positioned as a direct line to executives across a broad spectrum of industries, the network is designed to accommodate general and corporate image advertising—the campaigns usually reserved for general business publications. It also attracts advertisers such as travel, automotive and financial services, which ordinarily don't include trade magazines in their media mixes.

"*Business Week* reaches top executives, but only in non-technical industries," says David Metz, general manager of the network. And *Forbes* and *Fortune* "... do a miserable job of reaching the technical trade," he says.

The Network spans 20 publishing companies and includes 54 magazines—each a category leader in

Leslie Gilbert is a New York-based free-lance writer.



McGraw-Hill Management Network is looking to attract general and corporate image advertising and categories that often ignore trade magazines.

share of advertising—with a combined circulation of 5.1 million. Some of the other publishers are Chilton Co., Lebhar-Friedman and Maclean-Hunter.

The network's sales force focuses on general advertisers, such as client United Airlines. "They want to push their Pacific Rim service so they are going into magazines that reach aerospace, electronics, textiles, finance . . . the people who do business in the Far East," Mr. Metz says.

Northwest Airlines, Avis Rent-a-Car and Compaq Computers also have bought into the network.

Jeffrey Cunningham, *Forbes* director of advertising, doesn't see the McGraw-Hill network as competition, contending that it's "not an advertiser's need" but a "publishers convenience."

"All of the business magazines have technical columns," he says. "We run a five-to-eight-page article on computers or communications in every issue and columns on science and technology in every issue. Our readership is broad-based over many different industries."

Mr. Cunningham says the network is an option only after an advertiser places a significant schedule in first-tier publications, such as *The Wall Street Journal* and other business magazines. "At that point an advertiser may just want numbers and the network may offer unduplicated readership. It is a utility vehicle. The idea has some merit, but to think of it as competition for us is crazy," he says.

Compaq does believe the network serves an advertiser need, however.

Because Compaq markets its computers across a variety of industries, "It would be expensive and inefficient to go into each magazine individually," says Alan May, VP-associate media director, Ogilvy & Mather, Houston. "The network gives us one-stop shopping."

Compaq also uses the Penton Executive Network to reach engineering executives, Mr. May says.

Advertisers are free to choose any combination of network magazines as long as the buy reaches at least 1 million combined circulation based on Audit Bureau of Circulations and Business Publications Audit of Circulation.

The network expects to add another 10 to 15 publications—such as travel, household products, real estate, healthcare and medical—by month's end.

Cost-per-thousand ranges from $39.25 for a color page ad with at least 1 million circulation to $26.35 for a b&w page—$33.75 for color—with more than 3 million circulation. Network CPM is about 40% less than buying space in the individual magazines.

"Right now our prices are too low," says Mr. Metz. "Once we have a base, we'll be able to raise the

(Continued on Page S-6)

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Source: BPA December '88.

From ABA to VNU

McGraw-Hill Management Network participants include the following (circulation in parenthesis based on June 30, 1988 ABC/BPA circulation audits and publisher statements):

American Bar Association: *ABA Journal* (413,055)
American Institute of Certified Public Accounts: *Journal of Accountancy* (314,061)
Bill Communications: *Sales & Marketing Management* (66,896)
Chilton Co.: *Automotive Industries* (88,917); *Distribution* (74,735); *Food Engineering* (66,633); *Hardware Age* (77,282); *Jeweler's Circular Keystone* (42,451)
CF-VH Associates: *Corporate Finance* (56,977)
Dana Chase Publications: *Appliance* (32,950)
Family Business: *Fleet Owner* (124,801)
Gulf Publications: *Ocean Industry* (35,191); *Pipeline Industry* (30,711); *World Oil* (41,438)
Hanley-Wood: *Wood Builder* (229,607)
Hanson Publishing: *Direct*, (43,000); *Publishing News* (27,000)
Hitchcock Publishing: *Assembly Engineering* (85,238); *Machine & Tool Blue Book* (101,687); *Manufacturing Systems* (120,518)
Institute of Electrical and Electronics Engineers: *Spectrum* (295,390)
International Thomson: *Convenience Store Management* (117,971); *Toy & Hobby World* (24,791)
Independent Insurance Agents of America: *Independent Agent* (62,000)
Lebhar-Friedman: *Chain Store Age Executive* (37,265); *Discount Store News* (32,609); *Drug Store News* (46,870); *Nation's Restaurant News* (98,794); *Apparel Merchandising* (48,634)
Maclean Hunter: *American Printer* (102,698); *Coal* (32,887); *Engineering & Mining Journal* (34,625); *EP&P* (53,034); *Progressive Grocer* (93,666); *Textile World* (30,966)
McGraw-Hill: *Architectural Record* (83,822); *Aviation Week & Space Technology* (147,125); *Business & Commercial Aviation* (63,155); *Byte* (459,880); *Chemical Engineering* (71,868); *Data Communications* (63,695); *Electrical Construction & Maintenance* (103,684); *Electrical Wholesaling* (21,713); *Electrical World* (45,806); *Engineering News-Record* (102,137); *Modern Plastics* (57,199); *Physicians Financial News* (149,060); *Power* (63,036)
Simmons-Boardman: *ABA Banking Journal* (43,604); *Marine Log* (25,341); *Railway Age* (18,531)
Technical Association of the Pulp and Paper Industry: *TAPPI Journal* (37,078)
VNU Business Publications: *Electronic Design* (152,207); *Electronics* (110,456)

Foes ally

(Continued from Page S-4)

prices and share more [revenue] with the publishers."

The limitation on sales through the network can be frustrating for both buyer and seller.

A media buyer who handles two or more divisions of a diversified advertiser may be approached by a network-member magazine's salespeople as well as network sales reps, each offering a different page rate.

To avoid this kind of competition the network's seven-person sales force is instructed not to duplicate individual magazines' efforts; solicit business from an advertiser that has appeared in any of the magazines during the past year; or approach advertisers that have continuing relationships with a member magazine's sales staff.

Publishers that participate in the network are granted category exclusivity and receive a percentage of the revenue from any network sales. The percentage varies according to the size of the buy and the magazine's circulation.

"We saw it as a way to get added advertising revenues from an area that is not traditionally part of our client base.

"I felt that the demographics of our upper-echelon circulation would be attractive to advertisers, but the numbers we were offering [alone] weren't enough for the advertisers," says David Dreyer, VP-sales and marketing, *Progressive Grocer*.

"It's just gravy for me. We have one advertiser now, and we are hoping to get two or three per issue. That will bring a few hundred dollars more into the magazine," he says. ☐

Technology titles rake in revenue

Top business publications in gross ad revenue, ($000,000)

Rank/Publication	1988	1987	% change
1. PC Magazine	$105.5	$78.0	35.3%
2. PC Week	75.3*	72.3	4.2
3. Computerworld	51.4	51.9	-0.1
4. Restaurants & Institutions	39.7	39.9	-0.4
5. EDN	34.8*	30.8	13.0
6. Design News	27.6*	25.3	9.5
7. Advertising Age	26.9*	26.8	0.0
8. Electronic Engineering Times	26.8	22.7	17.9
9. Computer Reseller News	26.6	22.8	16.4
10. PC World	26.3	28.0	-6.3
11. Medical Economics	25.3	24.5	3.2
12. Mac User	22.8	11.9	91.1
13. Journal of American Medical Assn.	22.6*	19.5	15.7
14. Institutional Investor	22.3**	29.0**	-23.0
15. InfoWorld	20.7	16.7	24.0

Source: The Gallagher Report * Includes special editions ** Includes international, special edition pages

Circulation stagnates in business books

Top business publications in circulation, Dec. 1988

Rank/Publication	Total circulation	% paid	% non-paid	% change '87-'88 (total)
1. ABA Journal-Lawyers Magazine	393,427	92.7%	7.3%	3.0%
2. JAMA	358,916	74.4	25.6	3.9
3. American Medical News	356,470	2.6	97.4	4.9
4. Physicians' Travel & Meeting Guide	339,238	1.0	99.0	7.4
5. Top Shelf Barkeeping at its Best	300,353	—	100.0	—
6. Industry Week	300,183	0.6	99.4	-8.0
7. RN Magazine	284,817	95.5	4.5	3.0
8. Farm Industry News	270,436	—	100.0	—
9. CFO	251,109	—	100.0	—
10. Air Force Magazine	229,109	81.9	18.1	-5.5
11. New England Journal of Medicine	225,986	99.3	0.7	1.1
12. New Equipment Digest	213,099	—	100.0	2.2
13. Industrial Equipment News	211,376	—	100.0	0.6
14. Soybean Digest	204,791	—	100.0	2.0
15. Industrial Product Bulletin	200,055	—	100.0	0.0

Source: Business Publishers Association

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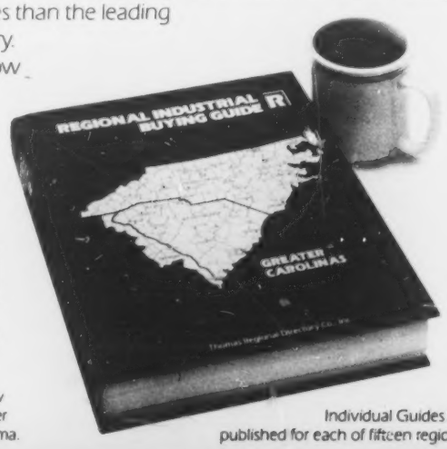

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Study counters bleak outlook, shows clients boost budgets

Surprisingly, TV shows biggest gain among media, survey of top business advertisers finds

Ad pages may be soft and the pressures on profitability constantly on the rise, but business publishing has little to fear, according to a just-released study by Frankel & Co.

The Chicago-based marketing services agency recently surveyed 101 leading business-to-business advertisers in industry categories such as communications, chemicals, computers and electronics, construction and building products and transportation.

"Often the acquisition cost is so high that a business-to-business marketer doesn't really start to see profits from a new customer until year two."

Dan Rose
Frankel & Co.

The findings show that more than 23% of respondents will spend more in both the specialized and general business press in 1989 than they did in 1988. Only 7% will spend less in specialized trade media; a scant 2.6% will decrease general business magazine spending.

Surprisingly, TV will post the biggest gain in 1989, fueled largely by budgetary increases among divisions with sales of $1 billion or more. More than 32% of all surveyed companies report their broadcast TV spending will increase. Only 16.1% will back away from the medium, leaving it with a net gain of 25.6%.

The Nos. 2 and 3 media in terms of net gain are general business magazines and specialized trade media at 20.5% and 16.3%, respectively.

However, the specialized business press is the undisputed budgetary king. The surveyed companies channel 27.4% of their budgets into trade advertising. TV and exhibits and trade shows follow with 12.5% and 9.2% of budgets, respectively.

Indicating the entire discipline's health, 38.4% of survey respondents increased their business-to-business marketing budgets in 1989 vs. 1988, while only 12.1% reduced spending. A substantial 29% boosted their business-to-business budget in relation to their consumer marketing budget; only 7% reduced business-to-business dollars vs. consumer-oriented activities.

As a percentage of total sales, budgets remained the same in 1988 vs. 1987 at 2.5% and 2.4%.

The reason to become more involved in business marketing clearly is to get more out of current customers. More than 43% of the respondents rated increasing the value of existing customers as more important to their business than increasing the number of customers, which was more important to 30.7% of respondents.

"It's a jungle out there when it comes to obtaining new customers," says Dan Rose, Frankel's VP-management representative and director of direct-response marketing. "Often the acquisition cost is so high that a business-to-business marketer doesn't really start to see profits from a new customer until year two. So it's critical that they keep their current customers," and pay close attention to their needs.

Other business-to-business marketing strategy trends reported by respondents include emphasizing product quality and not price as a point of competitive differentiation; shifting to greater use of promotional strategies such as premiums and giveaways, value-added merchandising packages and product sampling; and stepping up direct-marketing activities to provide accountability for marketing efforts. ☐

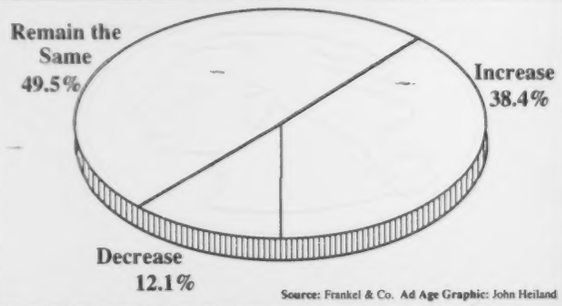
Business-to-business campaigns take to the tube

During 1989, television advertising, advertising in general business magazines and print advertising in specialized trade media are the activities expected to increase the most in relation to 1988 budgets.

	Increase	No change	Decrease	Net Change
Television advertising	32.3%	51.6%	16.1%	25.6%
Advertising in general business magazines	23.1	74.3	2.6	20.5
Print advertising in specialized trade media	23.3	69.7	7.0	16.3
Dealer & distributor support	14.3	85.7	0	14.3
Advertising in newspapers	17.2	79.3	3.4	13.8
Public relations & publicity	17.6	76.5	5.9	11.7
Radio advertising	18.8	71.9	9.4	9.4
Exhibits & trade shows	16.4	76.3	7.3	9.1
Catalogs/directories	11.4	85.7	2.9	8.5
Sales meetings & incentive programs	16.7	72.2	11.1	5.6
Sales collateral	11.1	80.6	8.3	2.8
Cable TV advertising	25.0	50.0	25.0	0
Business oriented sales promotion	13.0	74.0	13.0	0
Co-op advertising	10.5	73.7	15.8	-5.3

Source: Frankel & Co. **Advertising Age graphic:** John Hall

1989 Business-to-business marketing budgets will:



Source: Frankel & Co. **Ad Age Graphic:** John Heiland

Diagnosing new titles: Medical and computer books surge

Taking the pulse of 1988 business press launch activity shows that publishers felt their best chances of success were in the medical and computer/technology industries.

Mirroring what Terrance McDermott, president of Cahners Publishing Co.'s Magazine division, calls an unflagging interest in those categories *(See story on S-3)*, publishers introduced more titles in the medical or computer/technology categories than in any other industry categories.

An analysis of *Folio*'s listing of 1988 launches shows 15 new publications were launched in each of those two categories. Building construction/supply/design-related titles followed with nine additional publications last year. Other categories showing strong activity included communications and business administration.

A look at the 1989 introductions listed in *Folio* indicates a range of categories are piquing publishers' interest.

Technology, however, again appears to be setting the pace this year both in terms of the number of new entries and in attracting advertising.

1989 launches lean toward technology

Title	Publisher	Circulation	Frequency	Annual subscription price	B&W page rate	Ad pages *(May issue)*
May						
Electronic World News	CMP Publications	32,000	monthly	non-paid	$4,995 (intl.)	44
Salon Biz	Canon Communications	47,000	monthly	non-paid	5,900	16
Sports Travel	Murdoch Magazines	25,000	monthly	non-paid	4,500	28
April						
Asia Pacific Aerospace	Asian Business Press	14,000	monthly	$54	3,630	NA
March						
Plastics News	Crain Communications	60,000	weekly	$20	5,740	14
Selling Space	JB&ME Publishing	4,000	monthly	$50	900	8
Home Healthcare Dealer	Curant Communications	12,000	every other month	non-paid	1,395	34
Automotive Electronic News	Fairchild Publications	32,000	twice monthly	non-paid	3,150	17
Body Copy	Breznau Publishing	20,000	every other month	$20	2,500	23
February						
Computerworld Focus on Integration	CW Publishing	135,000	every other month	$44	13,500	35
Contemporary Urology	Medical Economics	9,000	every other month	$45	1,195	32
Voice Processing Magazine	Information Publishing	10,000	every other month	$24	1,270	24
Golf Course News	United Publications	20,000	9 times annually	non-paid	1,490	22
January						
Aquatics	Communication Channels	30,000	every other month	non-paid	3,300	18
Pre-	South Wind Publishing	40,000	quarterly	non-paid	3,650	25
MacTech Quarterly	TechAlliance	20,000	quarterly	$21	2,000	50
Microwave Product Digest	Octagon Communications	40,000	every other month	non-paid	2,100	58

Source: Advertising Age; Folio

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Europe maze befuddles U.S. players

By Curt Schleier

As trade barriers in Europe tumble, U.S. advertisers are finding another remains in place. Companies that want to advertise in European trade media find the going surprisingly difficult.

Trying to place ads for clients entering the international market, Mark Anderson, president of his own Arlington Heights, Ill.-based business-to-business agency, discovered unexpected hurdles.

Foreign publications do not provide the kinds of circulation and audit information that U.S. marketers use to make media placement decisions, Mr. Anderson says. They also do not provide the advertiser support—such as reader service cards—that are standard in U.S. magazines.

"Publications in the U.S. really do a good job. They provide all kinds of information to demonstrate their value to our clients," Mr. Anderson says, further suggesting that U.S. publications should invade other markets for both their clients' and their own benefit. "They need to be able to provide global-integrated service to the industries they serve."

It's a suggestion not lost on U.S. business-to-business publishers. Many are moving to fill a perceived editorial and advertising vacuum in the international marketplace.

Although no specific figures on the number of publications that have gone "global" are available, industry observers sense that the pace is quickening.

According to U.S. publishers, their overseas counterparts are not attuned to the needs of the U.S. marketplace. Not only do they perpetuate the logistical problems Mr. Anderson describes, they also possess a very parochial editorial view, according to U.S. publishers.

Fortune Publisher Jim Hayes says foreign publications "provide no information, no back-up support. Even if you ask them for a copy of the magazine, they get all huffy."

"I think [Mr. Hayes' statement] is a dangerous generalization," says Derek Bowden, media director for Saatchi & Saatchi, London.

In some countries, "it becomes more difficult to do business. You have to cope with unaudited statements, publishers' statements, publishers' lies," he says.

But, that's changing, particularly in the U.K., West Germany and France, Mr. Bowden says.

"Advertisers and agencies want guarantees, and as a result our business overseas is picking up."

Joe Foley
Business Publications Audit of Circulation

According to Business Publications Audit of Circulation President Joe Foley, "Advertisers and agencies want guarantees, and as a result our business overseas is picking up." Business-to-business magazines in Belgium, the U.K. and West Germany increasingly are audited.

In 1989, requests for audits of foreign publications have increased 20%—10% from Western Europe and the U.K., and 10% from Asia—says Maxx MacConnachie, senior VP-general manager for BPAC.

More requests are coming from foreign publications than U.S. publishers overseas. "These requests are being pushed by agencies and advertisers," Mr. MacConnachie says. While there are auditing organizations overseas, "they are not as sophisticated as U.S. advertisers expect," he says.

With or without problems, U.S. publishers contend there is room for publications with a global outlook.

"All of us tend to think of Europe as a single entity—and it may become that," says Robert Lydon, president and CEO of VNU Business Publications.

"But at present, it's really a number of smaller national markets served by national publications. U.K. business-to-business publications think of themselves as publications for the U.K.—not a European publication," he says. "The same is true of the Germans, the Italians, the French. They don't think outside their borders."

Another issue is the lack of information made available by international publications on the industries they cover. "Yet what's happening in Tokyo is as important as what happens in their own countries," says Kenneth Cron, CMP Publications' VP-group publisher of electronic and computer publications.

Determining which industries are particularly ripe for globalization "really depends on the marketplace and the kinds of products and industries served by the magazine," says Earl Moore Jr., VP-international for *Business Week*.

"It's industries that have a common currency or common standard," says Mr. Bowden. "Industries like banking, financial services, advertising, computers, electronics."

Adds CMP President Michael Leeds, "Part of it comes with having powerful publications in industries in which everyone speaks English."

Locating a predominantly English-speaking readership seems key, because many publications entering the international market are published in English.

One exception is IDG Communications, which produces more than 100 business-to-business magazines worldwide, all in the information-processing industry.

"People want to read a publication in their own language," says Ellen Levin, IDG's eastern marketing manager. IDG's first U.S. publication, *Computer World*, launched in 1967, expanded to West Germany in 1974, then into Eastern Europe and the Pacific Rim.

IDG offers advertisers discounts for multiple country orders as well as translation and culturization services for a one-time charge of 15% of the space rate.

"What's happening in Tokyo is as important as what happens in their own countries."

Kenneth Cron
CMP Publications

However, "Most of the major players want the opportunity to communicate in a single voice, and that voice is English," says Paul Mazzacano, group publisher of VNU's electronics magazines.

VNU's approach to the global market was to expand the controlled foreign circulation of two of its books in June 1988. The overseas circulation of *Electronic Design International* was boosted from 15,000 to 40,000, about 21% of its total 195,000 circulation. *Electronics*' foreign circulation was increased to 30,000 from 20,000, out of a total circulation of 85,000.

CMP has taken a different approach. Its *Communications Week International* is a brand extension of its domestic *Communications Week*. Similarly, *Electronic World News*, which premiered last month with 44 ad pages, almost double the initial estimate, is an extension of *Electronic Engineering Times* and *Electronic Buyers News*.

But, says Mr. Leeds, they're not just domestic publications in international clothing. "They have different staffs, different editorial coverage and different styles."

McGraw-Hill, publisher of *Aviation Week*, also publishes separate English-language editions of domestic magazines. Two of them, *Modern Plastics International* and *Data Communications International*, are published in Europe.

"Publications in the U.S. . . . need to be able to provide global-integrated service to the industries they serve."

Mark Anderson
Mark Anderson Associates

While English-language editions may work for McGraw-Hill, Bob Krakoff, president-chief operating officer of Cahners Publishing Co., contends English may be economical to start, "but if you want real penetration, eventually you've got to go to the local language."

This is particularly true in the Orient. Cahners expanded the international circulation of both *EDN* and *EDN News* and continued to publish them in English. When it entered China, however, it published in Chinese.

It's ironic that the European publishers purchasing U.S. companies are not leading the march toward globalization.

Mr. Krakoff says the purchase of U.S. publications by European companies "has much more to do with the vitality of the U.S. market than the issue of globalization."

Mr. Lydon reports that he has met with representatives of some of the company's European publications to discuss possible networking opportunities. "We've been able to do some things editorially. But we have zero cooperation in terms of ad sales. They have no interest in our representing them and continue to rely largely on advertising sales within their borders," he says.

It's too early to tell the impact of a united Europe in 1992, but "the world is getting smaller and smaller, and the need for information is growing," says Walter Serwatka, president of McGraw-Hill Information Services. □

Curt Schleier is a free-lance writer based in New Jersey.

Young buyer

(Continued from Page S-2)

Edgell Communications' Chairman-CEO Robert Edgell calls the safe harbor strategy: Buy the big books with the big numbers.

The other side of the argument comes from full-service agency media buyers, who contend blaming the industry's problems on the demise of the specialist buyer is naive.

The specialist, often working alone, was more narrowly focused and inclined to think in terms of what-ads-where, ignoring alternative media that were making inroads into business-to-business prospects, they say.

"It was kind of by rote," says Della Femina, McNamee WCRS Exec VP Allen Clark.

By bringing buyers together with creative and account execs, the agency seeks the best media mix for the client's marketing goals, he says.

Trade publishers have been slow to respond to the new competition from other media. "It's the same thing the networks have faced for years; it was no longer the Big 3. It's no longer trade magazines competing against trade magazines," says Regis Napolitano, media director, Fahlgren & Swink, Atlanta.

Options run from specialized radio networks to cable, and increasingly to consumer business publications and network TV.

Despite this, Ms. Napolitano says, trades have not appreciatively sharpened their sales approach. She still hears: " 'Our magazine reaches the market and your client ought to be in it,' without any data on duplication or sophisticated readership figures. Clients just aren't buying that anymore."

"[Business specialists] looked at more than just numbers," says Michael Speciale, of Spencer Bennett Nowak.

To blame the junior buyer is merely scapegoating, agency people say. The decision to advertise in trades is made at a higher level by senior media planners and account execs, and quite often directly by the client, say Mr. Clark and Ms. Napolitano. The junior buyer's role is restricted to picking among the trades once the plan is formulated.

Although clients' marketing and sales departments may argue for the trades, the ad department is more likely to argue a consumer approach using image ads, Mr. Clark says.

In the past, top executives were inclined to favor the trades, both because of their direct reach to customers and because they identified the magazine with their industry, read them and often were quoted in them. But that is changing, says Ms. Napolitano. There is a growing awareness, backed by research, that purchase decisions are heavily influenced by customers' top management.

Now even those selling products regionally are opting for image advertising, unheard of a few years ago. They are deciding "they need to reach a more horizontal target. That leads naturally to the fact that some of the budget is going to be taken away from trade books," she says.

"We may spend just as much money [in trades], but we use fewer books," Ms. Napolitano says. "We use what we feel are the very best books, and we put more money into those books." □

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From cruises to casbahs . . .

The exotic business party is the place to make an impression as attendees attest

By Lenore Skenazy

Who says business and pleasure don't mix? Certainly not the party-going folks we spoke with, who are quoted below.

Like most savvy business people, our interviewees have attended plenty of parties where the dealing and dancing mixed as smoothly as Kahlua and cream.

More impressive than that old standby, the business lunch, business parties also are a more efficient business-to-business marketing tool. In one soiree they can introduce a new item, thank hundreds of old customers and/or win new business. Lots of it.

A really great party gets talked about for years, as you'll see. We asked people from across the spectrum: What's the best business party you've ever been to?

Colleen Beatty, director of advertising, Sams/Miller Productions (producer of "Rollergames"), Los Angeles.

"*Forbes* magazine took a group of media directors via private jet—'The Capitalist Tool'—from Los Angeles to New York for a dinner cruise aboard 'The Highlander,' and then put us up at the Plaza. The next day they toured us through the Forbes galleries and flew us home.

"Also, The Wave—the radio station in Los Angeles [that premiered] the New Age formula—dumped quite a lot of money into sending us to Hong Kong for 10 days. We toured China, we shopped, we drank, we danced, they had these theme parties for us every night."

Pat Spilker, VP-spot broadcasting, Backer Spielvogel Bates, New York.

"CBS gave a great party seven or eight years ago at the World Trade Center. They had what they called, 'Foods of All Countries'—a station for Mexico, Italy, France. It was a great idea.

"ABC has always done a nice preview party, but [the best was] a country & western theme at the Waldorf. You could have your picture taken like an Indian and things like that; somehow they managed to highlight their programming at the same time."

Roz Rubinstein, president, RR&J Advertising, Sonoma County, Calif.

"The party that really stands out for me was thrown by Yves St. Laurent about 1979 at the 79th St. Boat Basin [in Manhattan].

"There were models and designers and everyone was dressed beautifully. They had rock and classical music, and a big fountain—it was like being in a small Central Park."

Irv Thomas, director of international publishing, *Journal of the American Medical Assn.*, Chicago.

"The best party? Well it was in Marrakesh! It was thrown by a medical publisher, ESI Stampa Medica, Milan, [as part of] a get-together the publisher has annually for his staff, advertisers and guests.

"The last night, I would describe it as a Cecil B. DeMille extravaganza with—and I use the term glibly—a cast of thousands.

"It was in the open-air courtyard of an Arabian Nights-type complex. We saw an hour and 45-minute ex-

travaganza of parades and fanfare with hundreds of horses and riders in native dress galloping by—like 'Lawrence of Arabia.' It was followed by an extravagant, multi-course dinner and Arabian music."

Jim Pressman, president, Pressman Toys, New York.

"One party I went to some years back was at what used to be Durona Studios in New Rochelle. Now they're called Firehouse Films. They do a lot of TV commercials for the toy industry and everybody else.

"He [owner Johnny Sturner] has a two-floor studio and he converted the bottom floor into a 1930s, top hat/white glove piano bar, like something out of a Humphrey Bogart movie. And he had a swing band upstairs. There were appetizers, champagne and a buffet dinner."

David Buckley, media director, L.A. Gear, Los Angeles.

"At the time I was with Ramey Communications, now known as Ramey Rudd, Los Angeles, the best party was one that *Woman's Day* threw inside our agency. They brought their own caterers—white-gloved service—and had French food, French wines and cheeses.

"The publisher came with the reps, and it had a very homey feel to it. You got to know a lot about the magazine. [They invited] the creative and account people. It got away from the big bang/dry chicken routine."

Gary Kusin, president, Babbage's specialty software retailer, Dallas.

"Mindscape [software], in Northbrook, Ill., had a rock 'n' roll party a few years ago with a bunch of groups—The Spinners, Chuck Berry, The Coasters. Well, if it wasn't the Spinners it was the Shirelles—all these groups from the old Wall of Sound from Detroit. They had a nightclub booked for the occasion and served neat food: hot dogs, watermelon and ice cream sundaes for dessert. Did we dance? It was awesome." □

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WG&L ACTION CARD DECKS

Squeeze is on

(Continued from Page S-1)

Stamford, Conn.

"Ideally, any negotiation should result in a win-win situation. With rate negotiation, only the client wins," he says. But the victory is short-lived, Mr. Sinha adds, saying marketers won't benefit from placing ads in deteriorating titles.

Buyers already are having difficulty evaluating editorial quality and conflicting claims, Mr. Marino says. "As a result, they may not be buying the best books, and they'll make it difficult for the best to remain the best."

To keep from being forced into rate negotiations, large publishers are fighting back with value-added programs.

"If we must deviate from the card, we would prefer to offer additional services rather than discounting or rebating," Mr. Marino says.

Penton uses its printing plant, direct marketing and learning systems operations, research department and ties to a Tampa, Fla., convention center to offer additional services without slashing rates.

"We pay a great deal of attention to strong merchandising support," says Mr. Comiskey. But programs that encourage advertising based on growth or published discount packages are being emphasized, he says.

Some executives don't differentiate between rate cuts and value-added programs. "It's all the same thing," says Charles Cleworth, outgoing chairman of the Association of Business Publishers and president-ceo of RCR Publications.

He suggests publishers should be more creative, working with advertisers on programs that will increase their business but may cost them money.

"The advertiser must bear his fair share of the expense," Mr. Cleworth says, calling rate cutting "the most erroneous way to grow market share I've ever seen.

"We ought to say this is wrong. Let's just publish our rates and increase them as the cost of living goes up, and let's put on the cover of our rate cards that advertising is sold only at earned published rates," he says.

Those able to take the high road claim rate cutters will suffer when the shakeout occurs. "The rate cutters, it will come back to haunt them," says Mr. Borowsky. "It might be a short-term solution but there's no long-term viability."

CMP Publications' President Michael Leeds agrees: "The weak publications will disappear. Those that go for the quick fix will have momentary success, but in the end, advertisers will go where they get the best results. Ultimately, the quality publications will survive and flourish." □

"If rates are being negotiated, other areas of the magazine will have to absorb those declines in revenue."
Dan Comiskey, *Building Supply Home Centers*

"The advertiser must bear his fair share of the expense. [Rate cutting is] the most erroneous way to grow market share I've ever seen."
Charles Cleworth, RCR Publications

Associate Editor Pat Gray Thomas coordinated this report on Business to Business Advertising.

Coming

Next week ADVERTISING AGE will cover 100 years of *The Wall Street Journal*. On June 26, AA will present its annual report of the Top 100 Media Companies.

MediaWorks

LAUNCHING PAD

Media buyers praise 'Mirabella'

New publication launches.

The curtain is up, and the first reviews of Murdoch Magazines' new women's fashion magazine, *Mirabella*, are coming in from the agency media-buying community.

So far, so good.

In this "MediaWorks" sampling of media buyer reaction, Publishing Director Grace Mirabella and the Murdoch Magazines team get high marks for the June premiere edition.

Skeptical buyers, used to publishers that promise the world in hyping new titles, called *Mirabella* "a pleasant surprise."

Some said the first issue is a good start at carving a niche in the already supercompetitive fashion magazine category, where it faces *Elle*, *Vogue*, *Harper's Bazaar*, *Glamour*, *Mademoiselle* and newcomer *Lear's*.

Mirabella's design and editorial quality drew praise. "Magnificent," said one agency executive, who added his agency is "putting some money where our opinion is."

Mirabella's editorial was "fresh," said another buyer, but "not as youthful as some of the fashion books right now, and I kind of liked that."

Here's how *Mirabella* stacked up with these senior New York agency media executives:

Bob Zach, VP-New York media director, Chiat/Day: "I was very impressed with the editorial quality, the design. The whole aesthetic appearance of it was magnificent. Even the advertising they secured for the initial issue was a reflection of excellent quality.

"Based on that initial impression and the statistics they're talking about in terms of producing a couple of hundred thousand copies in excess of the rate base for the first few issues to get it out there, we decided to place a schedule for American Express with them. We're putting some money where our opinion is.

"It's certainly going to appeal to upscale, affluent women. They're marketing against a niche in that

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PARIS, MILAN, NEW YORK: RUNWAY REPORT

They had some difficulty in articulating precisely what the editorial direction of the magazine was going to be. Now I understand why. It really is different . . .

—Claude Fromm

30-to-45-year-old marketplace that has somewhat of a void. *Lear's* picks it up on the top end, but there is a need to get beyond the *Glamours* and the *Vogues* and this takes it a bit beyond. It's not just fashion; it has some meat to it."

Claude Fromm, senior VP-media director, TBWA: "It was a pleasant surprise. Lots of publishers come in and promise the world and then don't live up to it. They delivered on what they said.

"When they came in, they had some difficulty in articulating precisely what the editorial direction of the magazine was going to be. Now I understand why. It really is different from the magazines that are out there.

"They did a terrific job graphically, and the editorial was really good. I was very impressed with the makeup of the book. It flows very nicely. There's definitely room in the marketplace. I think they're going to be successful."

Nancy Smith, senior VP-director of media services, Young & Rubicam: "It looks very nice. It's a great showcase for fashion advertising, very beautifully done. But it's going to take some time for the real editorial product to take a final shape. It's going to need much more than a year to see what happens on the consumer and the advertiser side.

"The financial backing is surely going to be there, and the woman behind it [Ms. Mirabella] has all the credentials. It has a lot going in its favor. It's visually stunning. It's a wonderful place to look at good fashion advertising. Some of the editorial was a little lengthy, but I expect there'll be an evolution of the editorial and its focus."

Paul DuCharme, VP-director of print media, Grey Advertising: "It exceeded expectations because they didn't give us much [information] during their sell-in. I was more than pleasantly surprised when I received it. From a marketing standpoint, it was well thought out; however, I'd rather see a reader-driven book than a marketing-driven book, and I was pleased to see they were able to do both.

"The production was first-class. It was a striking cover for a first issue. With the heavy tonnage of ads they got for this initial issue, they did a great job in integrating it. The editorial was probably their strongest feature. While it was fresh, it wasn't as youthful as some of the fashion books right now, and I kind of liked that.

"It's up to the reader now. We'll see how well they do a couple of months hence and whether the reader picks it up or whether *Elle*, *Vogue* and *Harper's Bazaar* are positioning themselves better. I suspect it's going to do very well.#

Written by Scott Donaton.

BROADCAST-INC.

An analysis of editorial and business developments in broadcasting.

The 15-second commercial. Could it be that network TV advertisers' ardor for the 15-second commercial has cooled?

NBC-TV President Pier Mapes told NBC affiliates recently that the use of :15s on network TV has slowed. Further checking by NBC, however, showed Mr. Mapes was comparing a single week in March to the same week in 1988.

The Television Bureau of Advertising, from data supplied by Broadcast Advertisers Reports, offers a different picture.

TvB's most recent report on the number of :15s airing on all three networks shows a steady increase in the unit's use, despite seasonal variations *(see chart)*.

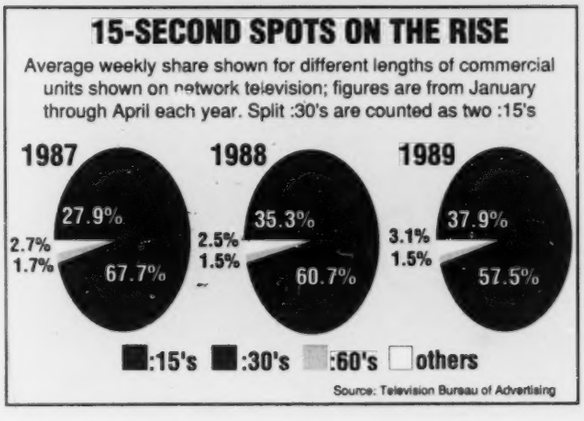
The :15s accounted for 30.9% of all commercials in 1987 (27.9% in the January-April period), 36.6% in 1988 (35.3% in January-April) and 37.9% of inventory used in the January-April period of 1989.

Compute this. The race to buy and sell media by computer is heating up. While Info-Edge Corp. is testing its Hot-Net service, Telmar Group launched MediaQuote June 1.

MediaQuote President Harry Appel said the idea is to help media sellers by faxing media availabilities to 1,000 ad agencies and advertisers and providing buyers with an on-line computer service tracking the same avails.

The seller pays $7,500 annually for 24 listings on-line and by fax. Users include *U.S. News & World Report*, Family Media, Catalog Media Corp. and cable channels Financial News Network and Movietime.#

Written by Wayne Walley.



TRACKING SHARES

Daytime TV games may be played out

A ratings and demographic analysis of TV programs.

Game shows, once the most inexpensive, sure-fire moneymakers for ABC, CBS and NBC in the daytime daypart, aren't extinct, but they're losing ground fast to soap operas and talk shows.

ABC no longer airs any daytime games. NBC recently gave up on "Wheel of Fortune," switching to CBS this summer, and betting observers wager NBC will opt for more soap operas. CBS could become the last network daytime game show programmer.

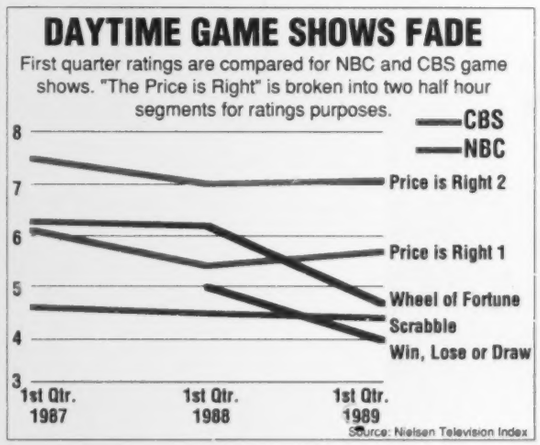
"Tracking Shares" this week compares daytime network game shows.

"The Price Is Right" (CBS). Some people believe game shows eventually tire. Not "The Price Is Right." Finishing its 17th season, the hourlong program is still king of daytime game shows. Its second half-hour, listed as "The Price Is Right 2" in the ratings report and featuring the day's showcase prizes, doubles the household audience of any of its game competitors. It consistently cracks the top 10 in daytime ratings and as late as 1987 battled the soaps for the top daytime ratings spot. "The Price Is Right 1," the first half-hour, is now second only to "The Price Is Right 2" in game show ratings.

Ratings—(six-week average for 4/17-5/22) 4.7 ("The Price Is Right 1"), 6.0 ("The Price Is Right 2").

Demographics—(the first rating is for "TPIR 1," the second for "TPIR 2") (six-week average) Women (18-34) 2.4, 3.0; (18-49) 2.3, 2.8; (25-54) 2.4, 3.0. Men (18-34) 1.3, 1.7; (18-49) 1.2, 1.5; (25-54) 1.2, 1.4.

"Family Feud" (CBS). Daytime TV's "Family Feud," as the leadoff for the CBS daytime schedule, is beating "Scrabble" on NBC, but the numbers are nowhere near the days when game shows earned ratings of 4.5 to 6.0 in the same time period.



Ratings—(six-week average) 2.9.

Demographics—(six-week average) Women (18-34) 1.7; (18-49) 1.6; (25-54) 1.8. Men (18-34) 0.6; (18-49) 0.6; (25-54) 0.7.

"Scrabble" (NBC). If NBC can give up on "Wheel of Fortune," the future of "Scrabble," banished to the leadoff slot in the network's two-hour game block, could also be in doubt.

Ratings—(six-week average) 2.2.

Demographics—(six-week average) Women (18-34) 0.8; (18-49) 0.9; (25-54) 1.2. Men (18-34) 0.5; (18-49) 0.5; (25-54) 0.5.

"Classic Concentration" (NBC). A familiar name can help draw viewers and affiliate clearances, and such is apparently the case here. "Classic Concentration" has become one of NBC's best-rated game shows, even if that isn't saying much.

Ratings—(six-week average) 3.1.

Demographics—(six-week average) Women (18-34) 1.2; (18-49) 1.3; (25-54) 1.5. Men (18-34) 0.6; (18-49) 0.6; (25-54) 0.6.

"Wheel of Fortune" (NBC; CBS effective summer '89). Anyone doubting host Pat Sajak's appeal need only look at the ratings. The evening syndicated version of "Wheel" has lost some viewers but is still the top-rated show in syndication. Viewer loss is more serious at the daytime network "Wheel," with former pro football player Rolf Benirschke replacing Mr. Sajak. The first-quarter 1989 rating under Mr. Benirschke was 4.7; a year earlier, under Mr. Sajak, it was 6.2.

Ratings—(six-week average) 3.2.

Demographics—(six-week average) Women (18-34) 1.2; (18-49) 1.4; (25-54) 1.7. Men (18-34) 0.6, (18-49) 0.6; (25-54) 0.6.

"Win, Lose or Draw" (NBC). Syndicated success doesn't always translate to daytime network success. This is another example. The half-hour celebrity-based game show is up against "The Price Is Right 2" and could be another loser if NBC continues to phase out its games.

Ratings—(six-week average) 2.8.

Demographics—(six-week average) Women (18-34) 1.3; (18-49) 1.5; (25-54) 1.6. Men (18-34) 0.6; (18-49) 0.6; (25-54) 0.6.#

Written by Wayne Walley.

East NewsWatch

BALA-CYNWYD, PA.—**Prism** cable TV network is playing devil's advocate, slating a second flight for a controversial spot that broke in May. Set in heaven, the spot stars St. Peter as spokesman. CBS affiliate WCAU-TV refused to run the spot; NBC and ABC affiliates ran it with a contingency that it would be pulled if viewers complained. The spot is first creative from McAdams, Richman & Ong, which replaced Earle Palmer Brown & Spiro, Philadelphia, on the $1 million account.

MIAMI—**Carnival Air Lines** this month will launch a six-month print and radio campaign introducing its non-stop, round-trip charter jet service. The service begins June 17 between eight U.S. cities and Carnival's Crystal Palace Resort & Casino in Nassau. McFarland & Drier handles the $4 million campaign, which includes promotions.

BRIDGEPORT, CONN.—**People's Bank** is out to prove that it really is people's bank, with a series of eight TV spots featuring bank customers discussing any topic they like. The campaign, themed "If you think it's important, we do too," finds customers discussing everything from beekeeping to bird-collecting. Past campaigns were product-specific. TBWA, New York, handles.

FRAMINGHAM, MASS.—**Oh Yes!**, a new dry-cleaners chain, awarded its $250,000 account to **DiBona, Bornstein & Random**, Boston. Oh Yes! by yearend will open 20 stores charging one price, $2.99, for any garment.

LANCASTER, PA.—**Lancaster Ad Club** awarded Best of Show to **Charles Haldeman Advertising** and **Centennial Graphics** for a poster for furniture maker Kai Pederson, New Holland.

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FOCUS ON MEDIA VENTURES

Rewriting delivery

(Continued from Page 12)

ter for publications that publish less frequently and that offer readers exclusive information, said Bill McCue, president of Public Fax, the Orange, Calif.-based publisher of *A Matter of Fax*, a trade magazine for the fax industry.

There are about 100 million potential fax buyers in the U.S., Mr. McCue said, predicting "a fax device in every home within eight years."

Gannett Co. is delivering information via telephone hot lines, fax and computers *(see accompanying story)*.

"We are extending the reach of *USA Today*," said Phil Fuhrer, VP of Gannett New Media. Gannett soon will launch a faxed preview edition of the next day's paper, via MCI.

Despite the proliferation of faxed publications, some question their viability for advertisers.

"If ads are built into it, and the receiver's paying for the newspaper, there is a potential negative reaction. . . . There may or may not be reader backlash," Mr. McCue said.

Trade publications with fax services include *Inside Radio*, whose weekly newsletter arrives one business day later than a faxed version and contains no advertising, although the faxed version does. Ads cost $1,000-plus a week. Satellite Music Network, Dallas, signed a three-year, $150,000 contract for three inches of copy and no visuals.

Radio & Records, a weekly trade magazine published by Westwood One, this month begins faxing customized editions of *Hot Fax* with personalized ads, enabling advertisers to target an individual program director.

"It's target marketing right down to a rifle shot," said Bob Wilson, publisher-ceo.

Hot Fax will carry two ads priced between $500 and $2,000, depending on how many readers it reaches. It has signed no advertisers yet. About 1,000 of *Radio & Records'* 10,000 subscribers have requested the service, Mr. Wilson said.#

Fax, computers spawn services

The information blitz has spurred fax-only publications and increased sophistication among electronic delivery systems.

USA Today Decisionline, a computer-accessed service, offers information in 18 categories, updated daily. Subscribers include GTE Corp., State Farm Mutual Automobile Insurance Co., Western Union Corp. and World Bank.

Some media subscribers, including News Fax and News Travel Fax, use Decisionline as a wire service.

USA Today Sports Center, launched in February, offers current sports information, such as game scores. Gannett may launch similar travel and money information services.

Gannett accepts but doesn't pursue advertising for all services, including its weather and sports hot lines.

News Fax, Wichita, Kan., delivers hourly updates on local, state and national news to about 500 local businesses. About 25% of the page is advertising, said Publisher George Winters. Advertisers include Langford Travel, Metro Courier and Wichita Computer & Supply; ads cost about $50 a column inch, Mr. Winters said. Additional markets may be added in the future, he said.

News Travel Fax, McLean, Va., is developing a program to send business travelers customized information at any location in the world. Customers could request specific information, so the number of pages, content and likely high price would vary, said President Tom McKnight. The company is pursuing subscribers, but not advertising.

U.S. Fax, Philadelphia, in April introduced "The National Evening FAX," a four-page paper with business, national, international, sports and entertainment news. It is faxed every business day between 5-8 p.m.; an annual subscription is $200.#

—Laura Loro

TV tunes into coupons

By BOB GEIGER

MINNETONKA, MINN.—Merrill Custom Publishers is bringing couponing to TV.

Merrill publishes station-sponsored tabloids that carry station advertisers' coupons. The tabloids promote stations and enable them to offer ad packages.

Merrill has published tabloids for NBC affiliate KARE-TV, Golden Valley, and CBS affiliate WPEC-TV, West Palm Beach, Fla., which plans to use up to three issues this year.

The company is negotiating with stations in San Diego and Phoenix and Tucson, Ariz.

The magazines carry stories about station personalities and programs, with editorial centered on special events. For example, Merrill's inaugural publication, KARE's one-time *Insider*, mailed to 300,000 Twin Cities homes, promoted the 1988 Summer Olympic Games.

"This is added value for the advertisers" and enables a station to offer more than its competitors, said Elliot Bass, KARE VP-general sales manager.

KARE used *Insider* space as a premium, placing an ad free if broadcast advertisers invested a certain amount of cash toward local buys during Olympic coverage, or if they spent 80% or more of their ad budgets with KARE over a set period of time.

The promotion's success spurred Gannett Co.-owned KARE to cosponsor another tabloid, the *Twin Cities Directory*, a free monthly.

Merrill's second publication, WPEC's *Showcase*, promoted its January affiliation switch to CBS from ABC. La-Z-Boy Showcase Shoppes of Palm Beach County, Pizza Inn and Wayne Akers Ford tied in with the publication.

"We didn't want to do something like junk mail," said Doug Wolfmueller, WPEC general sales manager. WPEC sold *Showcase* ads separately from TV time.#

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Hertz

Hertz rents Fords and other fine cars.

Minn. agencies wow New York at One Show

NEW YORK—Out-of-towners and small, young shops won big at last week's One Show, sponsored by the One Club for Art & Copy.

Fallon McElligott, traditionally successful in this competition, did well again, winning four gold pencils. Two other Minneapolis shops also struck gold: Carmichael Lynch and Clarity Coverdale Rueff.

Gold pencils also went to Curro/Eichenbaum, Milwaukee; the Martin Agency, Richmond, Va.; Borders, Perrin & Norrander, Portland, Ore.; Rossin Greenberg Seronick & Hill, Boston; and Goldberg/Marchesano & Associates, Washington.

Among the agencies here, small shops such as Lowe Tucker Metcalf; Kirshenbaum & Bond; David Deutsch Associates; Buckley/DeCerchio and Goldsmith/Jeffrey did well, and Cliff Freeman & Partners won best TV campaign. Backer Spielvogel Bates won two pencils, however.

The gold pencil winners are:

Consumer newspaper: Lowe Tucker Metcalf, New York, for Parker Pen USA; Ogilvy & Mather, Singapore, for Jasons; Curro/Eichenbaum, Milwaukee, for Kotes of Kolor Auto Body; Kirshenbaum & Bond, New York, for St. Laurie.

Consumer magazine: Ogilvy & Mather, Singapore, Jasons; Fallon McElligott, Minneapolis, Murray's; Carmichael Lynch, Minneapolis, Winnebago Industries; Curro/Eichenbaum, Milwaukee, Dreyer-Meyer Intimate Apparel; David Deutsch Associates, New York, *Conde Nast Traveler*; Buckley/DeCerchio, New York, Godfather's Pizza; Hal Riney & Partners, San Francisco, *California*.

Collateral: Holmes Knight Ritchie/WRG, London, agency brochure; Borders, Perrin & Norrander, Portland, Ore., Portland Visitors Association; Fallon McElligott, Minneapolis, Porsche Cars North America.

Outdoor: Ogilvy & Mather, Los Angeles, Las Vegas (Nev.) Hilton; Goldsmith/Jeffrey, New York, New York Lung Association.

Public service: Martin Agency, Richmond, Va., Save the Battlefield Coalition (3); Fallon McElligott, Minneapolis, Episcopal Ad Project; Backer Spielvogel Bates, New York, Ad Council.

Radio: Clarity Coverdale Rueff, Minneapolis, Minnesota North Stars; Berny Brownstein Advertising, Philadelphia, Oskar Huber Furniture; Rossin Greenberg Seronick & Hill, Boston, Pine Street Inn; W.B. Doner & Co., Southfield, Mich., Greater Michigan Ford Dealers.

Television: Hill, Holliday, Connors, Cosmopulos, New York, Irish Tourist Board; Goldberg/Marchesano & Associates, Washington, IKEA; Cliff Freeman & Partners, New York, Little Caesar Enterprises; SSB Advertising, Sydney, Sony Proprietary Ltd.; Backer Spielvogel Bates, New York, Wendy's International; McCann-Erickson Worldwide, Seattle, Brown & Haley Mountain Bars (2); Franklin & Associates, San Diego, San Diego Humane Society.#

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Chiat redials Effie

Nynex ads win top honor again

By JON LAFAYETTE

NEW YORK—Nynex Corp. and Chiat/Day last week won the Grand Effie for advertising effectiveness.

The big prize was earned for the Nynex Yellow Pages campaign featuring offbeat, human cartoons based on headings from the phone book including "Civil Engineers" and "Vanity Cases." Two years ago, the Grand Effie also went to a Nynex Yellow Pages campaign by Chiat/Day.

In addition, the agency won gold Effies for its work for Royal Caribbean Cruise Lines and Intel Corp.'s Above Board/2, a computer enhancement device.

The Effies are sponsored by the American Marketing Association's New York chapter. Awards are given for national, regional and local campaigns, not individual ads.

J. Walter Thompson USA and Ogilvy & Mather, soon to be sister agencies under the WPP Group umbrella, each won four gold Effies.

JWT scored with campaigns for Nestle Foods Corp.'s Oh Henry candy bar, Eastman Kodak Co.'s Colorwatch system, Von's Grocery Co. and Phonemate answering devices.

Nynex Corp. and Chiat/Day prove history repeats itself by winning a Grand Effie for a Yellow Pages campaign.

Ogilvy won gold Effies for Pepperidge Farm, Hallmark Cards' Shoebox cards unit, American Express Co. and Carnation Co.'s Contadina Fresh refrigerated pasta and sauce products.

Among the agencies winning two gold Effies were Jordan, McGrath, Case & Taylor (Norcliff-Thayer's Oxy Clean medicated pads and Quaker Oats Co.'s Life cereal); Backer Spielvogel Bates (Avis and Wendy's International); Bozell, Minneapolis and Birmingham, Mich. (*Star Tribune*, Minneapolis, and Chrysler Corp.'s Chrysler New Yorker); DDB Needham Worldwide, Troy, Mich., and Chicago (Volkswagen of America and Anheuser-Busch's Bud Light); and Saatchi & Saatchi Advertising (Philips Lighting Co. and Bali Co. bras).#

Spain unleashes ads in Cannes 'Lion' hunt

By PETER GREEN

PARIS—Commercials that are short or from Spain are expected to do well at the 36th International Advertising Film Festival in Cannes this month, though U.S. and U.K. entries are likely to grab the bulk of the awards.

European creative executives predict Spain will keep increasing its share of the 166 prestigious "Lions," the gold, silver and bronze trophies that crown the best TV spots in each of 24 categories.

In 1988, Spain won 15 Lions, or 9% of all the advertising awards given at Cannes, up from three trophies in 1985.

Creative experts praise Spain's current campaigns and Spanish agencies are taking no chances—Barcelona agency RCP/Saatchi & Saatchi alone has submitted 30 entries to this year's festival, June 19 to 24.

Last year, the U.S. took home 51 awards—30.7% of all the Lions awarded—followed by the U.K. with 34 awards. Spain's third-place finish, with 15 trophies, was followed by Japan with 13, West Germany with 10 and France with 9.

Madrid agency Contrapunto's poignant spots for Spanish TV network RTE have become internationally known in the past year. To encourage children to watch TV more selectively, a boy's best friend—his dog Pippin—sadly packs his food bowl and leash into a suitcase and leaves home when the child is too absorbed to play.

TBWA hopes to do well with its Spanish agency's commercial for Pentel typewriter correction fluid, in which a girl sadly reads a letter from her boyfriend ending their relationship. With sudden determination, she pulls out a Pentel bottle and starts painting out his words with the white liquid as a voice-over advises: "Eliminate the mistakes in your life."

The explosion of ad time available on new TV channels in Europe—such as West Germany's first private channels, satellite-delivered Sat-1 and RTL-Plus—could lead to more, but shorter spots.

"Now, with TV space more available, a lot more advertisers are going to TV. Not all of them have large budgets, so we will have to get used to using much smaller formats," said Uli Wiesendanger, TBWA's international creative director.

A Cannes festival spokeswoman said many of this year's entries are 15, 8 and even 7 seconds in length.

Mr. Wiesendanger said he sees France and Spain as leading exponents of the short spot, a trend he favors. "Short formats improve quality," he said. "It takes much more talent and power to condense things."

He said he also believes German TV spots are improving: "They have finally decided to use their great print background in TV."

Host country France probably won't do well at Cannes, said Barry Hill, the U.S.-born creative director

(Continued on Page 74)

GOLD LION WINNERS AT CANNES

The Gold Lion award is given for excellence in TV and cinema advertising.

Country	'84	'85	'86	'87	'88	Total
U.K.	7	10	6	10	8*	41
U.S.	7*	2*	9*	7	11	36
Japan	1	3	2	4*	2	12
France	4	1	3	2	1	11
Brazil	1	1	1	3	2	8
Italy	0	0	2	2	1	5
Spain	0	0	1	2	2	5

* Includes Grand Prix winner.
Source: Screenvision/SAWA.

Addys

(Continued from Page 26)

land & Johnk, Fargo, N.D., for MeritCare/St. Luke's, Fargo, N.D.

Print material:

Hennegan Co., Cincinnati, for Designframe, New York; Leave It to Cheevers, Portland, Ore., in-house; Belden/Frenz/-Lehman, Westlake, Ohio, for Herald Printing, New Washington; A. Richard Johnson Co., Nashville, Tenn., for Morrison Inc., Mobile, Ala.; Roger Christian & Co., San Antonio, for Travel Clinic; Emery Advertising, El Paso, Texas, for Horizon Turistic Projects, Egypt; Donaldson, Lufkin & Jenrette, New York, in-house; McCann-Erickson Worldwide, Seattle, for Brown & Haley, Tacoma, Wash.; the Puckett Group, St. Louis, for Blue Cross/Blue Shield; Hipke Inc., Glendale, Calif., for Paramount Domestic Television, Los Angeles.

Out-of-home media:

W.B. Doner & Co., Baltimore, for *The Sun*; Phillips-Ramsey, San Diego, for the San Diego Zoo; Clarity Coverdale Rueff, Minneapolis, for the *St. Paul Pioneer Press-Dispatch*; Ward Archer & Associates, Memphis, Tenn., for Kentucky Fried Chicken Memphis Co-op; D'Arcy Masius Benton & Bowles, New York, for Richardson-Vicks, Wilton, Conn.

Direct mail:

Roger Christian & Co., San Antonio, for Sauces Unlimited; Borders, Perrin & Norrander, Portland, Ore., for Portland Visitors Association; Jacobson Ray McLaughlin Fillips, Tacoma, Wash., for American Plywood Association; Buntin Advertising, Nashville, Tenn., in-house; Young & Laramore, Indianapolis, for Mayflower Transit.

Business publications:

Levine, Huntley, Schmidt & Beaver, New York, for Tax-Free Funds; Duke Unlimited, Metairie, La., for Louisiana Power & Light, New Orleans; Mojo USA, San Francisco, for Calavo Growers of California, Tustin; Young & Rubicam, New York, for Time Inc.; Frankenberry, Laughlin & Constable, Milwaukee, for A.C. Nielsen Co., Northbrook, Ill. (2).

Advertising graphic arts:

Frankenberry, Laughlin & Constable, Milwaukee, for HM Graphics, Minneapolis; McCann-Erickson Worldwide, Seattle, for Brown & Haley, Tacoma, Wash.; Quinlan Advertising, Carmel, Ind., for Twin Disc, Racine, Wis.#

Texaco back in race with ads for new gas

By JENNIFER LAWRENCE

An aggressive effort behind Texaco's new System 3 gasolines reflects the company's goal of returning to a competitive leadership position in the $114 billion U.S. market.

Texaco, which emerged from Chapter 11 bankruptcy protection about a year ago following a bitter and costly court battle with Pennzoil Co., intends to put a $30 million marketing push behind System 3 (AA, June 5).

The sixth-ranked gasoline marketer is rolling out System 3—for all octane grades of unleaded and leaded fuels—on a market-by-market basis.

Advertising broke last week in California after having been launched in Texas in late May. Ads start in the New York metropolitan area the week of July 17.

National rollout will be completed by the end of the summer at some 18,500 Texaco service stations.

"What we hope to gain from a marketing standpoint is to demonstrate to the public that the new Texaco has in fact maintained and increased the quality of its products," said Gene McGraw, general manager of refining and marketing at Texaco Refining & Marketing. "We want to make sure that Texaco stays at the forefront of providing the highest-quality fuel for consumers."

A six-week introductory campaign is themed "Five tanks is all we ask. New System 3. It's that good." Campbell-Mithun-Esty, New York, is the agency.

During the introductory week, a 30-second TV spot, supported by a print ad, gives an overview of the product benefits.

Then, for the next five weeks, a separate 30-second commercial for each of the "five tanks" details the performance benefits of that tank. The messages include claims that new cars run like new, that performance is restored to older cars and that there's more power from every octane level.

At the end of the six-week series, System 3 will be supported by local sales promotion programs using radio and direct mail.

Goodwin, Dannenbaum, Littman & Wingfield, Houston, is handling that part of the mix.

System 3 will provide Texaco with a quality image and a means to increase market share for all grades of gasoline, Mr. McGraw said. Its development began about four years ago, when the company decided to tackle the problem of intake valve deposits in a car's engine.

These deposits, ironically, have accumulated from gasolines with detergent additives designed to keep fuel injectors clean.

The advertising challenge was to create a message to break through all the other gasoline additive pitches, said Chuck Kosich, director of sales promotion and advertising at Texaco USA.

"We wanted to position System 3 as a premium brand but at the same time build into it a retail call to action," he said. "That led us to the theme of 'Five tanks is all we ask.' "

The creative and media strategies depart from typical gasoline advertising. On the creative side, none of the eight spots shows a Texaco station, pump or nozzle.

"The question we were wrestling with is how can we get the driving public to look at a piece of advertising and say, 'That is a different product,' " said Joseph O'Donnell, ceo at Campbell-Mithun-Esty. "So there's no smiling attendant, no pump shot, no nozzle, because we wanted the ads to be as different as the product.

In a teaser spot, a cowboy is thinking of getting a car so he can use Texaco's new System 3 gasoline.

The media strategy involves the airing of eight consecutive spots, some of which may be repeated later. In addition, the first two days of the introductory effort feature a separate teaser spot on each day.

Because the System 3 formula will be used in all Texaco gasoline products, advertising targets all gasoline consumers, rather than just super-premium unleaded, Mr. Kosich said.

Since in-house research showed that lower- to middle-end gasoline buyers are more likely to change brands, Texaco hopes to maximize its chances for share gains across all gasoline grades, he said.

Although Texaco held onto its sixth-place ranking, the company showed a 0.16% decline to 6.14% of the U.S. gasoline market for 1988 compared with 1987.

The market is led by Shell Oil Co., with an 8.23% share, Amoco Corp. with 7.28%, Exxon with 7.04%, Mobil Oil Corp. with 6.84% and Chevron Corp. with 6.48%, according to 1988 figures from the Lundberg Survey.#

To cover Houston, split your buy between the two biggest newspapers:

Cannes

(Continued from Page 70)

at McCann-Erickson France, Paris, and a member of the Cannes jury.

"There's a general consensus that this hasn't been a great year for France. There's been no breakthrough in directing, style or concept that's shaken everybody up," Mr. Hill said.

France fared poorly in a prejudging last week of its entries by Mr. Hill and fellow jury member Pierre de Plas, president of Belier WCRS, Paris, and could continue its slide from 22 Lions in 1987 to nine in 1988. After screening the best French spots, Messrs. Hill and de Plas picked eight to 10 possible Lions. Their favorites include:

- Young & Rubicam France's new Eastman Kodak Co. spot, "The Color Thieves," in which little girls "steal" the color from objects and capture it on Kodacolor Gold film in a wild race through the streets of Los Angeles.
- From CLM/BBDO, Paris' hottest creative shop, a series of spots for Rhodic's KB Jardin fertilizers, in which fertilized plants and gardens are unharmed while buildings fall down around them.
- A TBWA spot for Die Dietrich ovens, showing a pickup truck and RV trailer chasing a boar cross-country. In the trailer, the oven door bangs open and shut, while a voice-over describes how tough Die Dietrich ovens are. In the end, the truck crashes into an apple tree, the boar escapes and an apple pie is popped into the oven.
- A Volkswagen spot from DDB Needham in which a little boy tells his father about all the things his schoolmates have and asks what he can tell them he has. As they climb into the VW, the father counsels his son: "Tell them you have a Volkswagen."

About 3,642 films from 50 countries will compete this year, nearly 200 more than in 1988, when 48 countries participated. Although the Soviet Union and India aren't entering this year, four countries not present in 1988—Colombia, Iceland, Mauritius and Zimbabwe—will participate.#

Sports marketing

(Continued from Page 3)

the potential for clutter and saturation. "The War" has only four major sponsors, but sponsors of other sports sometimes hit the hundreds.

Already, some 41.2% of the marketers surveyed by the University of Massachusetts department of sports said sports sponsorships have reached the saturation point. But another 54.9% of the companies responding said saturation isn't a problem.

The study, commissioned by Advantage International, a Washington-based sports marketing company, surveyed *Fortune* 500 companies by mail nationwide earlier this year. Of the 55 marketers responding, 48.1% said sports are being overcommercialized while 44.2% disagreed.

The perception of sponsorship clutter is fueled mostly by auto racing. Auto industry analysts estimate about 350 sponsors spend more than $250 million a year to support the sport and more than 100 separate companies were involved somehow with the Indianapolis 500 last month.

But those involved in auto racing swear by its value, citing fan loyalty.

"Motorsports takes a knock about its commercialism, but it's only a little bit ahead of what everybody else is doing," Stroh's Mr. Hellweg said. "Motorsports would be terribly expensive to do at the current level without sponsorships. I'd rather see a high-caliber competition partially funded by legitimate advertisers than have a sport suffering because someone's afraid of a little clutter."

The Championship Auto Racing Team has 155 sponsors paying $95 million this year, and none of the marketers seem to be complaining about overcommercialization of the 15-race series.

"I've never heard a sponsor complain about clutter or say too many sponsors are involved," said Kevin O'Brien, CART's director of marketing. "A lot of companies, like K mart, Domino's and Marlboro [Philip Morris], are using racing sports programs to drive sales and increase traffic away from the track. They all carve out their own niche."

Wayne Robertson, senior VP at Sports Marketing Enterprises, the sports marketing arm of RJR Nabisco, agreed that unique programs devised by a sponsor to use involvement are vital to rising above the clutter in any sport.

"The secret to sports sponsorship is not what you do but how you do it," he said.

"Contrary to being cluttered, some companies see more opportunities for leverage," said Lesa Ukman, editor of *Special Events Reports*, a Chicago-based every-other-weekly publication tracking sponsorships. "But the more upscale the fans, the more careful sponsors have to be. In auto racing, fans don't seem to mind if a driver has a dozen different patches on his uniform. But those at a symphony would probably be upset if the back of the conductor's coat was filled with sponsor names."

While sports sponsorship continues to grow, Ms. Ukman said, the current trend of corporate America is to sponsor grass-roots events and non-traditional sports like biathlons.

"Sponsors are getting smarter. They are refining what they are doing," she said.

The competition and the high price for involvement in prime sports events—Anheuser-Busch's Budweiser brand spent $5.5 million to sponsor and promote tonight's fight—has pushed some marketers toward concerts, state fairs and other non-sporting events.

But companies eager to expand globally still see event and sports sponsorships as the best way to enter new markets.

"Sports and music transcend nations. Corporations look at the events as the vehicle to help expand globally," Ms. Ukman said. "But an event or sports sponsorship is not the answer to all advertiser dreams. In general, it is not a turnkey type of marketing. It is labor intensive and a lot of what is being sold is worthless because the company, the sport or the event does not have the support system to make sure a company has a successful experience."

One problem facing sports is the inability to accurately put a price on the value of a sponsorship.

John Power, group VP at Vitt Media International, New York, said sports must show they can help marketers sell products to ensure the future growth of sports marketing.

"People are looking at the kinds of programs being put together more objectively and wearing their business hats more," Mr. Power said. "In a business climate that is turbulent, people are taking a harder look at things."

For example, Beatrice Co., once a major supporter of auto racing and a sponsor of the Chicago marathon, drastically cut its sports marketing budget after a leveraged buyout by Kohlberg Kravis Roberts & Co. in early 1987.

And RJR Nabisco, which spends an estimated $60 million a year for sports sponsorships—second only to Philip Morris Cos.' estimated $85 million—also is taking a harder look at many of its programs.

Last year, RJR Nabisco decided to end its umbrella sponsorship of the professional men's tennis tour after the 1989 season. The company wouldn't say why, but observers said they think the sport's massive internal problems diminished the sponsorship's value.

The Association of Tennis Professionals, citing the previous tour's inability to market itself properly, will launch its own professional men's tour in 1990. So far, there's no umbrella sponsor.

Still, 85.4% of the companies surveyed by Advantage International believe they've received a fair value for what they spent, though half of those companies said they don't use a measurement model for evaluating sports sponsorship.

Volvo North America Corp., which sponsors professional, collegiate and recreational tennis, estimates it gets $8 of exposure for each dollar it invests in the sport.

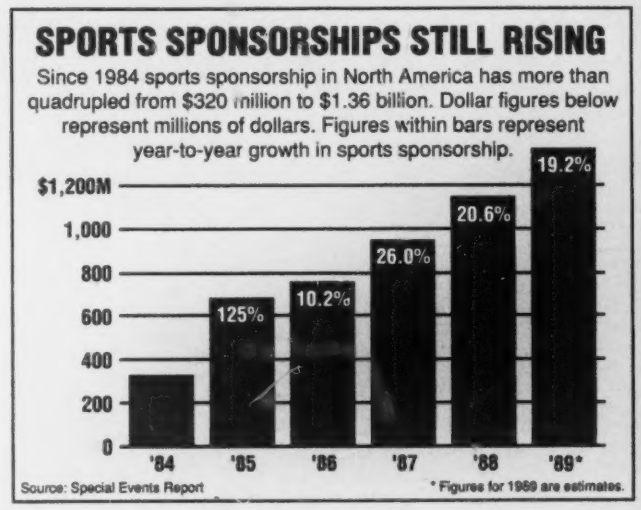
The car marketer has shifted from solely sponsoring professional tennis to "put seed money" at the collegiate and recreational level. The idea is to "start developing that market while we're maximizing our investment," said Bill Mergler, Volvo director of corporate promotions.

A new requirement of sports sponsorships, particularly for televised sports, is the purchase of media time. ABC, CBS and NBC have refused to use a title sponsor's name for college bowl games unless the sponsor also bought commercials within the broadcast.

The National Basketball Association, which has 26 "official" sponsors paying $500,000 each, also encourages each company to buy time in games televised on CBS and Turner Broadcasting System.

Some observers say this development could thwart growth.

"One danger is that the economics are getting bad in relation to television," said Frank Craighill, managing director of Advantage International. "The cost is starting to exceed the growth in ratings in sports such as tennis and golf. The justification is that you're reaching a targeted audience. That's gotten to be an expensive sponsorship. The price-value ratio appears to be reaching the top of the marketplace. But there's still a long line of companies that want to get in."#



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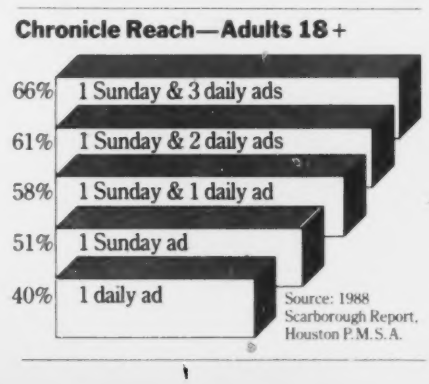
Chronicle Reach—Adults 18+
66% 1 Sunday & 3 daily ads
61% 1 Sunday & 2 daily ads
58% 1 Sunday & 1 daily ad
51% 1 Sunday ad
40% 1 daily ad
Source: 1988 Scarborough Report, Houston P.M.S.A.

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NEWSPAPER

June 19, 1989

Advertising Age

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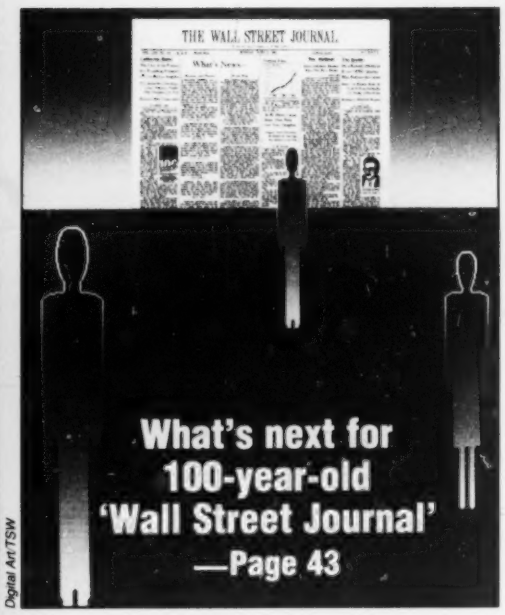


Digital Art TSW

CBS inks $270M GM, Toyota deal

By JUDITH GRAHAM

General Motors Corp. and Toyota have inked ad deals with CBS-TV that guarantee category exclusivity on the network's baseball broadcasts for the next four years.

The package is worth about $270 million in ad revenue.

CBS is also trying to sign one or more beer marketers to a similar, estimated $240 million arrangement but has yet to close a deal.

The enormous auto deals are a coup for GM and Toyota Motor Sales USA and the first evidence of CBS' aggressive selling strategy for its baseball broadcasts, which start in 1990. The package includes 12 regular-season games, the all-star game, the two league championships and the World Series.

CBS won the rights to network baseball broadcasts last year with a highly controversial $1.1 billion bid, beating rivals NBC and ABC, which had shared baseball coverage since 1977.

"What makes this [CBS] deal so unusual is that for the first time in recent baseball history, you have only two automotiv advertisers in all the [network televised] events," said an agency executive who asked not to be identified.

GM, the exclusive domestic automaker, agreed to pay roughly $35 million annually, or a total of $140 million, for the four-year CBS package. GM bought eight 30-second units per game.

Toyota, the exclusive importer, paid about $32.5 million annually, or a total of $130 million, for six :30s per game, bringing the auto category up to 14 units

(Continued on Page 74)

Red-hot upfront market could hit $3.7B

By WAYNE WALLEY

Hollywood joined with Detroit last week to ignite upfront sales for the 1989-90 network TV prime-time season, setting off what looks to be a record $3.7 billion take.

Sources said NBC-TV, which hadn't submitted plans or signed any upfront deals by late in the week, would ask for the biggest increases, about 15% more than last year on a cost-per-thousand basis.

ABC-TV and CBS-TV have asked for 9%-to-10% increases in ad time.

The increases come despite a Lintas:USA projection of an 8% prime-time audience loss for adults ages 25 to 54 during the upcoming season.

"A lot of weird stuff is happening this year," said Douglas Seay, VP-director of broadcast programming at Hal Riney & Partners, New York. "If ever there was a time for advertisers to slow down on buying network, it is now because of the pablum programming they're offering. But that's not happening.

"Instead, I've never seen it so strong. Demand for news, prime time, sports, late-night, even daytime looks to be strong."

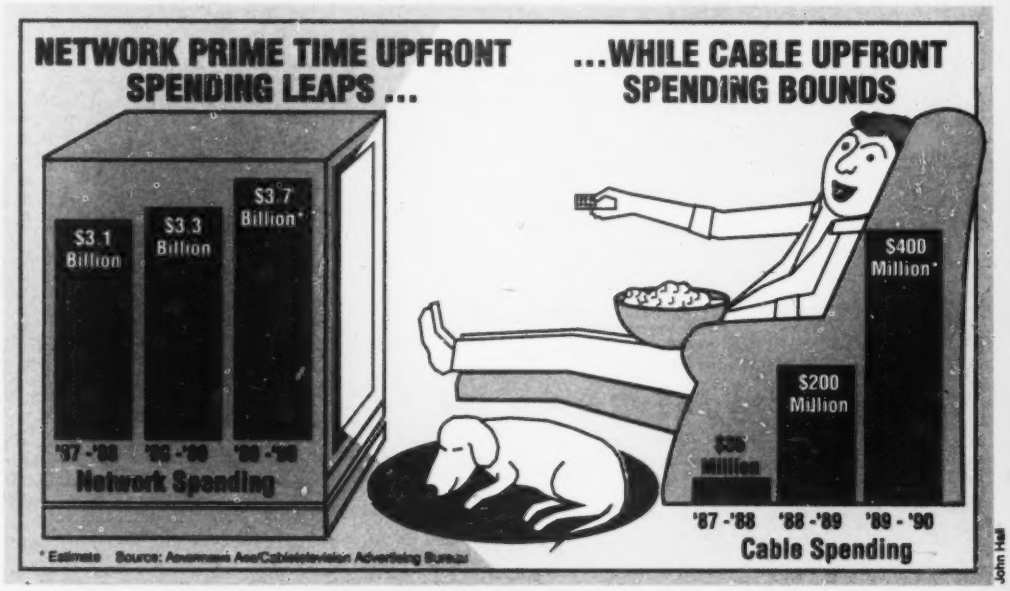
Cable TV networks are also having a strong upfront season. Advertisers have set aside even more money than they did last year in anticipation of increased demand for cable programs.

Robert Alter, president of the Cabletelevision Advertising Bureau, estimated cable's combined upfront sales will reach $400 million, double last year's total.

Despite advertiser complaints of commercial clutter, zapping and high prices in TV sports, ad time in programs like "NFL Monday Night Football" and the Super Bowl are going the quickest for the Big 3 nets.

General Motors Corp. and Toyota Motor Sales USA already

(Continued on Page 76)



Last Minute News

N.Y. says no to Whittle

ALBANY, N.Y.—The New York State Board of Regents unanimously voted Friday to keep any commercial-supported TV shows out of the state's classrooms. The decision could be a blow to "Channel One," the ad-supported news program for schools that Whittle Communications plans to broadcast nationally. Whittle Chairman Christopher Whittle expressed disappointment but said the decision "will have no effect on our plans. We will move forward as announced. There are 20,000 high schools in America, and we ultimately expect a waiting list of schools."

Sorrell's salary tops $900,000

LONDON—WPP Group Chief Executive Martin Sorrell's 1988 salary was equivalent to $913,545, based on currency exchange rates as of Dec. 31, according to the company's annual report *(see story on Page 28)*. That's a 110% increase from 1987. Separately, Sirius, the WPP unit buying Ogilvy Group, New York, said it has been tendered 14,157,685

(Continued on Page 8)

Not really 'Ready to Roll'

Kraft puzzles over who crashed its minivan promo

By JULIE LIESSE ERICKSON
and IRA TEINOWITZ

Kraft USA executives are still scrambling to figure out who's to blame for its bungled "Ready to Roll" minivan promotion, but other fingers are pointing to Kraft itself and a small promotion company.

Through an incorrectly printed free standing insert, at least 500,000 packages of Kraft Singles American cheese carried winning instead of losing game cards for prizes that initially were supposed to cost Kraft $36,000.

The company now estimates the cost of pulling unpurchased packages off supermarket shelves, canceling the program and paying consolation prizes to angry consumers will reach $3 million to $4 million.

Blame could be pinned on Kraft's own brand-management staff, H. Olsen & Co, a Libertyville, Ill.-based promotion company, or Product Movers, an FSI company owned by Rupert Murdoch's News America Publishing.

Sources say mistakes were made at more than one level, with the biggest burden falling on brand managers in Kraft's refrigerated products division.

The sweepstakes, with a Dodge Caravan minivan as a grand prize, were announced in a June 11 FSI that Product Movers placed in Chicago and Houston newspapers.

Aside from saying "an error in printing was made,"

(Continued on Page 74)

Schweppes seeks new ideas

By PATRICIA WINTERS and JON LAFAYETTE

Cadbury Schweppes has asked three agencies to develop new creative for its Sunkist and Canada Dry brands, worth about $20 million in annual billings.

Sources say Schweppes has asked for concepts from incumbent Wells, Rich, Greene, New York; Ammirati & Puris, agency for the Schweppes brand; and Foote, Cone & Belding, Chicago, Sunkist's agency under previous owner General Cinema.

FCB/Leber Katz Partners, New York, handles Sunkist Fun Fruits, marketed by Thomas J. Lipton Inc., while FCB, Los Angeles, has Sunkist Growers' Sunkist oranges.

Randy Papadellis, VP-marketing for carbonated beverages, declined comment but stressed that Schweppes has no "formal review" going on.

Schweppes regularly solicits opinions about campaigns and creative approaches from its agencies, Mr. Papadellis said.

The marketer is looking for a new twist to advertise its soft drinks, players in a hotly competitive $43 billion industry. Cola giants Coca-Cola Co. and Pepsi-Cola Co. together own 70% of the overall market.

Wells, Rich, Greene scored a major success with its celebrated "cocooning" ads for Canada Dry ginger ale, a strategy credited with rebuilding the brand and ushering in a host of advertising imitators.

The campaign, targeting baby-boomers, repositioned Canada Dry as an adult soft drink for "when your tastes grow up." Schweppes is pursuing that market because boomers consume a lot of soft drinks and because Coca-Cola and Pepsi have yet to target that niche.

Schweppes has no plans to drop the strategy, but a source said Schweppes now wants advertising that also promotes product attributes.

Additionally, the "cocooning" campaign may be getting old.

Canada Dry is the nation's leading ginger ale, but its share in supermarkets was flat at 2.1% for the year ended in April, *Beverage Digest* reported.

Sunkist, meanwhile, has been repositioned against teen-agers as a niche brand. It was recently repackaged, and Schweppes also returned to the old formula that included caffeine (AA, March 13).

Its latest "Drink in the sun" ad effort is reminiscent of the "Good Vibrations" campaign of the early 1980s created by FCB, Chicago.

For the year that ended in April, Sunkist had a 0.6% share of soft-drink supermarket sales, up slightly from a year ago, *Beverage Digest* said.

Sunkist is the nation's third-largest orange soft drink, with 12.8% share of the segment in 1988, behind leading Slice Mandarin Orange from Pepsi and Minute Maid Orange soda from Coca-Cola.

The company claims that although Sunkist's supermarket share may rank No. 3, it's higher in the overall market because of substantial sales in vending machines and other outlets not measured by supermarket scanners.#

Gary Levin contributed to this story.

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ABP MPA

Chips Ahoy! goes pricey

Takes on Pepperidge Farm

By JUDANN DAGNOLI

Nabisco Biscuit Co. is rolling out an upscale version of its Chips Ahoy! cookies in a direct attack on Pepperidge Farm.

TV advertising starts next month for Chips Ahoy! Selections, a thicker, premium cookie with chunks of bittersweet and milk chocolate.

Chips Ahoy! Selections is Nabisco's answer to Pepperidge Farm's American Collection cookies, a five-item line of premium cookies that has been a big success for that subsidiary of Campbell Soup Co.

Campbell says the "lumpy, bumpy" American Collection line now accounts for 14% of Pepperidge Farm's cookie business. Campbell USA President Herb Baum said the line is Pepperidge Farm's "most successful new product to date."

Chips Ahoy! Selections is a major departure for Nabisco, which leads the $3.2 billion market with a 36.7% share. Nabisco has until now steered clear of adult-oriented gourmet cookies, preferring to concentrate on mass-market offerings.

Yet, the company seems to be hedging its bets by introducing the line under its established Chips Ahoy! brand, the second-largest-selling cookie in the U.S. The No. 1 spot is held by Nabisco's Oreo.

Considered the master of the line extension, Nabisco has four other versions of Chips Ahoy!—original, Chips Ahoy! Stripes, Chewy Chips Ahoy! and Chunky Chips Ahoy!

Nabisco spent $10.5 million advertising its Chips Ahoy! line last year, according to LNA/BAR Multi-Media Service.

Advertising for the new Chips Ahoy! Selections is themed "Dangerously delicious cookies." FCB/Leber Katz Partners, New York, is the agency.

The new Nabisco line will be priced lower than Pepperidge Farm's American Collection line. The three varieties, Chunky Chocolate Chip, Chocolate Chocolate Chunk and Chocolate Chunk Pecan, are priced at $2.89 for a 12.5-ounce package, compared with American Collection's suggested retail price of $2.09 for a 6-ounce package.

Despite American Collection's success, Pepperidge Farm still lags well behind Nabisco and No. 2 Keebler Co. in the cookie category. Keebler's cookie share is 15.2%, Pepperidge Farm is No. 3 with 6% and Sunshine Biscuits is No. 4 with 5%.#

Eurocom craves control of WCRS

By PETER S. GREEN

PARIS—Eurocom is trying to buy a major global network and is hungry for a controlling interest in London-based WCRS Worldwide.

It would like to buy a majority stake in WCRS' U.S., U.K. and Asia operations but so far has been rebuffed. Eurocom already owns a 20% stake, as well as 51% of its European partnership with WCRS.

"We'd like to [buy them], but they say, 'No,'" said Pierre de Plas, Eurocom VP in charge of the European WCRS partnership.

Talks are still ongoing, however.

WCRS Group last week said in a memo to employees that it's holding discussions with Eurocom about how to become one of the world's top 10 agency groups. WCRS Worldwide now ranks No. 16.

Eurocom, part-owned by communications giant Havas, is also one of the three partners in HDM with Tokyo-based Dentsu and New York-based Young & Rubicam.

Eurocom's "destiny is not tied to that of our [present] partners," said Alain de Pouzilhac, Eurocom chairman, though he added, "There is no questioning our commitment to HDM. There is no questioning our commitment to WCRS."

Mr. de Pouzilhac said talks with potential partners to form a third

(Continued on Page 75)

Doyle Graf Raj's future crumbles as clients flee

By JON LAFAYETTE

NEW YORK—The future of Doyle Graf Raj was all but doomed last week as most of its clients left or put their accounts up for review.

Their actions followed a canceled management buyout and a walkout by senior executives—Creative Director Robin Raj, Managing Director Tom Carroll and Planning Director Adam Stagliano.

Four clients, representing more than $10 million in billings, have settled at Graf Bertel Dominique, a shop established last week by former Doyle Graf Raj Chairman Hubert Graf. The clients are Swissair, Swissotel, Natori and Wines of Spain.

Kobrand Corp. fired Doyle Graf Raj last week. "There's no one left," said Cathleen Burke, Kobrand marketing director. "... It's a shell."

Haagen-Dazs Co. and Steuben Glass put their accounts up for review. Olivetti, another client, refused to comment on its status.

Earlier this year, the shop reported billings of $40 million.

Two weeks ago, J.P. Morgan & Co. fired Doyle Graf Raj and retained Canter, Achenbaum, Associates to conduct a search for a replacement on its $8 million-to-$10 million account.

William Doyle, president of the agency, declined to comment on the status of his depleted shop. Mr. Doyle had expected to secure an agreement to sell the agency last week; now he's trying to unload the agency's lease on expensive office space in Saatchi & Saatchi Advertising's headquarters here.

One agency, Messner Vetere Berger Carey Schmetterer, said it was negotiating with Mr. Doyle to take over the lease.

Taking the space and building offices in Saatchi's headquarters a year ago had put the agency in debt. One of its lenders, Hong Kong-based investment company First Pacific, had played a growing role in managing the agency, sources said. The financial problems contributed to Mr. Doyle's attempts to sell the shop.

Sources say more than a dozen staffers have been laid off in the past month.

Messrs. Raj, Carroll and Stagliano had agreed to head a management buyout of the agency from Mr. Doyle, but instead have left to

(Continued on Page 73)

Day out, Day in . . .

Day back again to help Keye agency

By RUTH STROUD

LOS ANGELES—Guy Day is back in the ad business.

This time, however, he's not returning to Chiat/Day, the Venice, Calif.-based agency he co-founded and left twice, most recently in 1986. Mr. Day last week joined Keye/Donna/Pearlstein in the new post of vice chairman.

In some ways, his role eerily parallels his duties at Chiat/Day when he returned there in 1982 as a sort of "free-lance president" after a five-year hiatus.

Mr. Day, 56, said his primary duties will be attracting new business and acting as a "cheerleader" for K/D/P on the West Coast, as President-CEO Leonard Pearlstein rides herd at the newly established New York office.

Mr. Day rejoined Chiat/Day at a similar crossroad, overseeing West Coast operations while Chairman Jay Chiat forged a presence in the East.

Despite K/D/P's recent troubles, particularly the possible loss of American Suzuki Motor Corp.'s automotive division (AA, May 29), Mr. Day doesn't view the agency as a sinking ship or himself as the lifeboat.

"I think it can be turned around, and I can help," he said. "I'm not going in as any kind of savior."

Mr. Pearlstein rejected the idea that the agency is in trouble and that Mr. Day's appointment is related to the Suzuki account.

"We've been informally working together since last summer," he said.

The Suzuki problem is "a leak in the bucket" and had no bearing on the timing of Mr. Day's arrival, Mr. Pearlstein said, adding, "We just finally got around to doing it."

G. Day

By some estimates, the Suzuki account at one time passed $45 million, including dealer association spending. But the factory budget reportedly has dropped to as low as $15 million. It's unclear whether the incumbent will choose to participate in the review.

Even if K/D/P does lose Suzuki, its largest account, Mr. Day said the agency's situation is better than Chiat/Day's was when he returned in 1982.

At that point, he said, Chiat/Day's top four West Coast accounts were either in jeopardy or chopping their ad budgets.

"My core philosophy is to add new accounts faster than you lose the old ones," Mr. Day said.

Mr. Day isn't a K/D/P stockholder and won't have his name on the door. "I've done all that," he said. "I just want to go to work."

He's spent the past three years writing; a mystery novel is now in an agent's hands.

At K/D/P, Mr. Day rejoins old friends Paul Keye, chairman and creative director, and Mario Donna, partner.

All three were colleagues at Faust/Day, which later merged with Jay Chiat & Associates.#

Cleveland Horton contributed to this story.

Ogilvy's loss of Berry is another shop's gain

By GARY LEVIN

NEW YORK—The departure of Norman C. Berry as president-creative of Ogilvy & Mather Worldwide is a symbolic loss that could have long-term impact on the agency's creative operation.

Mr. Berry, 57, resigned after he resisted pressure to relinquish his role as creative head here and concentrate solely on his duties as worldwide creative director. His resignation, announced last week, takes effect June 30.

But that job was "not hands-on developing work in the agency," Mr. Berry said. "I like the business of creating advertising, and if I'm not going to do that it doesn't make much sense" to remain.

Mr. Berry said he'd seek employment at another New York agency after a brief vacation.

His respite will be aided by $1.95 million in "golden parachute" payments—equal to three times his $650,000 salary—triggered by WPP Group's takeover of Ogilvy Group and an "impairment or adverse change in his working conditions," according to company documents.

As of March 1, he also owned 33,396 shares of Ogilvy stock, for which he will be paid an additional $1.8 million under terms of the WPP buyout.

In filling the void, the agency said it will temporarily parcel out Mr. Berry's administrative duties among eight senior VP-creative directors who reported to him. It might move one of those executives to the top creative spot.

N. Berry

But O&M insiders believe that's unlikely; they expect a big-name talent from another agency to be hired.

The worldwide creative director role will be more difficult to fill, agency executives say, because Mr. Berry had an inspirational role to creative people and was seen as a "marquee figurehead" able to help cement O&M's creative reputation to clients and worldwide employees.

One option is to expand the number of regional creative directors around the world. Earlier this year, Luis Bassat, president of Bassat, Ogilvy & Mather in Barcelona, was named the agency's first pan-European creative director.

Late last year, Mr. Berry was asked to help replace himself as New York creative chief, a request that he declined to fulfill, the agency said. He also was stripped of his New York ceo title at that time. The job went to Mike Lesser, the former chairman-ceo of Lowe Marschalk, effective May 1.

Recently, Mr. Berry led the agency's unsuccessful pitch to keep the $50 million Maxwell House coffee account that went to D'Arcy Masius Benton & Bowles after nearly 30 years at O&M. The agency also lost the $40 million Hallmark Cards account to Leo Burnett USA, Chicago, earlier this year.

Mr. Lesser said he doesn't fault Mr. Berry for the agency's losses.

"I don't think anybody's looking to cast blame," he said. "I think

(Continued on page 78)

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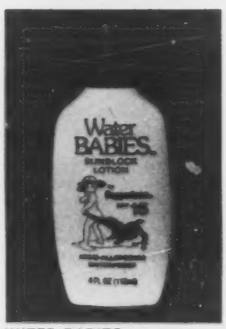

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CORRECTIONS & CLARIFICATIONS

- Director Jeff Gorman of Johns & Gorman Films, Los Angeles, was misidentified in an "Ad Review" (AA, June 12, P. 78).
- The name of one of the new executives joining D'Arcy Masius Benton & Bowles was published incorrectly (AA, June 12, P. 64.) His name is David Hale.
- Nabisco Brands' A-1 sauce leads the steak sauce category with a 60% volume share, according to Arbitron/SAMI figures (AA, June 5, P. 69). Arbitron/SAMI figures show Heinz 57 Sauce in second place with a 25% volume share.
- Dentsu wasn't approached by Beijing Advertising & Art Corp. about lighted outdoor boards, but other Japanese agencies were (AA, June 5, P. 8).
- Saatchi & Saatchi Co.'s Backer Spielvogel Bates Worldwide is the unit that holds equity in Diamond Advertising, Seoul, not Saatchi & Saatchi Advertising (AA, May 29, P. 45). Also, the amount of equity held is 10%. Saatchi & Saatchi Advertising has a non-equity relationship with another South Korean agency, IMC.
- Corrections to the May 15 "Special Report" on direct marketing: Eric Mower & Associates, New York, should have been ranked by its $2.1 million volume in direct-mail billings rather than $50.5 million, its total volume (P. S-2); the title of largest independent direct-response agency belongs to Direct Marketing Group, New York, with $136.7 million in 1988 direct-response billings, not Barry Blau & Partners, with $85.3 million in billings (P. S-1).#

Listen To Me!

by Raul DelGato

Captive Solicitation

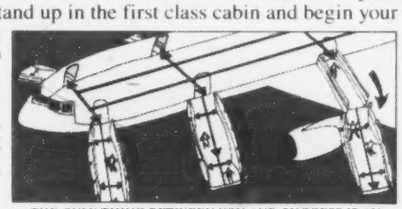
How many times have you found yourself in this situation? You're in a prospect's office, coming to the really impressive part of your pitch, when all of a sudden, the phone rings –or they start singing *Happy Birthday* down the hall–or the building holds the third fire drill of the day. How **frustrated** do you feel when you can't get your prospect's full attention? Well, I have a way to **ELIMINATE THESE PROBLEMS ONCE AND FOR ALL!**

LISTEN TO ME! I know what I'm talking about. With my plan you can SELL ANYTHING YOU WANT! It's called CAPTIVE SOLICITATION, and here it is in a nutshell: **The best place to make any presentation is in an environment where your prospect has ABSOLUTELY NO CHANCE OF ESCAPE.** A carefully executed research program revealed the following choice locations:

LEAVE-BEHINDS... WHERE THEY MATTER MOST

- **Airliners** *(First class cabin preferable.)*
- **Stuck elevators**
- **Bathroom stalls**
- **Express commuter trains** *(Solicitation on locals didn't pan out. During the test-run everybody leaped off the train in Scarsdale.)*

The real brilliance behind this concept is that in most of these places you'll find many, many prospects all in one place at the same time. Consider the average scheduled airline flight. What a prime audience for new-business pitches: Corporate VPs, CEOs, CFOs–all with not much to do and no way to escape. When you stand up in the first class cabin and begin your spiel, the question isn't "HOW GOOD IS MY PRESENTATION?" Rather, the question is **"WHERE ARE THEY GONNA GO?"**



THE ONLY THING BETWEEN YOU AND SUCCESS IS AN EMERGENCY WATER LANDING

LISTEN TO ME, don't schedule one more sales call! DON'T PLAN ONE MORE PRESENTATION! Don't do anything until you've found yourself a **CAPTIVE** audience! Unless, of course, you're talking about buying time on TV. In that case, you only have to look as far as **NICK AT NITE.** Aside from actually binding and gagging people, **NICK AT NITE** has about the most captive audience you'll find anywhere. But remember, if you're not on **NICK AT NITE,** then you must expand your efforts.

THINK BIG! Assign your salesmen ELEVATOR TERRITORIES (e.g. Floors 9 thru 45). They'll get out those pie charts, those transparencies, those bullet points at the first sign of a stall! BELIEVE ME, you'll find that those trapped Type-A personality business execs will be grateful for something to do. **And always, ALWAYS, have leave-behinds handy.** Just the other day, I tested the concept in a FORTUNE 500 executive washroom and was pleased to find that my audience actually pleaded for something to read!

LAST MINUTE COPY

According to data in the 4Q Nielsen People-Meter Audience Composition Report, Nick at Nite's ability to reach high concentrations of Adults 18-34, 18-49, and 25-54 is unmatched by any competitor.*

*ESPN, USA, TBS, LIE AEN, FAM, DIS, TNN; M-S 8P-1A; % composition on a base of persons 18+.

NICK at NITE

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Time Inc. titles post big gains in pages

By PATRICK REILLY

Despite merger and acquisition interruptions at Time Inc., its flagship magazine is off to a rousing start in 1989.

A survey of consumer magazine advertising performance based on Publishers Information Bureau figures for the first five months of 1989 shows the newsweekly *Time* with a total of 1,148 ad pages, a 12.2% increase from the same period in 1988.

Time's gains can be attributed, at least in part, to the success of the Max-Plan, Time Inc.'s corporate ad incentive package. Time Inc.'s *People*, also a pillar of the Max-Plan, totaled 1,588 ad pages, a 9.7% increase from last year.

Rival newsweeklies showed more modest gains: *Newsweek*, with 1,027 ad pages, a 2% increase, and *U.S. News & World Report*, with 792 pages, a 5.7% increase.

Possibly the most disappointing performance among the largest consumer magazines was turned in by *TV Guide*. At a time when it's pushing for a rebound in circulation, especially at supermarket checkouts, ad pages fell to 1,463, a 7.5% drop from the first five months of 1988.

After enduring the fallout in financial and business-related ad spending last year, both *Business Week* and *Forbes* have had strong starts in 1989. *Business Week* was up 2.9% to 1,785 ad pages, while *Forbes* had 1,397 pages, a 6.6% increase.

Time Inc.'s *Fortune*, another Max-Plan title, continues on a roll in 1989 following a strong performance last year; for the first five months it had 1,218 ad pages, a 6% increase.

The battle of women's fashion

(Continued on Page 78)

FOIL STAMPED PRESENTATION FOLDERS

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1st 100 $148
Add'l 100's $54

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ALADDIN LITHO INC

MAGAZINE AD-PAGE LEADERS

Publishers Information Bureau figures for January through May.

Rank	Magazine	Pages	% chg
1	Business Week	1,785.54	2.9
2	People	1,588.01	9.7
3	TV Guide	1,462.93	(7.5)
4	Forbes	1,397.50	6.6
5	Vogue	1,360.42	5.4
6	Sports Illustrated	1,277.21	(0.9)
7	Bride's	1,227.12	13.8
8	New York Magazine	1,224.45	(3.1)
9	Fortune	1,218.32	6.0
10	Time	1,148.06	12.2
11	Newsweek	1,027.88	2.0
12	Cosmopolitan	1,001.83	3.6
13	Modern Bride	972.05	15.5
14	Economist	942.22	(0.3)
15	Elle	921.84	3.9
16	New Yorker	855.05	(10.0)
17	GQ	835.70	8.3
18	Glamour	834.69	(1.8)
19	Family Circle	808.72	17.2
20	U.S. News & World Report	791.65	5.7
21	Woman's Day	777.82	14.6
22	Entrepreneur	766.81	52.0
23	Rolling Stone	764.44	8.7
24	Architectural Digest	763.79	2.2
25	American Way	741.40	6.7
26	Yachting	711.50	(7.6)
27	Mademoiselle	692.15	(2.6)
28	Sunset	690.63	(4.7)
29	Golf	678.05	32.8
30	Muscle & Fitness	677.86	2.6
31	Travel & Leisure	674.04	14.4
32	Ladies' Home Journal	653.18	24.8
33	Town & Country	644.93	(1.4)
34	W	634.91	4.1
35	Good Housekeeping	625.34	(0.2)
36	Golf Digest	611.03	2.3
37	Better Homes & Gardens	599.66	3.1
38	Southern Living	594.95	(8.0)
39	Parents	590.77	13.9
40	Harper's Bazaar	572.85	0.6
41	Skin Diver	572.66	1.0
42	Self	570.68	10.4
43	Seventeen	559.88	(1.4)
44	Vanity Fair	541.45	32.0
45	Metropolitan Home	539.64	18.9
46	Bicycling	531.69	1.4
47	Texas Monthly	528.77	1.1
48	San Francisco Focus	519.01	16.7
49	Car & Driver	518.48	(6.4)
50	Money	513.41	(13.8)
51	Ebony	509.68	0.1
52	Esquire	496.67	21.8
53	Gourmet	495.47	(2.7)
54	Country Living	490.10	11.2
55	Road & Track	490.08	(4.9)
56	Jet	482.95	(10.4)
57	Inc.	479.83	13.1
58	Bassmaster	475.04	(4.7)
59	Hot Rod	472.46	(2.6)
60	McCall's	468.09	22.5
61	Redbook	463.92	(8.2)
62	Outdoor Life	463.73	5.6
63	Reader's Digest	458.74	(15.2)
64	New Woman	455.46	5.9
65	Popular Science	451.04	24.8
66	Field & Stream	450.75	(7.1)
67	Working Woman	447.70	1.1
68	Motor Trend	442.85	1.4
69	Popular Mechanics	440.99	2.2
70	Smithsonian	430.67	(5.6)
71	Bon Appetit	402.04	2.8
72	Popular Photography	400.18	0.6
73	Connoisseur	399.31	(8.9)
74	Four Wheeler	397.03	(7.1)
75	Conde Nast Traveler	389.86	56.4
76	Essence	388.39	3.2
77	Delta Sky	385.52	(6.0)
78	House & Garden	382.88	(17.8)
79	Working Mother	369.41	10.3
80	Sports Afield	361.39	(19.1)
81	Life	355.30	39.4
82	Art & Antiques	348.71	2.5
83	Black Enterprise	338.84	4.5
84	M—The Civilized Man	337.12	(1.5)
85	Ski	336.42	13.6
86	Tennis	332.05	(16.8)
87	House Beautiful	331.89	(5.1)
88	Shape Magazine	331.83	(20.8)
89	Southern Accents	330.61	(0.5)
90	Financial World	329.44	(1.1)
91	Yankee	323.33	(18.5)
92	American Health	319.88	6.6
93	Playboy	315.72	24.5
94	National Journal	312.04	(9.4)
95	US	303.08	18.3
96	Omni	301.59	0.7
97	Home	301.01	(6.6)
98	Food & Wine	300.44	12.8
99	Spectrum	298.07	(2.8)
100	California	296.93	(5.8)

Notes: Percent change is computed from January through May 1988 pages by PIB.
Source: Publishers Information Bureau

May consumer magazine ad linage

	Current month		Year-to-date	
	1989	1988	1989	1988
■ Auto/cycle/rec. vehicles				
AutoWeek (52X)	210.9	229.3	762.7	831.8
Car & Driver	125.9	122.3	534.5	553.7
Car Collector & Car Classics	16.5	18.2	84.2	86.3
Car Craft	88.2	108.5	358.2	396.3
Circle Track	106.7	111.5	446.7	428.8
Cycle	63.4	60.6	221.7	238.4
Cycle World	63.1	61.7	227.0	251.2
Dirt Rider	36.2	45.3	163.2	196.6
Dune Buggies & Hot VWs	68.4	81.0	338.0	362.2
Family Motor Coaching	196.9	161.9	922.1	872.3
4 Wheel & Off-Road	99.3	100.4	398.6	408.4
Four Wheeler	92.0	102.0	398.3	426.0
Hot Rod	121.4	141.4	468.2	479.1
Motorcyclist	56.8	70.8	228.4	252.1
Motor Trend	128.9	101.4	442.3	434.7
Motorhome	97.1	100.1	473.3	437.6
Rider	45.3	60.7	186.8	213.8
Road & Track	130.7	109.7	518.7	544.7
Trailblazer	58.0	55.3	289.0	260.3
Trailer Life	112.8	105.0	490.9	465.0
Total Group	**1,918.5**	**1,947.0**	**7,952.8**	**8,139.3**
% change	**-1.5%**		**-2.3%**	
■ Boating & yachting				
Boating	151.5	148.5	863.8	912.3
Chesapeake Bay	59.3	59.9	259.2	242.4
Cruising World	115.4	114.9	603.8	596.5
Lakeland Boating (11X)	105.6	91.0	505.6	445.9
Motor Boating & Sailing	152.0	158.6	855.4	894.7
Sail	117.5	112.7	614.8	543.0
Trailer Boats (11X)	85.9	80.6	441.4	394.2
Western Boatman (6X)	50.3	55.9	152.1	165.5
Yachting	124.7	135.4	696.1	764.9
Total Group	**962.3**	**957.5**	**4,992.1**	**4,959.5**
% change	**0.5%**		**0.7%**	
■ Civic/fraternal				
American Legion	29.2	32.8	178.4	178.2
Elk (10X)	10.9	16.7	75.7	87.6
Kiwanis	17.2	11.8	78.4	66.9
Lion (10X)	3.8	5.7	25.7	62.0
Rotarian	12.1	14.9	64.6	82.5
V.F.W. (11X)	22.8	26.3	147.1	153.8
Total Group	**96.0**	**108.2**	**569.8**	**631.0**
% change	**-11.3%**		**-9.7%**	
■ General				
American Health (10X)	63.3	80.3	319.6	300.8
American Heritage (8X)	48.4	39.7	174.8	142.8
American West (6X)	—	—	74.5	80.5
Art & Antiques	91.9	73.3	351.3	73.3
The Atlantic A.	48.4	77.1	272.6	278.6
Bon Appetit A.	85.8	95.2	396.7	386.9
Cable Guide	40.7	40.3	178.6	165.0
Changing Times	49.4	58.1	278.1	305.7
Children	47.2	28.1	126.8	75.3
Conde Nast's Traveler	76.7	55.8	388.6	246.7
Connoisseur	95.3	121.2	399.1	436.6
Consumers Digest (6X)	27.1	24.7	74.7	68.0
Ebony	128.4	123.5	509.3	509.0
European Travel & Life	51.7	54.2	200.7	186.3
Food & Wine	68.6	70.4	307.9	266.4
Golden Years (6X)	—	—	112.8	171.2
Gourmet	121.9	125.9	459.2	507.8
Harper's Magazine A.	25.7	44.0	162.3	170.6
Harrowsmith (6X)	68.7	51.8	192.5	176.0
Islands (6X)	76.2	63.3	196.9	130.9
Let's Live	45.0	54.0	235.0	263.0
Life	74.0	66.0	356.5	254.8
Modern Maturity (6X)	—	—	81.8	74.9
Money	109.3	133.9	507.9	596.6
Money Maker	—	—	9.2	15.3
Mother Earth News	79.5	65.2	251.3	225.8
National Geographic	24.4	23.9	115.2	127.3
National Geographic Traveler (4X)	42.2	—	108.4	43.0
Natural History	30.4	35.9	223.2	198.9
New Choices	31.4	26.3	179.2	165.9
Prevention	59.3	55.2	285.3	294.6
Psychology Today	33.0	26.5	149.8	122.7
Reader's Digest A.	118.8	140.8	468.0	549.4
Saturday Evening Post (9X)	42.9	40.7	177.8	150.5
Smithsonian	80.7	81.9	435.4	540.4
Town & Country	159.7	142.2	642.6	653.3
Travel-Holiday	53.2	41.1	244.9	214.0
Travel & Leisure	130.6	145.9	674.1	588.2
Travelhost	1,306.0	1,293.0	6,237.0	6,071.0
Vanity Fair	127.6	104.4	538.6	408.5
Writer's Digest	30.3	33.2	131.3	146.3
Yankee	61.2	64.2	364.8	467.3
Total Group	**3,854.7**	**3,801.0**	**17,594.3**	**16,849.7**
% change	**1.4%**		**4.4%**	
■ Home				
Americana (6X)	17.7	14.3	63.4	51.8
Architectural Digest A.	213.8	190.3	762.5	747.0
Better Homes & Gardens	141.4	155.2	592.7	576.5
Colonial Homes (6X)	58.3	68.3	179.3	178.1
Columbus Monthly-Homes (4X)	—	—	60.9	79.5
Cooking Light	41.4	35.7	154.1	106.8
Country Home (6X)	66.6	52.9	223.4	155.6
Country Living	105.6	104.0	489.4	442.0
Family Handyman (10X) A.	59.9	72.5	232.3	271.1
Florida Home & Garden	75.5	63.2	443.4	287.2
Flower & Garden (6X)	34.1	—	144.7	101.9
Home	60.7	65.5	300.7	321.8
Home Mechanics	58.9	75.9	270.2	275.2
The Homeowner (10X)	36.0	35.1	150.1	156.0
Horticulture	43.7	42.7	221.0	227.1
House Beautiful	74.5	93.1	331.5	349.0
House & Garden	99.9	130.1	383.0	464.6
Metropolis	106.8	96.6	307.4	271.7
Metropolitan Home	152.2	94.4	538.7	452.7
Midwest Living	71.1	57.3	207.7	162.3
1,001 Home Ideas	62.4	65.2	292.4	265.8
Organic Gardening	32.9	41.9	229.8	282.7
Phoenix Home/Garden	72.5	72.7	371.7	398.3
Practical Homeowner (9X)	32.1	46.0	131.0	229.3
San Diego Home/Garden	120.4	118.7	385.7	376.0
Southern Accents (6X)	133.9	131.6	335.1	339.0
Southern Living	124.6	167.3	604.7	657.6
Sunset Magazine A.	165.3	163.1	615.7	662.6
Workbench (6X)	44.2	36.5	136.7	128.3
Total Group	**2,306.2**	**2,290.0**	**9,159.1**	**9,017.5**
% change	**0.7%**		**1.6%**	
■ In-flight & other passenger				
Aboard Group (6X)	37.2	33.4	108.3	93.6
Alaska Airlines	60.0	55.6	298.6	279.4
America West Airlines	66.0	81.0	325.2	324.8
American Way (24X)	143.3	157.9	701.2	666.1
East/West Network:				
Continental Profiles	59.1	55.0	311.5	266.6
Eastern Review	62.8	70.4	265.9	369.3
Northwest	56.8	44.0	266.2	203.5
Pan Am Clipper	50.1	49.9	233.7	216.4
Southwest Spirit	63.8	60.1	334.4	309.9
TWA Ambassador	53.0	46.8	334.4	309.9
Vis 'A Vis	84.0	82.0	431.4	357.6
Halsey Publication: Delta Sky	79.5	83.7	404.4	409.2
Pace Communications:				
Braniff Magazine	23.5	—	187.7	—
US Air Magazine	69.9	61.8	280.2	326.7
Spirit of Aloha (6X)	22.4	20.6	118.8	102.2
Total Group	**894.1**	**868.8**	**4,564.6**	**4,201.8**
% change	**2.9%**		**8.6%**	
■ Men's				
Esquire A.	117.0	101.3	527.5	428.8
Firehouse Magazine	37.5	41.0	182.2	202.3
Gentlemen's Quarterly A.	169.6	155.1	834.8	767.2
M Magazine	43.7	54.0	335.7	344.0
Muscle & Fitness	134.5	118.5	570.3	599.1
Penthouse A.	49.9	40.3	243.3	217.9
Playboy A.	71.1	53.5	318.3	248.7
Salute (10X)	30.5	22.9	108.8	107.0
Total Group	**653.8**	**586.6**	**3,120.9**	**2,915.0**
% change	**11.4%**		**7.1%**	
■ Metropolitan				
Aloha	52.7	25.2	112.5	79.6
Atlanta	71.3	85.3	316.0	334.3
Baltimore	89.3	88.6	342.4	334.6
Boston	138.4	160.8	662.1	719.6
California	69.8	72.3	306.6	315.1
Chicago	128.0	106.0	562.3	506.4
Chicago's North Shore	115.8	93.3	500.4	440.4
Cincinnati	41.9	53.0	232.2	235.8
Cleveland	74.9	69.5	278.8	292.5
Columbus Monthly	59.0	74.3	329.7	344.4
Connecticut	102.3	113.0	513.4	511.5
D/Magazine	70.7	78.3	348.9	423.8
Denver	32.2	40.0	131.7	177.7
Detroit Monthly	51.9	91.4	288.9	398.2
Grand Rapids	32.7	39.7	170.0	180.5
Gulfshore Life (10X)	81.3	58.0	559.6	452.0
Honolulu	54.9	63.8	249.9	292.9
Houston Metropolitan Mag.	87.6	66.2	381.7	316.6
Inside Chicago (6X)	45.5	38.3	124.2	103.8
Los Angeles	180.9	179.8	756.5	719.7
Louisiana Life	34.2	42.2	99.7	98.1
Madison	46.0	45.0	208.0	215.2
Memphis	68.0	95.0	326.0	385.0
Mid Atlantic Country	50.6	46.8	191.6	155.7
Milwaukee	64.0	62.5	270.8	276.9
Minneapolis/St. Paul	107.6	103.2	542.9	488.8
Minnesota Monthly Mag.	52.9	45.3	227.2	196.2
Nashville	52.0	53.0	284.0	231.0
New England Monthly	51.1	59.0	255.5	237.8
New Jersey Monthly	100.3	105.9	442.7	482.7
New Mexico	44.0	32.9	222.2	192.4
Ohio	65.9	71.8	253.1	263.3
Orlando	97.6	78.7	477.9	443.8
Palm Beach Life	47.3	35.8	434.8	390.8
Palm Springs Life	102.7	109.0	718.5	658.4
Philadelphia	136.9	150.2	676.5	706.3
Phoenix	46.9	62.1	266.9	296.8
Pittsburgh	63.3	66.0	302.5	335.7
Rhode Island Monthly	61.1	44.8	256.0	44.8
Sacramento Magazine	52.0	74.0	262.0	287.0
St. Louis	39.1	64.8	208.2	255.3
San Diego	149.4	160.7	647.2	752.3
San Francisco Focus	124.9	112.5	519.3	446.1
South Florida Magazine	95.0	85.0	569.9	468.1
Texas Monthly	127.1	103.7	475.1	465.1
Ultra	42.2	26.4	223.2	120.7
The Virginian (6X)	56.1	60.3	174.9	179.8
Washington (7X)	88.0	94.0	233.0	215.6
The Washingtonian	181.0	190.0	844.2	774.1
Total Group	**3,828.0**	**3,877.4**	**17,781.7**	**17,243.0**
% change	**-1.3%**		**3.1%**	
■ Music/entertainment				
Audio	97.2	83.6	455.7	408.1
Dance Magazine	66.8	70.7	303.7	309.2
Playbill	55.0	76.0	254.1	255.6
Total Group	**218.9**	**230.4**	**1,013.4**	**973.0**
% change	**-5.0%**		**4.2%**	
■ Outdoor & sport				
Alaska	43.7	32.1	212.8	195.3
The American Handgunner (6X)	35.0	38.0	179.0	172.0
American Hunter	14.4	28.1	83.5	105.2
American Rifleman	18.1	21.5	106.6	119.6
Backpacker (6X)	—	—	69.1	64.9
Bass Master (10X) A.	69.6	80.8	464.4	483.1
Bicycling (9X)	150.4	154.7	530.2	519.1
Cross Country Skier	—	—	87.4	97.5
Ducks Unlimited (6X)	22.0	26.6	80.7	69.8
Field & Stream	93.2	92.6	430.5	499.7
Fishing World (6X)	38.9	41.1	147.1	152.5
Florida Sportsman	130.4	126.7	738.4	760.7
Golf Digest	131.8	124.2	656.6	597.6
Golf Illustrated	46.2	33.2	301.2	175.3
Golf Magazine	117.9	82.6	679.0	594.8
Gun Dog (6X)	37.3	34.4	125.5	99.7
Guns	50.0	50.0	155.0	148.0
Guns & Ammo	36.9	37.8	218.2	226.2
In-Fisherman (6X)	48.9	145.0	314.4	283.0
Outdoor Life	102.1	104.5	465.0	439.0
Outside Magazine	88.3	83.8	326.1	293.3
Petersen's Hunting	35.2	44.5	196.6	224.7
Runner's World (12X)	45.7	35.0	187.8	173.9
Salt Water Sportsman	114.8	116.2	711.4	688.6
Shooting Times	24.9	31.2	154.4	160.1
Sierra (6X)	47.4	53.2	144.3	135.9
Ski (8X) A.	—	—	341.6	293.4
Skiing (7X) A.	—	—	218.7	263.1
Skin Diver	131.6	126.8	572.8	566.7
Southern Outdoors (9X)	33.7	55.8	296.4	343.8
Southern Saltwater (6X)	53.6	37.5	288.2	208.9
Sport Magazine	35.9	34.5	172.3	186.7
Sports Afield	54.0	101.2	348.0	435.3
Tennis	80.0	109.8	334.4	398.9
Waterski (9X)	86.2	80.0	353.5	304.0
Western Outdoors (10X)	37.7	39.7	220.1	247.8
Wildfowl (6X)	—	—	32.3	29.2
WindRider (8X)	69.6	58.3	174.4	164.7
Wing & Shot (6X)	12.5	13.0	44.0	41.2
World Tennis	48.4	52.4	246.1	300.8
Total Group	**2,186.1**	**2,326.7**	**11,407.8**	**11,263.8**
% change	**-6.0%**		**1.3%**	
■ Photography				
American Photographer	35.5	27.5	163.9	145.6
Petersen's Photographic	36.8	30.1	143.7	126.1
Popular Photography	81.0	83.9	407.8	404.6
Total Group	**153.3**	**141.5**	**715.4**	**676.3**
% change	**8.3%**		**5.8%**	
■ Science/electronic/mech				
Discover	39.0	28.7	203.3	186.3
Home Office Computing	49.8	43.3	229.1	219.6
Omni	56.6	70.1	301.0	300.0
Personal Computing	152.0	195.1	852.3	1,137.6
Popular Mechanics	133.8	101.7	442.5	470.9
Popular Science	110.7	82.4	452.4	362.7
Scientific American	48.0	36.6	207.9	190.2
Spectrum	60.8	58.8	311.1	313.0
Total Group	**650.7**	**616.7**	**2,999.5**	**3,180.2**
% change	**5.5%**		**-5.7%**	
■ Woman/fashion/service				
Beauty Digest (6X)	—	—	40.7	36.7
Bride's Magazine (6X) A.	—	—	1,230.0	1,075.6
Cosmopolitan A.	272.0	261.3	1,000.2	975.6
Elle Magazine	192.3	184.2	895.5	874.7
Essence	84.4	93.8	383.7	369.0
Family Circle (17X) A.	155.2	123.4	808.7	689.8
Glamour	203.1	179.1	841.3	845.0
Good Housekeeping A.	150.8	154.2	626.5	628.2
Harper's Bazaar	105.9	94.9	577.8	568.7
Health	37.7	42.4	161.5	198.0
Images	124.2	101.3	420.3	356.9
Ladies' Home Journal	165.9	110.5	655.5	527.9
Mademoiselle	166.6	184.0	691.2	705.9
McCall's	122.4	73.0	466.9	382.1
Military Lifestyle (10X)	81.7	94.2	249.3	259.2
Modern Bride (6X)	359.2	297.1	986.6	852.9
Ms.	34.8	36.3	172.8	156.3
New Woman	108.9	99.3	455.4	429.9
Parents Magazine A.	140.3	125.0	576.1	504.6
Redbook	113.3	107.1	472.6	500.4
Savvy	57.8	43.6	253.1	218.9
Self	147.2	135.8	572.1	519.9
Seventeen	125.0	119.1	560.8	569.2
Shape	76.0	73.0	—	—
Soap Opera Digest (26X)	52.5	24.6	195.0	118.5
Soap Opera Update	9.0	17.0	47.0	56.0
Teen Magazine	68.6	63.8	220.2	247.8
True Story A.	54.1	40.8	260.9	225.7
Vogue	254.5	207.2	1,436.6	1,283.2
W Magazine	90.5	97.6	626.0	610.1
Weight Watchers	32.5	30.8	172.4	180.9
Woman (10X)	35.0	47.5	149.9	176.1
Woman's Day (15X) A.	209.4	182.1	764.9	671.3
Workbasket	21.9	19.0	123.1	131.3
Working Mother	130.9	75.2	385.1	350.0
Working Woman	101.9	97.3	459.2	457.9
Total Group	**4,085.3**	**3,635.4**	**17,938.7**	**16,754.1**
% change	**12.4%**		**7.1%**	
■ Youth				
Boys' Life	15.5	12.8	99.1	83.5
Campus Life (10X)	23.4	29.0	214.0	219.3
Total Group	**38.9**	**41.8**	**313.1**	**302.8**
% change	**-7.1%**		**3.4%**	
■ Business/national				
Barron's	183.5	202.7	725.4	935.1
Black Enterprise	75.7	67.5	355.7	334.8
Business Month	30.9	35.8	185.6	145.7
Business Week (52X) A.	453.6	457.0	1,785.1	1,735.4
Entrepreneur	136.5	99.9	765.3	505.7
Financial World (26X)	62.6	64.8	296.2	282.0
Forbes (26X)	528.7	356.6	1,396.9	1,310.2
Fortune (26X)	227.7	168.2	1,216.3	1,149.5
Frequent Flyer	46.3	45.0	218.4	259.6
Futures	37.0	56.1	209.0	288.0
Inc. Magazine	102.6	115.6	470.2	420.3
Income Opportunities	72.8	93.8	344.3	396.7
Industry Week (23X) A.	108.3	92.1	433.9	386.0
Nation's Business (12X) A.	44.7	47.6	190.5	200.4
Venture	46.4	57.0	217.1	262.2
Total Group	**2,167.1**	**1,959.8**	**8,809.8**	**8,611.6**
% change	**10.6%**		**2.3%**	
■ Business/regional				
Advantage-Nashville's Bus. Mo.	76.0	132.0	358.0	377.0
Arizona Bus. Gazette (52X)	55.8	50.8	282.2	307.5
Baltimore Bus. Jrnl.	106.1	99.8	397.6	422.4
Boston Bus. Jrnl. (52X)	154.2	149.2	596.2	555.5
Bus. First of Buffalo	78.6	78.9	376.2	321.2
Bus. Jrnl.-Milwaukee	158.4	190.6	739.6	792.3
Bus. Jrnl.-Sacramento	84.8	73.7	395.1	392.4
Bus. North Carolina	49.8	49.7	197.3	177.5
Capital Dist. Bus. Review (52X)	75.0	72.4	340.0	317.7
Caribbean Business	155.7	161.4	584.1	569.0
Corporate Rpt. Minnesota	61.1	73.0	304.3	343.0
Crain's Chicago Bus. (52X)	177.4	185.0	692.7	733.0
Crain's Cleveland Bus. (52X)	108.1	95.9	388.5	337.7
Crain's Detroit Bus. (52X)	93.0	96.4	377.0	384.2
Crain's New York Bus. (52X)	70.0	68.0	278.0	258.0
Florida Trend (13X)	60.5	46.0	316.2	348.8
Georgia Trend	39.5	48.0	243.1	294.2
Grand Rapids Bus. Jrnl.	53.9	72.7	230.5	255.3
Hawaii Business	58.8	49.7	226.4	196.5
Houston Bus. Jrnl. (52X)	88.0	85.0	366.5	311.0
Indianapolis Bus. Jrnl. (52X)	162.9	183.4	748.3	694.6
Manhattan Inc.	59.7	64.3	222.2	266.2
New England Bus. (12X) A.	41.3	70.9	220.7	284.5
New Orleans City Bus.	42.4	45.4	203.4	246.0
Pacific Bus. News (52X)	109.4	104.7	503.7	539.2
Pittsburgh Bus. Times (52X)	39.6	7.8	228.4	217.2
Providence Bus. News	139.3	127.8	447.4	410.9
Regardie's/Washington Review Publication:	150.0	148.0	788.0	741.0
Broward Review	52.0	41.1	400.2	201.9
Miami Review	48.1	49.6	317.1	215.3
Palm Beach Review	45.8	51.8	321.3	209.0
St. Louis Bus. Jrnl. (52X)	104.1	138.7	534.6	571.8
Warfield Monthly Baltimore	92.0	71.7	340.9	333.6
Total Group	**2,891.2**	**2,983.4**	**12,965.7**	**12,595.4**
% change	**-3.1%**		**2.9%**	
■ National Sunday mags				
Parade (52X)	70.0	60.7	303.6	274.6
USA Weekend (52X)	44.5	36.9	256.2	246.0
Vista Magazine (52X)	22.1	20.4	102.6	79.2
Total Group	**136.7**	**117.9**	**662.4**	**599.8**
% change	**15.9%**		**10.4%**	
■ Newspaper Sunday magazine				
Boston Globe	195.0	195.0	1,246.0	1,265.0
Chicago Tribune	151.6	115.9	549.6	525.9
Cleveland Plain Dealer	79.1	86.2	331.4	340.0
Columbus Dispatch	—	29.8	122.9	139.4
The Dallas Morning News	65.2	70.5	336.8	349.7
Detroit Free Press	44.7	97.4	227.5	274.8
L.A. Times	79.8	68.5	488.4	372.0
Louisville Courier-Jrnl.	42.0	37.0	155.0	173.0
New York Times Mag.	292.7	341.1	1,622.7	1,672.6
Philadelphia Inquirer	94.1	100.3	455.0	430.0
Seattle Times	81.0	92.0	335.0	331.0
St. Louis Post Dispatch	80.6	84.9	416.0	366.1
Toledo Blade Magazine	30.2	41.3	163.0	170.6
Washington Post	160.7	200.4	693.4	621.2
Total Group	**1,396.7**	**1,560.3**	**7,142.7**	**7,031.3**
% change	**-10.5%**		**1.6%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	143.6	157.5	754.1	720.3
Army Times Military Group:				
Air Force Times (52X)	179.8	194.6	783.8	799.4
Army Times (52X)	173.4	195.0	756.5	771.6
Navy Times (52X)	199.1	216.1	866.4	888.2
Capper's (26X)	21.0	17.7	174.7	120.6
Commonweal (22X)	8.9	16.2	45.1	55.6
Golf World (40X)	127.7	76.5	618.1	549.8
Grit (52X) A.	26.5	25.1	180.0	149.8
National Journal (50X)	53.0	81.8	315.1	340.5
National Review (25X)	29.5	38.5	125.1	186.1
New Republic (48X)	59.7	42.6	223.3	192.0
New York Magazine (50X)	328.1	311.1	1,183.2	1,261.4
New Yorker	200.0	208.4	857.9	950.1
Newsweek (52X) A.	289.0	265.3	1,027.4	1,007.6
People (51X)	470.4	402.8	1,587.4	1,446.0
Rolling Stone (25X)	177.9	160.8	764.7	703.2
Sporting News (52X)	52.5	53.4	249.4	252.1
Sports Illustrated (52X) A.	301.7	297.8	1,276.8	1,239.1
Time (52X) A.	318.5	249.6	1,150.8	1,023.5
TV Guide (52X) A.	255.4	261.3	1,463.0	1,580.7
US Magazine (26X)	95.7	74.4	303.5	255.6
U.S. News & World Report (50X) A.	195.9	181.0	796.7	748.7
Total Group	**3,707.2**	**3,527.6**	**15,504.1**	**15,292.8**
% change	**5.1%**		**1.4%**	

NOTES: (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. All figures represented in this table are supplied by the magazines. Ad Age makes no attempt to verify them and therefore is not responsible for inconsistencies or errors. Compiled by Kathy Welytok.

MediaWorks

LAUNCHING PAD

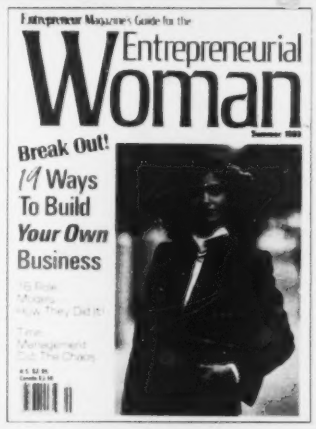
New publication launches.

'Business Travel Management'

Coastal Communications Corp. will introduce, with a September issue, *Business Travel Management*, a monthly "news analysis" magazine targeted for executives in the business travel industry. Controlled circulation is set at 40,000. A b&w page is $4,370, and a color page is $5,895. Harvey Grotsky is publisher, and Michael Billig is editor. Offices are at 488 Madison Ave., New York 10022. Phone: (212) 888-1500.

'Entrepreneurial Woman'

The Entrepreneur Group, publisher of *Entrepreneur*, will introduce *Entrepreneurial Woman* with a summer preview issue. The every-other-monthly, aimed at women business owners, starts regular publication with a February-March 1990 issue. Initial rate base is 200,000. A b&w page is $5,000, and a color page is $6,000. Clare Thain is publisher and Rieva Lesonsky is editor. Offices are at 2392 Morse Ave., Irvine, Calif. 92714. Phone: (714) 261-2325.



'Salon Biz'

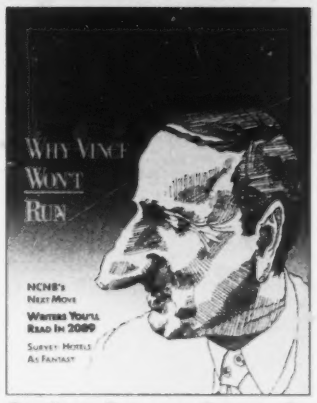
Canon Communications introduced *Salon Biz*, a trade magazine for hair salon owners, with a May issue. The tabloid-size monthly has a controlled circulation of 47,000. A b&w page is $5,900, and a color page is $6,975. Clay Camburn and Evangeline Shears are co-publishers; W. Denis Hand is editor. Offices are at 2416 Wilshire Blvd., Santa Monica, Calif. 90403. Phone: (213) 829-0315.#

PUBLISH-INC.

A look at editorial and business-side developments in print media.

"Southern" points in new direction. Southern Progress Corp.'s *Southern* changes its name to *Southpoint, the Metropolitan Monthly* with its October issue and gets a face-lift and new editorial slant. Where *Southern* was a cultural and literary magazine, the new *Southpoint* will be "journalistically driven" with a focus on business, law, politics and religion, a spokeswoman said. The rate base will dip 10% to 250,000 with the change. Page rates remain at $7,580 for a b&w page and $10,250 for a color page. Atlanta-based Copeland Design is in charge of developing the new look. Southern Progress, Birmingham, Ala., bought the monthly in March from Stephens Inc., Little Rock, Ark.

Chevy sole "Sesame Street" sponsor. Chevrolet will become the first advertiser to fully sponsor a themed issue of *Sesame Street* this summer. The automaker's 1990 Lumina is the sole sponsor of "Family Traditions," a 30-page supplement to be mailed to *Sesame Street's* 1.2 million subscribers with the magazine's July/August issue. The supplement, which will carry eight pages of Lumina ads, focuses on traditional family values.



Southern Progress Corp. in October restages *Southern* magazine as *Southpoint*.

Tennis, anyone? *Tennis*, Trumbull, Conn., will replace *World Tennis* as the official publication of the U.S. Tennis Association as of February. As part of the five-year deal, the New York Times Co. monthly will be distributed to the association's 350,000 members along with a new members-only magazine, *Tennis USTA*, which *Tennis* will publish on a monthly basis. A *Tennis* spokesman said the magazine's rate base is expected to rise 42.9% to 750,000 in February, and ad rates will rise proportionally.

On target. Starting with its June issue, *InfoWorld*, Menlo Park, Calif., began a new service for its advertisers that targets ads based on reader buying habits. For example, an ad can target Apple Macintosh computer users in the Midwest, a spokesman said. The magazine makes the targeted insertions based on information contained in its subscriber profiles.

Creative Ideas for Living, New York, launching a similar service with its July/August issue, will target ads based on demographic information.

Rates for the targeted ads are based on circulation figures, the magazines said.#

Written by Scott Donaton.

NEWSSTAND

Print advertising opportunities.

Architectural Digest, New York, "Homes and/or ateliers of the world's top fashion designers" special editorial issue, September issue; ad close: June 20. B&w page: $21,750; color page: $30,200.

Woman, New York, "Wardrobe strategies: Dressing from head to toe" special editorial feature, September issue; ad close: June 20. B&w page: $6,010; color page: $7,990.

Working Woman, New York, "Fall fashion portfolio" special editorial section, September issue; ad close: June 20. B&w page: $22,200; color page: $30,450.

Gourmet, New York, "Fall catalog collection" special advertising section, September issue; ad close: June 21. B&w one-ninth page: $1,850.

Golf Digest, Trumbull, Conn., "Places to meet" special advertising section, September issue; ad close: June 23. B&w or color page: $26,240.

Long Island Monthly, Manhasset, N.Y., "South Shore dining guide" special advertising section, August issue; ad close: June 23. B&w ¼-page: $574.

Men's Health, Emmaus, Pa., "101 1-minute health tips" special editorial feature, fall issue; ad close: June 23. B&w page: $3,585; color page: $5,040.

Woman magazine offers its readers "wardrobe strategies" in a special editorial section in its September issue. Ad close: June 20.

Pacific Northwest, Seattle, "Travel" special editorial issue, August issue; ad close: June 23. B&w page: $3,565; color page: $4,540.

Tennis, Trumbull, Conn., "Great getaways East," "Great getaways West" special regional advertising sections, September issue; ad close: June 23. B&w page: $10,470; color page: $15,700.

Home Mechanix, New York, "Home security" special editorial section, August issue; ad close: June 25. B&w page: $21,460; color page: $30,435.

Domain, Austin, Texas, "The gallery" special advertising section, September/October issue; ad close: June 26. Color ½-page: $2,895; color page: $5,220.

Forbes, New York, "Franchising fervor heats up" special advertising supplement, Aug. 21 issue; ad close: June 26. B&w page: $32,930; color page: $50,060.

Fortune, New York, "Supporting the dream: A celebration of corporate sponsorship of the U.S. Olympic Committee" special advertising section, Aug. 14 issue; ad close: June 26. B&w page: $36,230; color page: $55,440.

The New Yorker, New York, "*The New Yorker* travel notebook" special advertising section, Aug. 28 issue; ad close: June 26. Color page: $22,900.

Smart, New York, "Fall fashion for men" special editorial feature, September/October issue; ad close: June 26. B&w page: $6,825; color page: $8,425.

Time, New York, "Winter health" special advertising section, Sept. 18 issue; ad close: June 26. B&w page: $51,940; color page: $81,020.#

TRACKING SHARES

Oscar still reigns over award shows

A ratings and demographic analysis of TV programs.

Each year, hundreds of statuettes are passed out on TV awards shows, including Oscars, Emmys, Grammys and Tonys. Despite their number, the awards shows continue to prove they're arguably the best publicity tools ever invented for various entertainment industries, even if they tend to attract an older, predominantly female audience.

This week, "Tracking Shares" compares the performance of some of the major televised awards events. And the winner is . . .

"The Academy Awards" (ABC). The granddaddy of all awards programs, Oscar is 61 years old and still going strong. More than 42 million U.S. viewers tuned in the glitz and glamor this year, making the Academy Awards telecast the most watched awards show of the season. In fact, it's been the highest-rated awards show for at least the past five years. Its latest telecast, last March 29, earned a five-year-high 29.8 Nielsen rating.

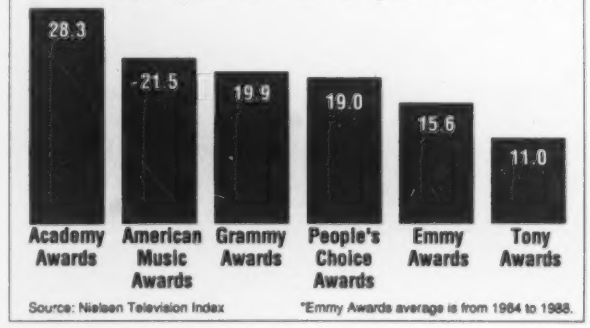
Ratings—(five-year average for 1985-1989) 28.3.

Demographics—(five-year average) Women (18-34) 20.2; (18-49) 22.3; (25-54) 24.7. Men (18-34) 12.3; (18-49) 13.8; (25-54) 15.8.

"American Music Awards" (ABC). Once considered the "little sister" to the music industry's Grammy Awards, the American Music Awards have scored higher ratings than the Grammys in four of the last five years. This year, it was the second-most-watched awards program, attracting more than 32 million viewers.

Ratings—(five-year average) 21.5.

Demographics—(five-year average) Women (18-34) 22.7; (18-49) 20.5; (25-54) 19.9. Men (18-34) 13.9; (18-49) 13.8; (25-54) 13.8.


AWARD SHOW PERFORMANCE
The Academy Awards has been the most popular award show among TV viewers in the past five years. Shown below is the average national household rating from 1985 to 1989.*
28.3
21.5
19.9
19.0
15.6
11.0
Academy Awards
American Music Awards
Grammy Awards
People's Choice Awards
Emmy Awards
Tony Awards
Source: Nielsen Television Index
*Emmy Awards average is from 1984 to 1988.

Holly Seguine

"Grammy Awards" (CBS). The Grammys have been on a roller coaster ride, with ratings dropping off steadily from 23.8 in 1985 to 18.3 in 1987, jumping up to 21.1 in 1988 and then dipping to a five-year low 16.0 when it aired on Feb. 22 this year. The show seems to be losing out to the "American Music Awards," which usually airs a month earlier and tends to draw a younger audience.

Ratings—(five-year average) 19.9.

Demographics—(five-year average) Women (18-34) 18.5; (18-49) 17.6; (25-54) 17.3. Men (18-34) 12.6; (18-49) 12.7; (25-54) 12.8.

"People's Choice Awards" (CBS). This 15-year-old show gives awards to the best in movies, music and TV based on Gallup poll results. It's been fairly consistent in the ratings but isn't likely to ever displace the Oscars as the premier awards show.

Ratings—(five-year average) 19.0.

Demographics—(five-year average) Women (18-34) 11.7; (18-49) 12.6; (25-54) 13.7. Men (18-34) 7.6; (18-49) 7.8; (25-54) 8.3.

"Emmy Awards" (Fox Broadcasting Co.). Fox outbid the Big 3 networks for rights to telecast the Emmys in 1987 and used the fairly popular special to help hype the fourth network's launch. The ratings, as expected, nose-dived on the fledgling Fox network, dropping to an 8.8 rating from 1986's 23.1. With the growth of Fox, the Emmy Awards jumped up to a 10.4 rating last year and it could rebound more this fall. Then it's up to the Academy of Television Arts & Sciences to sign a new TV contract and decide who gets rights for the show in 1990.

Ratings—(five-year average 1984-88) 15.6.

Demographics—(five-year average) Women (18-34) 11.7; (18-49) 12.4; (25-54) 13.7. Men (18-34) 7.6; (18-49) 8.6; (25-54) 9.5.

"Tony Awards" (CBS). Maybe the Tonys are too regional. Maybe some of the stars from Broadway are unknown to the general public. Maybe people are doing something else besides watching TV when this show airs in June. Whatever the reason, the ratings continue to sink and skew older than any other awards show.

Ratings—(five-year average) 11.0.

Demographics—(two-year average of 1988-89) Women (18-34) 2.9; (18-49) 3.9; (25-54) 4.9. Men (18-34) 1.9; (18-49) 2.6; (25-54) 3.3.#

Written by Scott Donaton and Wayne Walley.

Time Inc. partners see turmoil ahead

(Continued from Page 3)

Elle in Japan, along with its wholly owned Asian magazines, *Asiaweek* and *Yazhou Zhoukan*.

The company also owns 50% of Whittle Communications, which publishes special-interest titles and is launching a controversial new TV program for schools.

Yet, Time Inc.'s pace could be considerably cooled by any new ownership arrangement that involves a high debt load and the inevitable cost-cutting.

The original planned merger of Time Inc. and Warner Communications was a debt-free, stock swap plan that would have created a company ready to do start-ups and acquisitions.

But the new plan to save the deal, announced Friday, has Time Inc. making a cash tender offer for 100 million shares of Warner at $70 a share. And like Paramount's $10.7 billion bid, the new Time Inc. plan could result in large-scale debt that media bankers say might limit growth options.

Time and Warner also completed their previously arranged minority share swap lockup on Friday, and Paramount issued a statement blasting the actions, saying they would be set aside by the Delaware courts.

Time Inc.'s own hand-picked entrepreneurs fear that such debt will cause a financial burden on Time that will put magazine development on the back burner.

"This situation will just drain the company," said Eric Schrier, cofounder and editor in chief at *Hippocrates*, a health magazine that's 50% owned by Time Inc., referring to Paramount's intervention. "Right now, there is lots of money being spent on lawyers, accountants and bankers. We could think of 1,000 ways to spend better on magazine development.

"Our deal is with Time Inc., and its philosophy has been to take good people and ideas and turn them into money," Mr. Schrier said. "We are in magazines for the long haul. Any change in that is not what we signed up for and not welcomed."

"Highly leveraged deals lead to disrupting what you are buying," said William Whetzel, media investment banker for C.J. Lawrence, Morgan Grenfell Inc. "Spinning off properties is part of the financial deal."

Southern Progress Corp., Time Inc.'s Birmingham, Ala.-based subsidiary, operates largely autonomously and approves most acquisitions and large capital outlays through the Time Inc. board.

A recent example was Southern Progress' purchase of a majority interest in *Southern*, being renamed *Southpoint, the Metropolitan Monthly* with the October issue *(see item on Page 58)*.

Southern Progress, which has annual revenues exceeding $200 million, launched *Cooking Light* in 1987; acquired *Southern Travel* in 1988, renaming it *Travel South*; and will increase the frequency of its home magazine, *Southern Accents*, from every other month to 10 times a year in 1990.

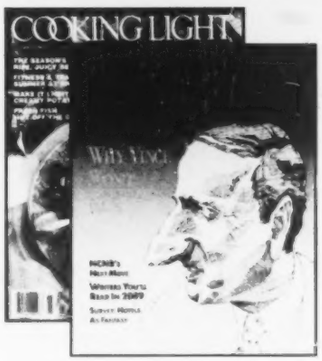
"Concern is too strong a word, but we are aware of the various scenarios and what could happen with Time Inc.," said Don Logan, president-ceo of Southern Progress.

"We think of ourselves as pretty self-contained. And we have enough pieces in place now that we can maintain substantial growth regardless of what happens," he said.

Time Inc. formed its bond with Ms. Wolaner's *Parenting* in 1986, its first joint venture U.S. magazine start-up. Time Inc. has increased its stake to 71% as of last year and has the right to buy 100% of *Parenting* during a first-option period between July 1 and Dec. 31, 1989.

Ms. Wolaner said she also is scouting for new acquisitions or start-ups in which she will be a partner with Time Inc.

"When the [initial] Warner-Time merger was announced, Reg [Brack, Time Inc. Magazine Co. president-ceo] called," she said. "He was upbeat about the future and about future developments. But now all the scenarios lead to debt. And a company in that position can't be productive. It will be a burden. Any debt-ridden company isn't thinking long-term development; they will have to think short term. The next couple months will be turmoil."#

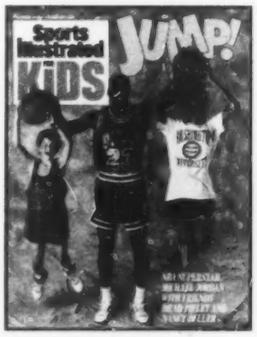


HOW TIME INC.'S MAGAZINE EMPIRE IS GROWING

Before Paramount's hostile takeover bid, Time Inc. had been expanding into special-interest magazines through one subsidiary, several joint ventures and a few spinoffs.

Subsidiary:
Southern Progress Corp.
Recent launches, acquisitions: *Cooking Light, Travel South* (formerly *Southern Travel*), *Southpoint, the Metropolitan Monthly* (formerly *Southern*).

Joint ventures (Time Inc. stake)
Working Woman, Working Mother (50%)
Parenting (71%)
Hippocrates (50%)
Fortune France, Fortune Italia (50%); *Fortune* in Spanish, German and Chinese in development.
Emerge (19%)—launch date: Sept. 1989.
Whittle Communications (50%)
Time-Hachette, Japan, K.K. (50%), *Elle Japon*—launch Sept. 1989.



New offshoots, spinoffs:
Sports Illustrated for Kids—launched Jan. 1989.
Entertainment Weekly—possible launch in 1990.
In development, several spinoffs from *People*, one based on crime stories, and a spinoff from *Sports Illustrated* based on golf and travel.

Upfront

(Continued from Page 1)

have locked up four-year auto exclusivity for the CBS Major League Baseball package *(see story on Page 1)*.

"Monday Night Football," recently a losing proposition for ABC, is now one of the network's hottest properties. The network is commanding an estimated $275,000 for a 30-second spot in its more popular matchups.

Sources say the Super Bowl, airing on CBS in January, is already at least 60% sold out with upfront prices reaching $700,000 for a :30.

"Sports are a disaster" in the automotive category, said Louis Schultz, exec VP-director of media services at Lintas:USA, New York. "You can't buy anything. The whole market has been sold. If sports are all gone and you want to talk to car buyers, where do you go? Prime time."

Some automakers also are looking to network news as an alternative and may even consider daytime, helping to drive upfront sales in these dayparts. The automakers are expected to spend a combined $600 million in prime time, a 20% increase over last year (AA, June 12).

It's uncertain how much Hollywood studios will spend. But they're traditionally among the first to buy prime time because they need to lock up Wednesday and Thursday night time periods.

The upfront market for network news was nearly finished last week as the Big 3 wrapped up an estimated $380 million in sales.

Agency sources said cost-per-thousand increases for news ranged from 5% to 12% above last year.

News usually breaks after prime time, but agency executives said advertisers wanted to take care of the more predictable news daypart first this year.

"News is an attractive commodity. It's stable, reliable and there's no problem with program associations," said Michael Drexler, exec VP-media at Bozell.

Advertisers are also looking at specific opportunities on individual cable networks, CAB's Mr. Alter said. "They want to get in before things like billboards and added-value programs are snapped up."

Lintas' Mr. Schultz said his agency will increase cable buys for the upcoming season "a ton. We're putting a lot of money in because strategically we believe in cable."

Cable ad sales during the first quarter of 1989 were up 40.5% and will likely keep up the same pace for the second quarter. If sales maintain that pace, Mr. Alter said, cable networks ad revenue for 1989 could reach $1.5 billion, 15.3% more than the CAB's original projection.

"More agencies are using cable this year than last year, and my sense is that advertisers and agencies have already set aside money for cable" for future buys, said Farrell Reynolds, president of Turner Broadcasting Sales. "That compels us to do more upfront."

Barter syndicators are also reporting good business during the upfront selling season and expect to do some $700 million, though advertiser interest in syndicated daytime fare has been described as sluggish.

For at least the next week, however, most attention will be focused on network prime time. Some people had even expected the prime-time market to move before now.

After two years of upfront sales interruptions—the Writers Guild of America strike in 1988 and the introduction of people meters in 1987—some agencies were ready to make deals as early as May.

Sources said both Leo Burnett USA, Chicago, and Young & Rubicam, New York, wanted to give the networks a total ad budget, using set price increases last month and then later determining which programs to place spots in.

But the networks, some of which underestimated upfront demand last year, decided to wait and get a better fix on the market before setting prices or making any deals.

Larry Hoffner, NBC senior VP-sales, said the top-rated network was "a trifle behind in the upfront" but expected to catch up quickly.

Media buyers, who expected a quick and orderly upfront market, aren't so sure now about what will happen.

"If the networks come out high and agencies leap, we're in for a real stampede on price increases. If you're a big-time player, the worst thing you can do is wait," said one agency executive who asked not to be identified.

Another agency executive, who also asked to remain anonymous, expected the upfront to go fast "if the networks recognize the vast majority of business is flat to a couple of percentage points up and are reasonable in pricing. If they are absurd in opening submissions, it could be a long summer."#

Judith Graham in New York contributed to this story.

Gerber readies baby formula

By PATRICIA STRNAD

Gerber Products Co. will introduce its new Gerber Baby Formula with ads telling mothers that breast-feeding is best.

But that might not placate the medical community, upset by the company's decision to advertise directly to consumers. That bypasses the traditional method of targeting pediatricians, who then recommend formulas to mothers based on their babies' needs.

Gerber last week said it will enter the market in a cooperative arrangement with Bristol-Myers Co., which will manufacture the milk-based infant formula.

Starting in September, Gerber plans to support the launch with a multimillion-dollar TV, magazine and direct-mail campaign that says its new product is the best option for mothers who choose not to breast-feed.

"Even though they've indicated that they will be promoting breast-feeding, they are actually promoting a formula," said Dr. James Strain, executive director of the American Academy of Pediatrics. "We feel it has the potential of interfering with the mother's decision whether to breast-feed—the ideal way of feeding babies."

The AAP also was angered by Carnation Co.'s decision to market directly to consumers when it entered the infant formula market last year. Carnation eventually pulled its consumer advertising for infant formula under pressure from the AAP and the U.S. Food & Drug Administration, but it still advertises formula for older babies directly to consumers.

Abbott Laboratories is the leader in the $1.6 billion infant formula market with an estimated 54% share. B-M's Mead Johnson Nutritional Group has about 38% of the market. Carnation has about 1% of the market.

Gerber agency J. Walter Thompson USA, Chicago, is handling the baby formula.#

By Bob Garfield

Ad Review

Texaco star shines in Hope-less effort

(Rating: ★ ★ ★ ½)

Thank you, ladies and gentlemen. I'm not saying Bob Hope and Texaco have a relationship, but the man eats salads with Havoline and vinegar.

Bob "That Better Be a Certified Check" Hope did Texaco commercials so long, he's under posthypnotic suggestion; every time he hears a bell ring, he runs out to wash a windshield. The other day he saw a security camera at the self-serve pump, so he filled up with unleaded and did five 30-second spots.

But seriously, Bob trusted his car to the man who wears a star, and Sammy Davis Jr wrapped it around a tree (rimshot).

It's over. After 15 years, Bob Hope is no longer fronting for Texaco. Gone, too, is the jingle, circa 1961: "You can trust your car to " Indeed, the new campaign from Campbell-Mithun-Esty, New York, invokes none of the imagery so painstakingly cultivated over three decades.

No Old Ski-Jump Nose. No grinning, saluting pump jockeys with pressed uniforms and pristine hands. Apart from a 2-second slide of the big, bright Texaco star, one of the most enduring traditions in advertising history has ceased to be.

Thank goodness.

The erstwhile leading brand has weathered industry unheaval, litigation-spawned bankruptcy and retrenchment—winding up lean, mean and in sixth place. Through all, the marketing message must have seemed the sole bastion of stability, but in actuality it was calcified, irrelevant and invisible. Texaco continuously pumped out the worst TV commercials in a category where advertising mediocrity was an achievement.

Bob Hope, legend that he is, is hardly a baby-boom icon. And the notion of a personal relationship with your neighborhood station owner has traveled, like Dorothy Lamour and free oil checks, the Road to Oblivion.

Luckily, CME has gotten the lead out.

Its work introducing Texaco System 3 gasoline may well be the most attractive, intrusive, persuasive, inventive and cohesive campaign the oil industry has ever seen.

There are eight 30-second spots, including two hyperbolic and funny teasers, a general introduction and five successive amplifications of the principal claim.

They're all good—except for the introductory spot, which is a masterpiece.

It's two, two, two ads in one when Campbell-Mithun-Esty introduces Texaco's System 3 gasoline. Good riddance, Bob Hope.

The commercial opens with a 45-degree overhead shot of a giant print ad. The headline reads "5 TANKS IS ALL WE ASK," beneath which are small subheads reading "TANK 1," "TANK 2," etc. The copy isn't legible, but it's instantly apparent that the type under each subhead describes what happens, with each successive tankful, to enhance automotive performance.

The eye follows to a boldface logotype and slogan: "System 3. It's that good." Thus, in a flash, the viewer absorbs a) a humble-yet-confident solicitation of business, b) the suggestion of a documented technological breakthrough and c) a disarmingly modest and uncommonly potent efficacy claim.

And there are still 29 seconds to go.

Onto the surface of this giant ad ambles the unassuming and anonymous presenter.

"Today," he says, peering at the distant camera, "there's a gasoline that offers what no other gasoline ever has before. It's new System 3 gasoline from Texaco. With continued use, it can keep new cars running like new and actually help restore performance to older cars. System 3 gives you more power from every octane."

By now he has strolled to the logo, where the word "System" suddenly rears into italic—to the sound of an accelerating car—and zooms across the screen, causing the rest of the ad type to explode in our face. Our friend whistles in awe, the snappy calliopelike musical theme kicks in, and the only words remaining on an all-white surface are: "It's that good."

So is the commercial. Rich Karnbach was the art director, Mark Story was the director and magnificent were the results: proof that hard sell and marketing research can co-exist, and thrive, with bold art direction and softpeddle presentation.

In subsequent spots, running in five successive weeks, the performance claims are illustrated with similarly striking images in spare and sometimes whimsical settings. The anti-everything pressure groups will probably bristle at pictures of System 3-juiced cars zooming out of control, but the nervy simplicity of it all is inspired.

Just as inspired, by the way, are the marketing underpinnings of the work. Texaco—and writers Dick Johnson and Bob Joseph—realized consumers are resentful of oil companies, inured to bogus image advertising and skeptical about "miracle" additives that you get only with expensive premium gas.

Oil is, after all, a commodity, and the value added through refining and formulating has always been a matter of faith—a commodity of which oil companies command an ever-dwindling reserve.

By introducing System 3 across all octane grades, and asserting drivers will notice the performance difference in a mere five fill-ups, the marketers disabuse suspicions of ad puffery even as they will surely stimulate unprecedented consumer trial.

The thing is, the stuff better work. They say nothing kills a bad product faster than good advertising. If System 3 performs like old system one, Texaco had best bring Bob Hope back to sell nostalgia instead of technology. Maybe a new theme, too: "Five Tanks for the Memories."#

The rating system uses four stars to represent excellent, three for notable, two for mediocre and one for pathetic.

IPG

(Continued from Page 3)

Howard-Spink & Bell at about $60 million.

Mr. Geier said he had no plans to increase Interpublic's ownership in Lowe Howard-Spink & Bell. "The way it's set up is fine," he said.

As a British public company, Lowe can make small European acquisitions more easily than Interpublic can, Mr. Geier said.

Interpublic benefits from the transaction by being able to consolidate more of Lowe Howard-Spink & Bell's strong growth and earnings into its own financial reports.

Lowe and Interpublic have been working together for more than five years, during which time Lowe's billings have grown from $50 million to about $1.4 billion.

The two share multinational clients, including General Motors Corp. and Nestle.

The acquisition of Lowe Marschalk, which has U.S. billings of $304 million, gives Lowe Howard-Spink & Bell a strong U.S. base and brings additional Coca-Cola Co. business. Lowe Howard-Spink & Bell handles that company's Minute Maid brand in Belgium and Sprite in the Netherlands.

Some senior Interpublic executives balked at the notion of giving up control of a Coca-Cola agency, but Mr. Geier said Interpublic will continue to be involved in Lowe Marschalk's Coca-Cola account.

Interpublic maintains some financial control over Lowe Howard-Spink & Bell as well, both as its largest shareholder and with Interpublic Chief Financial Officer Eugene Beard sitting on Lowe's board.

Lowe Howard-Spink & Bell will be woven into Interpublic's evolving European media-buying plans. The agency already is involved in joint buying operations with McCann in Belgium and West Germany.

As 1992 approaches, Interpublic can use Lowe Howard-Spink & Bell's billings to increase its clout in Europe, where Saatchi & Saatchi Co. and WPP Group's Media Partnership with Omnicom Group have become more formidable competitors.

In the U.S., Lowe Marschalk CEO-Creative Director Andrew Langer said his staff applauded the transaction.

"The thing that's great for us is we are now defined," he said.

Mr. Langer, 46, was named a director of Lowe International, a subsidiary of Lowe Howard-Spink & Bell. Richard Villante, 49, was promoted to president of Lowe Marschalk's New York office from exec VP-managing director.

In addition to Lowe Marschalk, Lowe Howard-Spink & Bell also owns Laurence, Charles, Free & Lawson and a minority interest in Lowe Tucker Metcalf.#

Berry

(Continued from Page 4)

what the company's wanting to do is move on. There's a gracious, graceful, proper way to do that, but Norman didn't want to let go, and all of us at some point have to recognize that."

Mr. Lesser and Mr. Berry categorically denied that Mr. Berry's departure is related to WPP's buyout of Ogilvy, since the moves were first discussed late last year. But Mr. Lesser acknowledged Mr. Berry's leaving could have come at a better time.

"I think the timing sucks," he said. "We don't need cataclysmic change right now. What we really need is a chance to settle in. But the agency has enormous strengths within it, and one of the things I've discovered in four or five weeks here is that Ogilvy is all right; there's no fundamental sickness or weakness."

Mr. Berry, a U.K. native, joined the agency in 1971, when his London agency, Davidson, Pearce, Berry & Spottiswood, was sold to O&M. He moved to O&M in New York as a creative director in 1979, became head of the creative department later that year and was named worldwide creative director in 1983.#

Time Inc. pages prosper

(Continued from Page 6)

magazines reached an even higher pitch with the recent launch of *Mirabella*. Competitor *Elle* has lost its double-digit growth rate of recent years, turning in for the first five months a total of 922 ad pages, a 3.9% increase from last year. Category leader *Vogue* advanced its position with 1,360 ad pages, up 5.4%. *Harper's Bazaar* was flat with 573 ad pages, only a 0.6% gain.

Among women's service magazines—the Seven Sisters—the winners so far this year are *Family Circle* and *Woman's Day*, though the entire category is showing surprising strength after a dismal 1988.

Through May, *Family Circle* had 809 ad pages, a 17.2% increase, while *Woman's Day* had 778 pages, a 14.6% increase. Other strong performances were from *McCall's*, with 468 ad pages, a 22.5% increase, and *Ladies' Home Journal*, with 653 ad pages, up 24.8%.

Some notable smaller women's lifestyle magazines with large gains in ad pages include *Lear's*, with 276 ad pages, up 125.5%, and *Victoria*, with 105 ad pages, up 99.8%. The not yet 2-year-old movie magazine *Premiere* was up 51% to 292 ad pages.

Despite a herd of newcomers, travel magazines continue to grow through 1989, indicating they're not stealing pages from one another. *Travel & Leisure* through May had 674 ad pages, a 14.4% increase from 1988. Closest rival *Conde Nast Traveler* saw ad pages rise 56.4% to 390. *Endless Vacation* totaled 181 ad pages for the period, a 30.5% increase, while *Travel/Holiday* had 213 ad pages, up 9.1%. *National Geographic Traveler* posted a 156% increase to 103 ad pages.#

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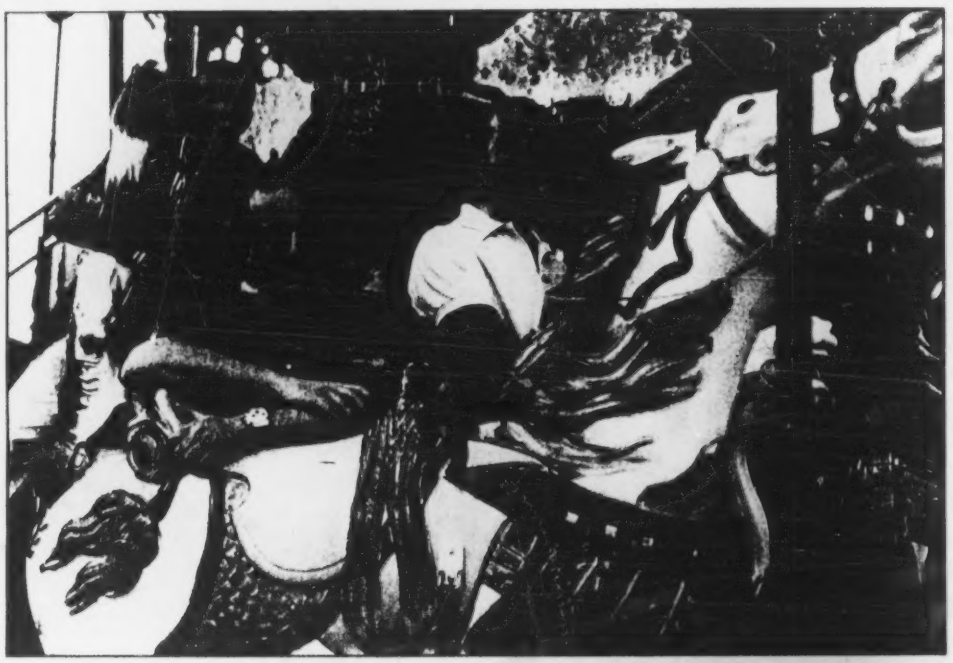
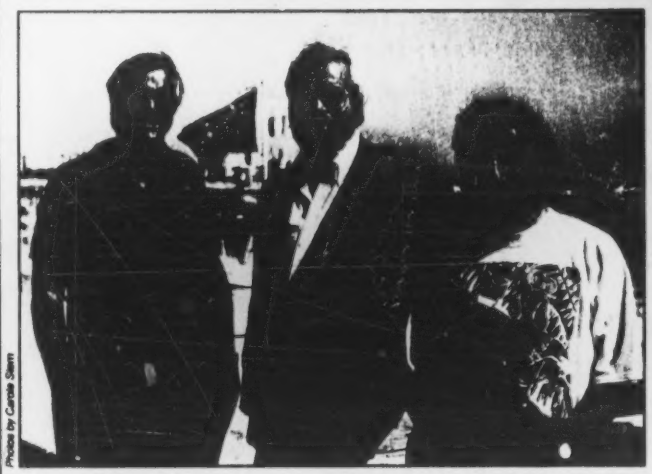
June 26, 1989

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections. Section 1.





Photos by Carole Stern

Merry-go-rounding in Cannes are (from l.) Pietro Maestri, assistant creative director at TBWA Italia, Milan, and Cannes judges Andrea Concato, partner-creative director at TBWA Italia, and Marco Mignani, partner-creative director of RSCG Italy. Andrew Langer (bottom r.), ceo-creative director at Lowe Marschalk, New York, relaxes near the beach. Sunning (bottom l.): Leighton Gage, free-lance creative director, Sao Paulo, and judges Marcio Moreira, vice chairman of McCann-Erickson Worldwide, New York, and Joao Daniel Tikhomiroff, president of the YES/-JODAF production company, Sao Paulo.

Spain fetches Cannes Grand Prix

By LAUREL WENTZ

CANNES—A mongrel helped Spain earn a symbol of the country's growing creative reputation Saturday when Madrid-based Contrapunto won the Grand Prix at the 36th International Advertising Film Festival here.

In what was considered by judges and delegates to be a mediocre year for originality and ideas, the U.S. captured only eight of the 47 gold Lions, down from 11 last year.

Fallon McElligott, Minneapolis, picked up two gold Lions, while five other agencies won one: Chiat/Day, New York; Della Femina, McNamee WCRS, New York; Leo Burnett USA, Chicago; Levine, Huntley, Schmidt & Beaver, New York; and DDB Needham Worldwide, New York. Colossal Pictures, San Francisco, a production house, also took home a gold.

Ammirati & Puris, New York, won a gold Lion for a Schweppes tonic water spot starring John Cleese, but the commercial was considered a U.K. entry.

Spain took top honors, its first Grand Prix, with

(Continued on Page 77)

Spending wave hits in 2nd half

An ADVERTISING AGE roundup

Major national advertisers are loosening the purse strings, bolstered by reports of continued economic expansion and heightened competition in virtually every industry segment.

While ad agencies and the media aren't breaking out the champagne yet, they say marketers that held back ad spending for fear of a recession are making plans for a stronger-than-expected effort in the second half of 1989.

The TV networks have probably ordered champagne, however. The Big 3 have been pleasantly surprised by a robust upfront selling season *(see story on Page 3)* and, with the addition of Fox Broadcasting Co. sales, should reap a combined $3.7 billion, a 12% increase from last year. That's being fueled by automotive spending, up an estimated 20% to 45%.

The growth may be coming from a shift back to national advertising from localized promotions, say some advertiser executives. For competitive reasons, executives say, they have to advertise now; they've held up ad budgets for as long as possible.

"This is no time to cut back advertising spending," said Charles

(Continued on Page 76)

Tambrands sets $20M shoot-out

By JUDANN DAGNOLI and LAURIE FREEMAN

Faced with declining market shares, Tambrands will consolidate its $18 million-to-$20 million domestic feminine hygiene products accounts at a single agency.

The company last week asked its three current agencies, Campbell-Mithun-Esty, Ally & Gargano and McCann-Erickson Worldwide, all New York, to participate in a creative shoot-out for the business.

CME handles the estimated $12 million-plus Tampax tampons account. Ally handles the estimated $6 million-plus Maxithins sanitary napkin line and McCann handles international advertising.

Only the Tambrands agencies were asked to pitch; the review starts in August with a decision expected by early September.

Tambrands will need stronger advertising as competition in the category increases. Rivals Procter & Gamble Co. and Kimberly-Clark Corp. plan new-product efforts this summer.

In July, P&G rolls out Always

(Continued on Page 76)

Last Minute News

Ney approved as ambassador to Canada

WASHINGTON—Former Young & Rubicam Chairman Edward Ney on Friday was confirmed by the U.S. Senate as ambassador to Canada. He will be sworn in June 28.

Lang to break away from Time Inc.

NEW YORK—Time Inc.'s 50% share of Working Woman/McCall's Group is expected to be bought by Dale Lang once New York Times Co. Magazine Group's purchase of *McCall's* is completed in mid-July. Mr. Lang, the co-

(Continued on Page 8)

Fight looms over use of :15s

By WAYNE WALLEY

NEW YORK—The 15-second commercial is about to become the focal point in a new war between advertisers and network TV.

At issue is commercial clutter and pricing.

Effective Oct. 1, ABC-TV will institute several restrictions on the use of :15s and reduce by 20% the number of :15 availabilities in prime-time shows, news programming and "Good Morning America."

Agency executives and advertisers say ABC's moves won't have an immediate effect, but most described the network's strategy as a thinly veiled maneuver to eventually increase prices for the shorter units.

"When fewer units are available, it becomes a supply-and-demand situation. This will drive up the price," said Ric Paschke, exec VP-director of media at Campbell-Mithun-Esty, Southfield, Mich.

"ABC can do anything they want to do to control inventory and pricing, but ultimately they have to be competitive," said Stephen Crews, VP-public affairs at Alberto-Culver Co., one of the first advertisers to use 15-second spots. "The buying community is not concerned. We'll just take our business elsewhere."

ABC maintained it's only trying to control commercial clutter. "Our motivation is simply to curtail the use of :15s," said Jake Keever, exec VP-sales.

Although some industry observers say the ABC plan, if successful, could become a model for other networks, neither CBS nor NBC plans to alter current policies.

The networks usually charge half the price of a :30 for a :15 spot, creating what some buyers perceive as a bargain, because studies have shown :15s are generally 70% as effective as 30-second units.

But CBS charges a premium for :15s in sporting events and only allows two :15s within a commercial pod, effectively limiting the number of shorter spots on the network.

NBC doesn't have specific limits on :15s, but President Pier Mapes has said charging premiums for :15s is "an admirable goal."

But Richard Kostyra, exec VP-U.S. director of media services at J. Walter Thompson USA, is concerned about ABC's precedent.

As part of its plan, ABC won't guarantee product exclusivity for a :15 in a given pod and it won't offer customarily free "billboards" when an advertiser buys several :15s within a specific show. A billboard is a "Brought to you by" announcement usually appearing at the start of the show.

In addition, single-product 30-second spots will take scheduling precedence over :15s. Also, ABC will charge a premium for "bookend" commercials and :15s in "NFL Monday Night Football," the World Series, Barbara Walters specials, the Academy Awards, the American Music Awards and other selected programs.

"It won't discourage the use of :15s, but it will eventually generate more revenue for the networks," Mr. Kostyra said. "If they wanted to discourage the use of :15s, they should charge the 30%-to-40% premium spot TV does."

The shorter units, which first became a factor in 1984, last year represented 36.2% of the commercials that ran on network TV, according to a JWT analysis of Broadcast Advertisers Reports figures.#

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Tabloids' glitz moves to video with 'Persona'

By MARCY MAGIERA

If a new purveyor of celebrity news and gossip has its way, shoppers will have to bring along their VCRs to browse through tabloid-style news at the supermarket.

Majestic Video Publishing in late August will hit supermarket checkouts with "Persona Video Magazine," believed to be the first mass-market, general-interest magazine on videocassette.

"Persona," priced at $4.95, is a 90-minute entertainment "magazine." To make the cost more palatable, "Persona" is on a two-hour videocassette that can be reused as a blank tape.

The monthly magazine is the brainchild of Majestic CEO Charles-Terry Goldstein and his wife, Majestic President Karen Jackovich, who previously was a special correspondent for *People* and West Coast editor of the *Star*.

It will initially be sold in Colorado and Indiana, where Majestic will test its marketing plan before a state-by-state rollout.

Majestic plans to distribute "Persona" nationally by February, Mr. Goldstein said. The format will include two 15-to-20-minute celebrity interviews, one at the start and one at the end of the program, and shorter news and feature segments on topics including entertainment and people behind the scenes in Hollywood.

Commercials will run between segments.

Majestic hasn't yet sold any of the 20 minutes it's allocated for commercials. Mr. Goldstein said the company is approaching TV networks, movie studios and record companies.

Culver City, Calif.-based Majestic also hopes to appeal to marketers like Procter & Gamble Co. that are looking for new advertising and promotion vehicles.

"Persona's" only advertiser so far is 3M, which will insert coupons in the video box. 3M also will pack a coupon for "Persona" in its videotapes.

Majestic is asking $2,500 for a 30-second spot and $40,000 for an ad on the back "cover" of the video box.

It will support "Persona's" launch with a $300,000 spot TV, cable, radio and print campaign in Colorado and Indiana.

Mr. Goldstein said Majestic plans to spend $5 million on a national campaign starting in February.

Kaiser McEuen, Los Angeles, is Majestic's agency.#

Bond may move in with Stroh family

By PATRICIA STRNAD

If Bond Corp. Holdings succeeds in acquiring part of Stroh Brewery Co., Hal Riney & Partners' long-awaited image campaign for Stroh could be obsolete before it even airs.

The campaign, scheduled for July but pushed back to August, was expected to center on the Detroit brewery's family heritage.

Australia-based Bond last week said it's negotiating to buy part of Stroh but is interested only in a controlling stake. Bond is discussing a proposal to swap its 20% stake in Lonrho, a London-based mining and agriculture company, for an interest in Stroh.

Bond said it'd merge No. 3 Stroh with No. 5 G. Heileman Brewing Co., acquired by Bond in 1987, if ultimately successful.

Privately held Stroh repeated earlier statements that it's seeking only a minority investor.

San Francisco-based Riney took the $30 million account from Lowe Marschalk, New York, last July, and its first image campaign for Stroh's and Stroh's Light has been eagerly awaited.

Five radio spots using actor Richard Widmark as narrator and a "Beer of the worlds" theme break today.

The spots liken the unusual nature of Stroh's, "fire-brewed, fam-

(Continued on Page 76)

Autos up TV prices for all

Big 3 eye 10%-to-15% gains

By WAYNE WALLEY

Automakers, by spending upwards of $700 million, have turned the booming 1989-90 network TV prime-time upfront selling season into a seller's market.

Advertisers, originally anticipating 8%-to-9% increases on a cost-per-thousand basis, are facing possible 10%-to-15% hikes as the Big 3 networks try to stand firm on prices during ongoing upfront negotiations.

"Certain clients will be penalized because the automotives, with all this money to sell cars, are killing us," said an agency executive who asked not to be identified. The fact that "the automotives overpaid to get exclusivities [and that] the networks held them to higher prices" has affected the entire marketplace.

"Anyone who can get a deal at 13% or under will consider it 'good' this year because the networks are bullish," he said. "The real issue is if the agencies can sell the increases to clients."

The prime-time upfront market, when advertisers buy time in network shows as much as a year in advance, started to move two weeks ago with automakers and movie studios making the first deals.

Those involved believe prime-time negotiations with other categories could be completed this week with some late-night and daytime sales starting now and carrying over after July 4.

"If I were in another industry, I wouldn't be too happy right now either," said Ric Paschke, exec VP-director of media at Campbell-Mithun-Esty, Southfield, Mich., agency for Chrysler Corp.'s Jeep/-Eagle division. "There's a finite number of commercials to be sold, and when demand goes up, prices go up."

But even if automakers spent more than $700 million in upfront, "there's still $3 billion in inventory left," said Jon Mandel, VP-director of national broadcast at Grey Advertising, New York. "The idea is for the networks to get the regular guy, who doesn't have any reason to pay an increase, to pay more because the cars did."

Apparently the market is moving in the networks' favor.

"The indicators are showing a double-digit increase," said Larry Hoffner, senior VP-sales at NBC-TV. "We see sufficient strength in the market and in our schedule. There is competition for the good inventory. People don't want to be locked out."

The strong upfront sales for network prime-time, which looks to be a record $3.7 billion (AA, June 5), is also benefiting network TV's competition: Fox Broadcasting Co., barter syndication and cable TV.

For example, Fox now expects to do some $300 million in upfront sales, triple last year's take, with CPM increases averaging between 8% and 10%.

The fourth network is "seeing a real rush of money" across the board, with automotive upfront spending up 600%, said Jon Nesvig, Fox's senior VP-sales.

Cable TV networks expect to double upfront sales this year to $400 million, while barter syndication upfront sales could go as high as $700 million, sources said.

Tim Duncan, executive director of the Advertiser Syndicated Television Association, couldn't confirm the upfront sales estimate. However, he said the organization has revised syndication's estimated annual ad revenues for 1989 to $1.1 billion from $1.05 billion #

World News Roundup

MADRID—Philip Morris Cos. boosted 1989 ad spending in Spain 56% to $15.8 million. Marlboro, PM's top brand, will be backed with $9.5 million. Leo Burnett SA handles Marlboro.

STUTTGART—Mercedes-Benz is hearing pitches from Borsch, Stengel & Partner, Frankfurt; Grey Duesseldorf, and Springer & Jacoby, Hamburg, for its estimated $12 million German passenger car account. Dewe Werbung previously handled.

LONDON—Swissair retained GGK for its $4 million account. KHBB; Adolf Wirz, Zurich; and Aebi, Suter, Gisler, Studer/BBDO, Zurich, pitched.

SYDNEY—Australian Broadcasting Corp., a non-commercial, government funded organization, is suing AGB McNair Anderson for alleg-

(Continued on Page 36)

A SWEETENER SAMPLING

INGREDIENT SWEETENERS

Company	Brand or Generic name	Ad Budget
Pfizer	Alitame*	$25-30 million
McNeil	Sucralose*	$25-30 million
Monsanto	NutraSweet	$20 million
Hoechst Celanese	Sunette	under $10 million

Company	Brand	Ad Budget
Monsanto	Equal (NutraSweet)	$14 million
Cumberland Packing	Sweet 'N Low	$2 million
Stadt Corp.	Sweet One (Sunette)	$5 million
United Sweetener	Sweetmatch	Unknown

*Food & Drug Administration approval pending. Source: ADVERTISING AGE

NutraSweet rivals stirring

By JUDANN DAGNOLI

Sweeping changes are coming in the $1 billion sugar-substitute market as companies gear up to challenge NutraSweet Co.'s aspartame.

Lining up to chip away at NutraSweet parent Monsanto Co.'s dominance are Pfizer; McNeil Specialty Products, a Johnson & Johnson unit; Hoechst Celanese Corp.; and United Sweetener USA.

All are expected to hit the market with competing products between now and the time NutraSweet's patent on aspartame expires in 1992.

Other food companies are also developing sweeteners, including Kraft General Foods Group and Procter & Gamble Co.

But dislodging NutraSweet, with an estimated 65% share of the category, could be a daunting task. The company's $20 million-plus ad campaign from Ogilvy & Mather, Chicago, has firmly entrenched NutraSweet and its red swirl logo in consumers' minds.

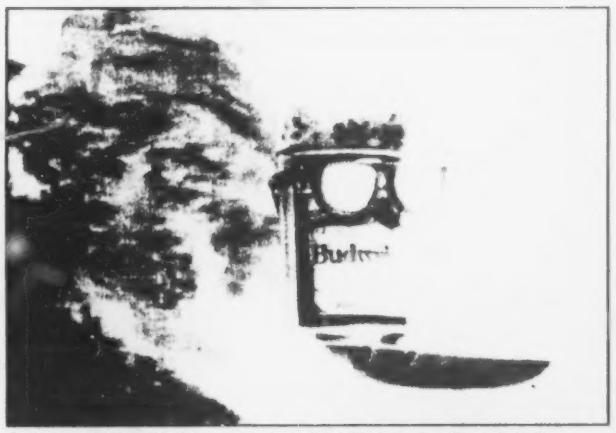
"It will be open warfare," said Tom Fucigna, group management supervisor at Pedone & Partners, New York, agency for Cumberland Packing Corp.'s Sweet 'N Low tabletop sweetener and Sweet One, a new tabletop entry that uses Hoechst's Sunette.

Pfizer and McNeil are expected to give NutraSweet the biggest run for its money. Those companies are expected to spend a combined $60 million-plus advertising their ingredient sweeteners, assuming

(Continued on Page 70)

HOT STUFF

Breaking campaigns



Anheuser-Busch this week breaks "Bud to the Beach," the successor to the "Bud Bowl I" campaign that aired during the Super Bowl telecast. The Budweiser and Bud Light spots parody 1960s beach movies. D'Arcy Masius Benton & Bowles, St. Louis, handles.

A Long John Silver's customer suddenly starts talking like a pirate in a new spot TV campaign breaking today. The commercial promotes a "$2.99 Meal Deal" and the chain's 20th anniversary. It's the first creative from Bozell, Dallas, since it won the account.

Marshalls, T.J. Maxx duel over off-price leadership

By JUDITH GRAHAM

Off-price retailers are readying new ad campaigns in the fierce battle for leadership in the $13.5 billion-plus business.

Marshalls, the nation's largest off-price retailer by dollar sales volume, should show its cards during the back-to-school ad season with new work from AC&R, New York, the winner last week of the $25 million account (AA, June 19).

No. 2 T.J. Maxx is said to be preparing a new ad thrust to refresh its 2-year-old "Never the same place twice" campaign. The timing of the new work, however, couldn't be determined. Ingalls, Quinn & Johnson, Boston, is the agency.

Both competitors are expanding at a breakneck pace. Marshalls, with 317 stores in 40 states, is planning to add 40 outlets a year in the next five years; T.J. Maxx, with 328 stores in 40 states, plans 45 additions annually.

"It's like Coke and Pepsi between Marshalls and T.J. Maxx, and Marshalls clearly wants to be Coke," said Douglas Houston, chairman-creative director at Houston Advertising, Boston, an unsuccessful finalist in the Marshalls review.

"We need to tell consumers who we are, because there are so many price-oriented messages being thrown at them."

But in a selling environment increasingly cluttered with regular markdowns and "everyday low price" marketing messages, both retailers will have to educate consumers about the nature of off-price retailing.

Off-price retailers carry high-quality brand name merchandise at prices 20% to 60% below department stores' prices.

"We need to tell consumers who we are, because there are so many price-oriented messages being thrown at them," said Karen Claunch, advertising manager at T.J. Maxx.

During their heyday in the late 1970s and early 1980s, off-price retailers gave department stores a run for their money.

Since then, however, off-price retailers have experienced a shakeout as department stores turned the tables by regularly slashing prices. Discounters, which don't carry the same high-quality brands, have become the fastest-growing retail segment at $74.6 billion in 1987.

Now, the off-price marketing challenge is to marry a price message with a high-quality image message and to differentiate stores from discounters.

"Consumers often perceive us as a

(Continued on Page 75)

Mickey drives up Chevy ad recall

By SCOTT HUME

The heartbeat of Americans picks up when they see Mickey Mouse.

On ABC-TV's March 29 Academy Awards telecast, Chevrolet began a $70 million campaign for its new Lumina line. Initial TV spots showed a variety of animated Walt Disney Co. characters—including Mickey and Minnie Mouse, the Seven Dwarfs and others—emerging from the vehicles at the new Disney/MGM Studio theme park as crowds cheered (AA, March 27).

The General Motors Corp. division has kept the Disney connection with Lumina in the heavy-TV and print schedule that has followed, and the Disney magic has been rubbing off.

Last month, Chevrolet was the nation's second-best-recalled advertiser in ADVERTISING AGE's exclusive adWatch survey of ad awareness.

Chevrolet obviously was already among the most well-recognized and well-recalled advertisers, but Mickey has helped. In March, when the Lumina campaign began, Chevrolet held the No. 5 spot. In April, the Disney characters helped Chevrolet move up to No. 3.

ADWATCH SURVEY OF ADVERTISING AWARENESS TOP 10 IN MAY

Last month, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Source: Gallup Organization, Lincoln, Neb.

Rank 5/89	4/89	Advertiser	Agency
1	1	Pepsi-Cola	BBDO Worldwide
2	3	Chevrolet	Lintas:Campbell-Ewald
3	4	Ford	J. Walter Thompson USA
4	6	Coca-Cola	McCann-Erickson Worldwide
5	2	McDonald's	Leo Burnett USA
6	5	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham Worldwide
7	—	Miller	Backer Spielvogel Bates/Leo Burnett USA
8*	7	Tide	Saatchi & Saatchi Advertising
8*	9	Toyota	Saatchi & Saatchi DFS
10	—	Nissan	Chiat/Day

* indicates tie

The advertiser that kept Chevrolet from gaining the top spot in unaided awareness was Pepsi-Cola, holding the No. 1 ranking for the third consecutive month.

Chevrolet did emerge as the best-recalled advertiser when respondents were asked to name the first auto or truck advertiser that came to mind.

With 21% of first mentions, Chevrolet edged out Ford (20.8%), which had held the No. 1 spot every month but one (February 1989) in the past four years.

Toyota held the No. 3 spot in the car category last month with 8.2% of first mentions.

It may be worth noting, meanwhile, that GM's new Geo line (also sold by Chevrolet) has received fairly low recall. Geo's advertising got only a 9.4% share of both unaided (overall) and aided (specifically for auto advertising) recall questions.

Another marketer seeing its recall level rise thanks to new advertising is Wendy's International.

Wendy's in April launched a campaign claiming victory in consumer taste tests conducted with its competition. Featured as TV pitchman for the campaign is R. David Thomas, the fast-food chain's founder (AA, April 10).

Mr. Thomas tells viewers, "Our hamburgers are the best in the business, or I wouldn't have named the place after my daughter."

The impact of that message has been immediate and substantial. In April, when respondents were asked to name the first fast-food advertiser to come to mind, Wendy's share of first mentions jumped 4.8 points to 11.5%.

Last month, it increased another 2.7 points to 14.2% of first mentions, meaning Wendy's has more than doubled recall of its advertising in two months. That was enough to pass Burger King Corp. (11.7%) and put Wendy's in second place behind McDonald's Corp. (46.4%).

This is the first time Wendy's has taken the No. 2 spot since the August 1985 survey.

AdWatch is a joint project of AD AGE and the Gallup Organization. Awareness is measured by asking a nationally projectable sample to name the first advertising that comes to mind from all seen, heard or read in the previous 30 days.

Last month, 1,000 adults were polled by phone. The margin of error is plus or minus 3.1%.

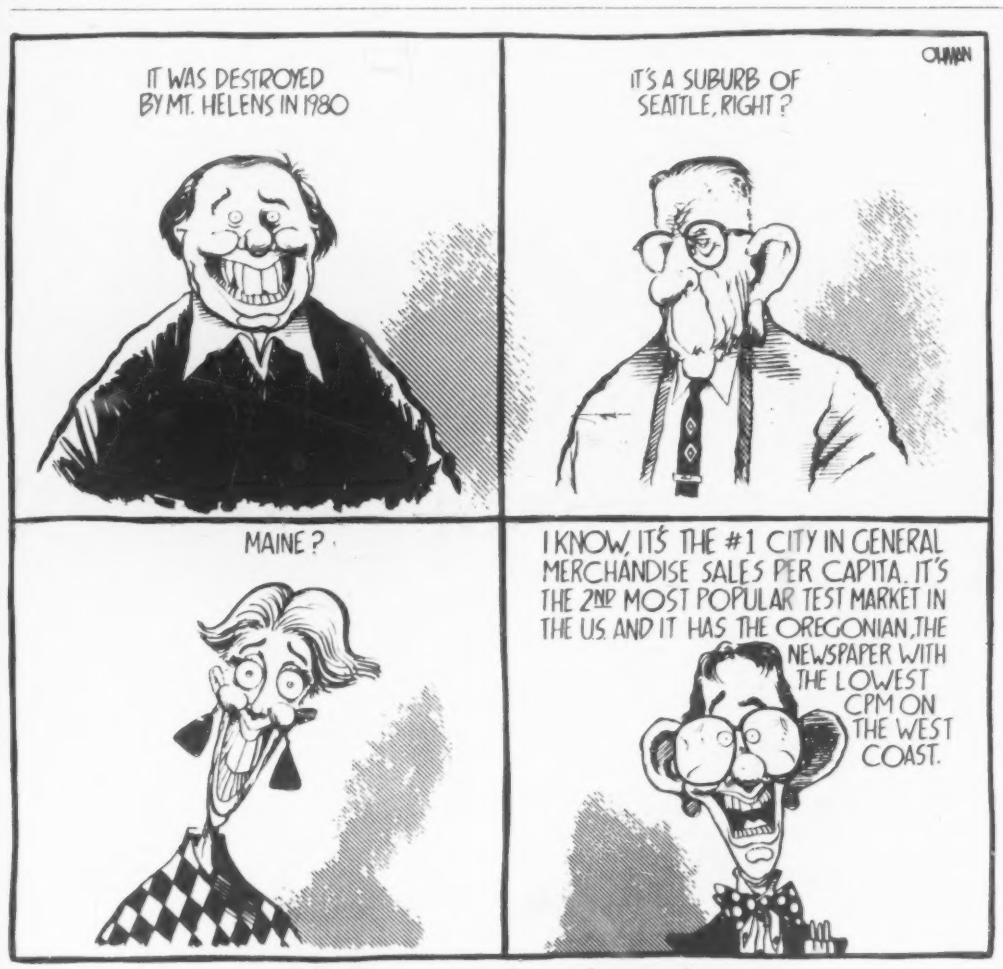
In other categories of interest:

- Pepsi-Cola kept the No. 1 spot in the **soft-drink** category with a 37.4% share of first mentions in May, down from 40.5% in April. No. 2 Coca-Cola closed the gap, rising to 30.1% last month from 27.6% in April.

  Diet Coke remained No. 3 with a 6.3% share.
- Apple Computer failed to reverse the downward slide in recall it's suffered since the December survey, when it commanded 42% of first mentions in the **computer** category. In May, Apple still was No. 1 but down to a 29% share of first mentions (virtually unchanged from 29.2% in April).

  IBM Corp. remained No. 2, with a 23.1% share, up from 20.8% a month earlier. Radio Shack last month received 2.5% of first mentions (down from 3.2%) to hold third place.#

For more information, contact the Gallup Organization, 301 S. 6th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.


IT WAS DESTROYED BY MT. HELENS IN 1980
IT'S A SUBURB OF SEATTLE, RIGHT?
MAINE?
I KNOW, IT'S THE #1 CITY IN GENERAL MERCHANDISE SALES PER CAPITA. IT'S THE 2ND MOST POPULAR TEST MARKET IN THE US AND IT HAS THE OREGONIAN, THE NEWSPAPER WITH THE LOWEST CPM ON THE WEST COAST.

Where the heck is Portland?

Portland and The Oregonian. It's a sales story that stumps 3 out of 4. Amaze your friends and clients with your ability to spot a terrific market. Call Brian Bounous, General Advertising Manager at (503) 221-8279 for the complete story.

The Oregonian

Represented nationally by Newhouse Newspapers
Source: Saatchi & Saatchi DFS Compton
Based on actual number of new products tested

New 'Chip 'N Dale' to get $30M effort

By WAYNE WALLEY

Walt Disney Co. is putting its money where its chipmunks are this fall.

Buena Vista Television, Disney's TV syndication division, along with Kellogg Co. and McDonald's Corp., will spend $30 million to support the Sept. 18 launch of "Chip 'N Dale's Rescue Rangers."

That's believed to be the most expensive campaign ever waged for a new syndicated TV show.

The goal is "to reach every child in America," said Carole Black, Buena Vista Television senior VP-marketing.

Neither Kellogg nor McDonald's would discuss specific plans for fall or holiday tie-ins. But Ms. Black said the promotions would offer some sort of consumer benefit and described the McDonald's effort as a "huge national campaign."

The promotions aren't tied to media buys, but both Kellogg and McDonald's have been advertisers in Buena Vista's "DuckTales," the top-rated syndicated kids' show.

The addition of "Chip 'N Dale" is expected to give Buena Vista a one-two Disney punch and form the cornerstone of the Disney Afternoon, a two-hour weekday children's programming block to be offered for the fall of 1990.

"Disney's Gummi Bears," fresh from a Saturday morning run on ABC-TV, and "Tale Spin," a new animated Disney series, will complete the lineup.

Bob Jacquemin, president of Buena Vista Television, said at least 95 stations covering 80% of the country have already committed to the programming block, while some 160 stations covering 93% of the country will carry "Chip 'N Dale" this fall.

Posters, outdoor boards and tram cards will promote the show in theme parks, while tent cards will be placed in all Disney hotels.

Plush toys will be available as premium items with purchase of Disney videocassettes, and the characters will tour major cities and will star in a music video and a theatrical film to be released in 1991.

In addition, Buena Vista will run spots on cable TV and print ads in selected magazines and newspapers, and will launch its own viewership contest the week of Sept. 25 with $250,000 in prizes.

Western International Media, Los Angeles, handles media buying.

The Disney plan and its early acceptance by TV stations underscores a renewed interest in animation.

Warner Bros., with Steven Spielberg, is producing an updated version of its classic "Looney Tunes" show called "Tiny Tunes," to be available in 1990. Fox Broadcasting Co. affiliates plan to launch a Kids Network block at the same time.#

100 media companies hit $66.1 billion

Cap Cities/ABC heads the pack with cable and magazines posting robust gains; newspapers, the leading category, show weak 3.9% advance

By R. CRAIG ENDICOTT

A strong showing from cable and magazine operations of the nation's 100 leading media companies propelled the group's 1988 net revenues to $66.1 billion, an increase of 9.9% over the prior year, according to ADVERTISING AGE's ninth annual 100 Leading Media Companies report.

Capital Cities/ABC retained its crown as the nation's biggest media company with net revenues from media of $4.59 billion, up 7.8%. A ticket to the 1989 listing required net revenues of at least $131.7 million, the total generated by No. 100 Berkshire Hathaway—one of 13 companies new to the list.

The net revenue growth of both cable and magazines, with increases of 23.9% and 13% over 1987 levels, respectively, reflected their strength as advertising media during 1988. And this power punch continued to pack a wallop through the first quarter of 1989.

Newspapers, with $24.8 billion in net revenues, up 3.9% over the prior year, remained the leader in media category revenue volume, well ahead of TV at $15.2 billion, up 6.3%. The slow growth for newspapers, however, dropped the category share from 39.6% of the media pie for the Top 100 in 1987 to 37.5% in 1988.

Cable picked up the two percentage points lost by newspapers. It reached $11.5 billion, stimulated by heavy acquisition activity and a strong surge in advertising.

Advertising on cable, including network and non-network, increased to $1.19 billion in 1988, up 23.6% from 1987. Cable networks contributed 79%, or $942 million, to the total. That upward curve carried into the first quarter of '89 as cable networks pushed advertising to $308.7 million, up 40.5%.

Such movement is likely to continue as more households are linked to cable and advertisers increasingly bring cable into their media mix. The Cabletelevision Advertising Bureau estimates 70% of American households will receive cable by 1994, up from 55% at the end of 1988. Penetration levels already show cable as a worthy contender for advertising dollars traditionally charted for broadcast TV.

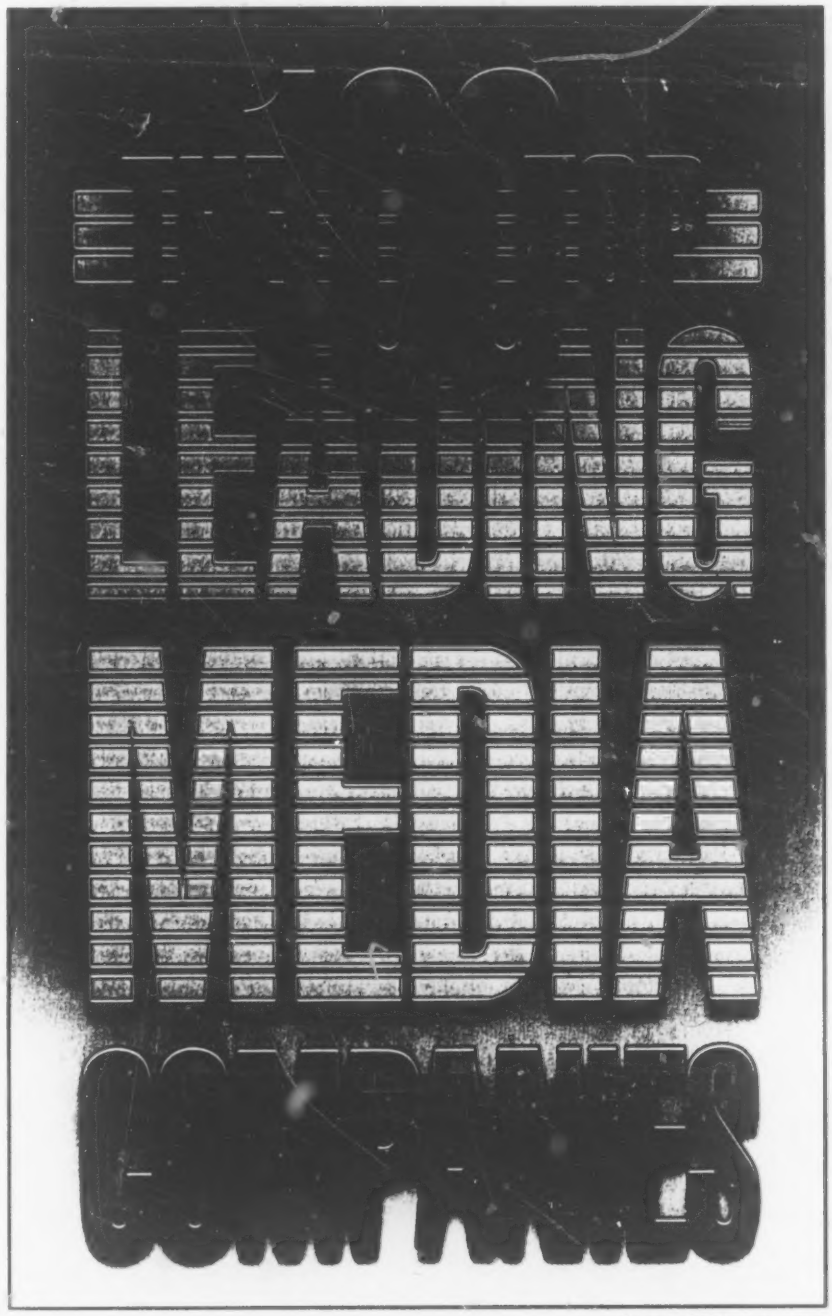
Supercharged buying activity among cable multiple system operators in 1988 and early 1989 influenced some of the more dramatic ranking jumps on AA's Top 100 list. Tele-Communications Inc. moved from No. 17 in 1987 to No. 11 in 1988, largely with its buyout of United Artists Communications. This month TCI merged UA with United Cable Television Corp. to form United Artists Entertainment Co., ranked No. 27 based on a pro forma reading of the merged company.

Virtually all the cable companies completed Olympian jumps on the chart. Continental Cablevision leaped from No. 35 in 1987 to No. 22 in 1988; Turner Broadcasting System from No. 36 to No. 26; Warner Communications from No. 38 to No. 30; Cablevision Systems Corp. from No. 56 to No. 31; and Comcast Corp. from No. 58 to No. 39, to cite a few.

Cable also drew the most newcomers to the list, including No. 75 Adelphia Communications Corp., No. 81 Cablevision Industries Corp., No. 82 Houston Industries, and No. 83 Century Communications Corp. The one cable departure, Rogers Communications (its U.S. cable properties), actually shows up in revenues of Houston Industries, the buyer.

Magazines, with a performance somewhat less flashy than cable, nevertheless turned in a solid composite tally of $10.3 billion and accounted for 15.5% of the total media pie, up from 15.1% in the prior year. Much of that growth was fed by an 8.7% increase in industrywide ad revenues for 1988 totaled by Publishers Information Bureau, monitor of most of the top magazines owned by the nation's Top 100 Media companies.

This medium seems poised for continued growth in 1989. First quarter '89 results placed magazine advertising at $1.58 billion, up 9.5%. Equally impressive was the fact that eight of the top 10 magazine ad categories showed above-average growth for the quarter.



Graphic by AVID Productions/Chicago

Acquisitions reshaped this category from the prior year as three companies dropped from the Top 100 list and four others came aboard. Multimedia mogul Rupert Murdoch triggered the Top 100 Media's biggest acquisition when his News Corp. purchased Triangle Publications (*TV Guide*, *Seventeen*, *Daily Racing Form* and *Good Food*) from founder Walter Annenberg for $3.2 billion. Triangle was ranked No. 21 last year.

Working Woman/McCall's Group, ranked No. 80 last year, dropped from the chart when its lead publication, *McCall's*, was sold for $80 million to the New York Times Co., this year's No. 12. International Thomson Holdings, last year's No. 28, underwent an identity change as its magazines were merged with Thomson Newspapers, last year's No. 34, to form Thomson Corp., this year's No. 17.

Macfadden Holdings, publishing most magazines with "True" heading the title, and Boston Ventures purchased *National Enquirer* and *Weekly World News* from GP Group for $412.5 million, thereby nicking the Top 100 list. Whittle Communications, the media innovator that has created controversy from the doctor's waiting room to the high school classroom, entered the list at No. 87. And two business press publishers, Crain Communications Inc., publisher of ADVERTISING AGE and 25 other business and trade publications, and CMP Publications, entered at Nos. 95 and 98, respectively. Crain returned after a one-year hiatus.

Net revenues from TV grew 6.3% to $15.2 billion among the 42 media companies with TV properties. TV gained and lost a Top 100 listing in 1988 as RKO General, No. 74 last year, began selling off its broadcast media after the FCC ruled it an "unfit" licensee. A 12.2% gain in net revenues to $136.3 million by Univision Holdings enabled the broadcaster with Spanish-language network and owned-and-operated stations to join the list. Its competitor, Telemundo Group, fell short of the list. Telemundo's 21.4% gain, to $102.1 million in net revenues, and Univision both bore witness to the surge in marketing to Hispanics.

While TV category was growing at a composite 6.3% rate, the Top 100's radio category shot up 11.1% to $1.04 billion. Advertising for the entire medium, depressed in 1986 and 1987, grew by 8.2% to $7.8 billion in 1988, according to Radio Advertising Bureau. Media pundits link radio's strength to TV's woes. As its prices rise and audiences shrink, TV is hearing that it is becoming less cost effective for advertisers.

First quarter 1989 tallies for radio show a continued upward curve in advertising while TV ad spending dropped again.

The biggest stir in radio came this April when No. 21 Westinghouse Electric Corp. acquired 10 more radio properties for $385 million. Westinghouse is moving to supplant Cap Cities/ABC as the medium's top revenue generator. Cap Cities/ABC claimed the medium lead with $202.2 million in net revenues in 1988, CBS Inc. took second with $164.7 million followed by Westinghouse at $111.6 million.

The Top 100 Media's "other" category, largely comprised of outdoor, free-standing inserts and newswire operators, grew 22.1% to $3.34 billion. Two from last year's list, both FSI companies, were purchased by News Corp.—Quad/Graphics and Product Movers, ranked Nos. 69 and 70 last year. This left No. 40 Valassis Inserts as the only FSI independent on the new list.

A 23.1% growth at Amni America (formerly Winston Network) produced record net revenues of $136 million to qualify the outdoor company for No. 97. The Top 100's only other independent outdoor company is Patrick Media Group, No. 79.

Although media operations of the 49 public companies on the Top 100 chart increased 9.4% in net revenues to $41.6 billion, they declined as a percentage of total corporate reve-

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100 leading media companies by revenue

Rank 1988	Rank 1987	Company, headquarters	Total media revenue 1988	Total media revenue 1987	% chg	Newspaper revenue 1988	Newspaper revenue 1987	Magazine revenue 1988	Magazine revenue 1987	Broadcast revenue 1988	Broadcast revenue 1987	Cable revenue 1988	Cable revenue 1987	Other media revenue 1988	Other media revenue 1987
1	1	**Capital Cities/ABC**, New York	$4,588.5	$4,256.2	7.8	$468.9	$447.7	$370.0	$374.8	$3,508.5	$3,213.0	$241.1	$220.7	—	—
2	2	**Time Inc.**, New York	3,686.0	3,306.0	11.5	—	—	1,752.0	1,621.0	—	—	1,934.0	1,685.0	—	—
3	3	**General Electric Co.**, Fairfield, Conn.	3,638.0	3,241.0	12.2	—	—	—	—	3,638.0	3,241.0	—	—	—	—
4	4	**Gannett Co.**, Arlington, Va.	3,211.3	2,991.3	7.4	2,594.3	2,432.5	—	—	390.5	357.0	—	—	226.5	201.8
5	5	**CBS Inc.**, New York	2,776.8	2,761.8	0.5	—	—	—	—	2,776.8	2,761.8	—	—	—	—
6	6	**Times Mirror Co.**, Los Angeles	2,677.9	2,548.9	5.1	1,997.7	1,995.9	298.5	203.1	99.0	110.1	282.7	239.8	—	—
7	7	**Advance Publications**, Newark, N.J.	2,655.5	2,482.0	7.0	1,681.1	1,601.0	745.0	678.0	—	—	229.4	203.0	—	—
8	9	**Knight-Ridder**, Miami	2,077.1	1,943.9	6.9	1,917.4	1,844.6	—	—	—	—	—	—	159.7	99.3
9	10	**Hearst Corp.**, New York	1,986.0	1,886.0	5.3	689.0	650.0	919.0	873.0	263.0	262.0	15.0	11.0	100.0	90.0
10	11	**Tribune Co.**, Chicago	1,985.5	1,875.7	5.9	1,561.7	1,465.7	—	—	423.8	410.0	—	—	—	—
11	17	**TCI**, Denver	1,705.1	1,225.1	39.2	—	—	—	—	—	—	1,705.1	1,225.1	—	—
12	12	**New York Times Co.**, New York	1,700.1	1,642.4	3.5	1,380.1	1,348.6	249.1	226.1	62.5	60.5	—	—	8.4	7.2
13	14	**News Corp.**, Sydney	1,683.3	1,250.0	34.7	195.7	260.9	509.6	332.8	620.0	576.8	—	—	358.0	79.5
14	13	**Cox Enterprises**, Atlanta	1,578.2	1,463.6	7.8	739.0	710.6	—	—	367.4	328.0	471.8	425.0	—	—
15	15	**Washington Post Co.**, Washington	1,305.6	1,240.3	5.3	682.7	648.1	327.5	322.2	180.2	171.4	115.2	98.6	—	—
16	19	**Scripps Howard**, Cincinnati	1,203.3	1,128.5	6.6	839.7	818.2	—	—	214.1	198.2	149.5	112.1	—	—
17	34	**Thomson Corp.**, Toronto	1,126.0	973.4	15.7	530.0	445.4	596.0	528.0	—	—	—	—	—	—
18	20	**Viacom International**, New York	1,113.8	938.5	18.7	—	—	—	—	141.2	132.1	972.6	806.4	—	—
19	16	**Dow Jones & Co.**, New York	973.1	987.7	(1.5)	937.1	948.7	36.0	39.0	—	—	—	—	—	—
20	24	**Ingersoll Publications Co.**, Princeton, N.J.	645.0	609.0	5.9	645.0	609.0	—	—	—	—	—	—	—	—
21	25	**Westinghouse Electric Corp.**, Pittsburgh	632.8	600.5	5.4	—	—	—	—	632.8	600.5	—	—	—	—
22	35	**Continental Cablevision**, Boston	622.0	442.0	40.7	—	—	—	—	—	—	622.0	442.0	—	—
23	29	**Reader's Digest Assn.**, Pleasantville, N.Y.	600.4	522.2	15.0	—	—	600.4	522.2	—	—	—	—	—	—
24	30	**Advo-System**, Windsor, Conn.	589.0	520.5	13.2	—	—	—	—	—	—	—	—	589.0	520.5
25	22	**MediaNews Group**, Dallas	572.4	650.0	(11.9)	572.4	650.0	—	—	—	—	—	—	—	—
26	36	**Turner Broadcasting System**, Atlanta	537.6	436.4	23.2	—	—	—	—	—	—	537.6	436.4	—	—
27	NA	**United Artists Entertainment Co.**, Denver	513.6	431.6	19.0	—	—	—	—	—	—	513.6	431.6	—	—
28	18	**McGraw-Hill**, New York	509.8	466.7	9.2	—	—	413.7	377.0	96.1	89.7	—	—	—	—
29	31	**Affiliated Publications**, Boston	506.5	472.8	7.1	444.5	441.9	62.0	30.9	—	—	—	—	—	—
30	38	**Warner Communications**, New York	496.4	425.0	16.8	—	—	40.0	38.0	—	—	456.4	387.0	—	—
31	56	**Cablevision Systems Corp.**, Woodbury, N.Y.	493.5	299.5	64.8	—	—	—	—	—	—	493.5	299.5	—	—
32	33	**Meredith Corp.**, Des Moines, Iowa	474.7	449.2	5.7	—	—	365.1	329.4	109.6	119.8	—	—	—	—
33	23	**Storer Holdings**, Miami	472.1	419.8	12.5	—	—	—	—	—	—	472.1	419.8	—	—
34	27	**Harte-Hanks Communications**, San Antonio, Texas	462.7	520.0	(11.0)	342.4	351.1	—	—	26.0	58.4	—	—	94.3	110.5
35	39	**Media General**, Richmond, Va.	449.4	424.1	6.0	301.1	287.7	13.5	15.9	61.8	60.0	73.0	60.5	—	—
36	42	**Freedom Newspapers**, Irvine, Calif.	432.0	392.0	10.2	353.0	325.0	—	—	79.0	67.0	—	—	—	—
37	48	**Cahners Publishing Co.**, Newton, Mass.	420.0	340.0	23.5	—	—	420.0	340.0	—	—	—	—	—	—
38	37	**Central Newspapers**, Indianapolis	417.6	402.7	3.7	417.6	402.7	—	—	—	—	—	—	—	—
39	58	**Comcast Corp.**, Bala Cynwyd, Pa.	404.1	286.8	40.9	—	—	—	—	—	—	404.1	286.8	—	—
40	41	**Valassis Inserts**, Livonia, Mich.	400.0	400.0	0.0	—	—	—	—	—	—	—	—	400.0	400.0
41	44	**Pulitzer Publishing Co.**, St. Louis	391.0	367.3	6.5	287.2	270.0	—	—	103.8	97.3	—	—	—	—
42	43	**A.H. Belo Corp.**, Dallas	385.4	381.7	1.0	220.1	216.2	—	—	165.3	165.5	—	—	—	—
43	46	**Chronicle Publishing Co.**, San Francisco	384.0	357.0	7.6	234.0	221.0	—	—	96.0	90.0	54.0	46.0	—	—
44	45	**Morris Communications**, Augusta, Ga.	382.6	359.0	6.6	258.3	246.0	—	—	—	—	—	—	124.3	113.0
45	47	**Copley Newspapers**, La Jolla, Calif.	381.3	353.4	7.9	373.9	350.0	—	—	—	—	7.4	3.4	—	—
46	40	**Multimedia Inc.**, Greenville, S.C.	374.0	352.6	6.1	135.2	128.1	—	—	136.9	133.7	101.9	90.8	—	—
46	32	**Oklahoma Publishing Co.**, Oklahoma City	374.0	320.0	16.9	125.0	125.0	—	—	156.0	134.0	93.0	61.0	—	—
48	53	**Hachette Publications**, Paris	366.0	321.0	14.0	—	—	366.0	321.0	—	—	—	—	—	—
49	51	**Landmark Communications**, Norfolk, Va.	363.6	336.1	8.2	303.5	283.4	—	—	27.9	26.8	32.2	25.9	—	—
50	49	**Gillett Holdings**, Nashville	354.0	340.0	4.1	—	—	—	—	354.0	340.0	—	—	—	—
51	50	**McClatchy Newspapers**, Sacramento, Calif.	352.6	328.9	7.2	352.6	328.9	—	—	—	—	—	—	—	—
52	55	**International Data Group**, Framingham, Mass.	352.0	300.0	17.3	—	—	352.0	300.0	—	—	—	—	—	—
53	52	**Reuters Holdings PLC**, London	351.3	293.5	19.7	—	—	—	—	—	—	—	—	351.3	293.5
54	57	**Cowles Media Co.**, Minneapolis	315.0	295.1	6.7	273.0	267.1	42.0	28.0	—	—	—	—	—	—
55	54	**Donrey Media Group**, Fort Smith, Ark.	300.0	287.0	4.5	228.1	215.2	—	—	9.6	10.8	10.3	9.0	52.0	52.0
56	62	**Cooke Media Group**, Middleburg, Va.	287.0	235.0	22.1	110.0	96.0	—	—	—	—	177.0	139.0	—	—
57	60	**Journal Communications**, Milwaukee	274.9	249.2	10.3	222.2	200.9	—	—	52.7	48.3	—	—	—	—
58	61	**Associated Press**, New York	261.3	239.3	9.2	—	—	—	—	—	—	—	—	261.3	239.3
59	67	**3M**, St. Paul	249.6	217.0	15.0	—	—	—	—	—	—	—	—	249.6	217.0
60	63	**National Geographic Society**, Washington	245.4	223.4	9.8	—	—	245.4	223.4	—	—	—	—	—	—
61	59	**Providence Journal Co.**, Providence, R.I.	243.0	265.0	(8.3)	133.0	124.0	—	—	32.0	62.0	78.0	79.0	—	—
62	65	**Chicago Sun-Times Co.**, Chicago	235.4	220.0	7.0	235.4	220.0	—	—	—	—	—	—	—	—
63	66	**Lee Enterprises**, Davenport, Iowa	234.8	223.4	5.1	166.9	160.6	—	—	67.9	62.8	—	—	—	—
64	68	**Chris-Craft Industries**, New York	230.6	216.7	6.4	—	—	—	—	230.6	216.7	—	—	—	—
65	71	**Blade Communications**, Toledo, Ohio	225.2	202.1	11.4	174.0	158.0	—	—	16.2	15.1	35.0	29.0	—	—
66	72	**Sammons Communications**, Dallas	215.8	201.7	7.0	—	—	—	—	—	—	215.8	201.7	—	—
67	NA	**Macfadden Holdings**, New York	209.0	NA	NA	164.0	—	45.0	—	—	—	—	—	—	—
68	81	**Dispatch Printing Co.**, Columbus, Ohio	204.4	173.5	17.8	140.0	130.0	2.1	3.5	62.3	40.0	—	—	—	—
69	77	**Great American Communications Co.**, Cincinnati	200.4	190.3	5.3	—	—	—	—	200.4	190.3	—	—	—	—
70	78	**Seattle Times Co.**, Seattle	200.0	190.0	5.3	200.0	190.0	—	—	—	—	—	—	—	—
70	91	**Ziff Communications**, New York	200.0	145.0	37.9	—	—	200.0	145.0	—	—	—	—	—	—
72	75	**Times Publishing Co.**, St. Petersburg, Fla.	194.0	183.4	5.8	169.1	160.6	24.9	22.8	—	—	—	—	—	—
73	76	**Howard Publications**, Oceanside, Calif.	190.0	192.0	(1.0)	155.0	155.0	—	—	20.0	22.0	15.0	15.0	—	—
74	87	**Petersen Publishing Co.**, Los Angeles	186.7	162.4	15.0	—	—	186.7	162.4	—	—	—	—	—	—
75	NA	**Adelphia Communications Corp.**, Coudersport, Pa.	185.0	131.4	40.8	—	—	—	—	—	—	185.0	131.4	—	—
76	84	**Forbes Inc.**, New York	181.4	166.0	9.3	6.4	6.0	175.0	160.0	—	—	—	—	—	—
77	85	**Maclean Hunter**, Toronto	181.1	163.2	11.0	—	—	70.0	67.9	—	—	111.1	95.3	—	—
78	88	**TeleCable Corp.**, Norfolk, Va.	180.0	157.0	14.6	—	—	—	—	—	—	180.0	157.0	—	—
79	79	**Patrick Media Group**, Scranton, Pa.	175.0	163.0	7.4	—	—	—	—	—	—	—	—	175.0	163.0
80	82	**Macromedia Inc.**, Hackensack, N.J.	173.4	168.1	3.2	147.1	142.7	—	—	26.3	25.4	—	—	—	—
81	118	**Cablevision Industries Corp.**, Liberty, N.Y.	170.2	130.5	30.4	—	—	—	—	—	—	170.2	130.5	—	—
82	NA	**Houston Industries**, Houston, Texas	162.9	142.6	14.2	—	—	—	—	—	—	162.9	142.6	—	—
83	NA	**Century Communications Corp.**, New Canaan, Conn.	160.0	106.0	50.9	—	—	—	—	—	—	160.0	106.0	—	—
84	89	**LIN Broadcasting**, New York	158.4	156.2	1.4	—	—	21.2	19.4	137.2	136.8	—	—	—	—
85	90	**Times Journal Co.**, Springfield, Va.	157.1	145.5	8.0	157.1	145.5	—	—	—	—	—	—	—	—
86	98	**Bonneville International Corp.**, Salt Lake City	154.1	137.7	11.9	—	—	—	—	154.1	137.7	—	—	—	—
87	113	**Whittle Communications**, Nashville	152.0	106.0	43.4	—	—	96.6	67.4	—	—	—	—	55.4	38.6
88	100	**TVX Broadcasting Group**, Virginia Beach, Va.	150.8	133.4	13.0	—	—	—	—	150.8	133.4	—	—	—	—
89	96	**General Media International**, New York	150.0	139.7	7.4	—	—	150.0	139.7	—	—	—	—	—	—
90	97	**Park Communications**, Ithaca, N.Y.	149.6	138.8	7.8	87.3	76.9	—	—	62.3	61.9	—	—	—	—
91	93	**Edyell Communications**, Cleveland	148.3	143.5	3.3	—	—	148.3	143.5	—	—	—	—	—	—
92	92	**Playboy Enterprises**, Chicago	143.8	144.9	(0.8)	—	—	120.4	115.7	—	—	23.4	29.2	—	—
93	83	**U.S. News & World Report**, Washington	141.8	124.2	14.2	—	—	141.8	124.2	—	—	—	—	—	—
94	95	**H&C Communications**, Houston	140.0	140.0	0.0	—	—	—	—	140.0	140.0	—	—	—	—
95	102	**Crain Communications**, Chicago	137.2	128.0	7.2	—	—	136.8	127.7	0.4	0.3	—	—	—	—
96	106	**Univision Holdings**, New York	136.3	121.5	12.2	—	—	—	—	136.3	121.5	—	—	—	—
97	NA	**Ameri America**, New York	136.0	110.5	23.1	—	—	—	—	—	—	—	—	136.0	110.5
98	111	**CMP Publications**, Manhasset, N.Y.	133.0	111.0	19.8	113.0	94.8	20.0	16.2	—	—	—	—	—	—
99	NA	**DTH Media**, Dallas	132.5	NA	NA	132.5	—	—	—	—	—	—	—	—	—
100	104	**Berkshire Hathaway**, Omaha	131.7	123.0	7.1	131.7	123.0	—	—	—	—	—	—	—	—

Notes: Dollars are in millions. Revenues by media are Advertising Age estimates. Rankings for 1987 are based on AA's 1987 ranking of media companies. See Page S-12 for methodology.

Compiled by: Craig Endicott and Julie Doherty. AA chart: Kevin Brown

Papers take beating as revenues gain 3.9%

While leaders' revenues hit $24.7 billion in category, several show chinks in their armor

The Top 100 Media Companies with newspaper operations showed no immunity from a sluggish newspaper advertising market last year. Their 1988 revenues advanced only 3.9% to $24.7 billion.

The slow growth by the 50 companies in the newspaper category fell short of the 6.1% growth in newspaper advertising that totalled $31.2 billion nationwide. Using a standard advertising-to-circulation ratio of 4-to-1 for newspaper revenue composition, the 50 represented 63% of all newspaper advertising in the U.S.

The Newspaper Advertising Bureau predicted a similar growth rate for all papers in 1989 but it may have to adjust that prediction. First quarter results show advertising at $7.31 billion, up only 3.5% from the prior year. Components of that growth were retail at $3.61 billion, up 4.8%; classified, $2.81 billion, up 2.4%; and national, $895 million, up 1.7%. Advertising, whether measured as revenue, linage or inches, took a beating among some of the leaders. *The New York Times* tumbled 5% in linage, although circulation grew to an all-time high. Ad inches dropped 5.7% at Affiliated's *The Boston Globe* as daily circulation advanced beyond 1987 levels. The aftershock of the stock-market crash in late 1987 continued to trip up advertising at Dow Jones' *The Wall Street Journal*, which reported an 11.6% slump in ad linage and a 4.8% dip in circulation. Times Mirror's newspaper division showed a slight erosion in total advertising revenue, although circulation revenue growth pushed overall division revenues slightly ahead of '87 totals.

Operations remained sluggish at some of these big dailies in the first quarter 1989: *WSJ* reported an 11% drop in ad linage, traced again to a decline in financial services advertising, and *The New York Times* dropped 7.2%, due to reduced financial advertising and slow economic growth in New York.

Influencing the lackluster year for newspapers was the flat year recorded by the big newspaper insert suppliers, Valassis Inserts, Quad Graphics and Product Movers. The latter two companies left the Top 100 Media chart as independent media companies because of their purchase by News Corp. in 1988. They were Nos. 69 and 70, respectively, on last year's chart.

Two big newspaper acquisitions provided the ticket to the Top 100 chart for two media companies: No. 99 DTH Media, essentially the *Dallas Times Herald* after its sale by Media News Group to John Buzzetta, a business partner of Dean Singleton (MediaNews); and No. 67 Macfadden Holdings via its purchase with Boston Ventures of the *National Enquirer* from GP Group. Also joining the chart after an absence of one year was Berkshire Hathaway at No. 100.

Thomson Corp., the new entity growing out of the merger of Thomson Newspapers and International Thomson Holdings, proved the most active acquirer among the 50. Thomson purchased nine dailies and eight weeklies as it boosted its newspaper revenues 19%—second highest gain among the newspaper operations.

The highest year-to-year gain of 19.2% lifted No. 98 CMP Publications onto the Top 100 Media chart for the first time. The Manhasset, N.Y., media company is active in newspaper and magazine publishing with lead titles *Electronic Engineering Times* and *InformationWeek*.

Centralized buying in newspaper chains gained momentum this year in deals with Sears, Roebuck & Co. struck by Gannett Co. and Harte-Hanks Communications. By covering preprinted and display advertising in the arrangement, Gannett, for example, enables Sears to place one order for nearly 80 of the chain's newspapers. Before, it would have to buy space on a market-by-market basis.

Newspapers are likely to get competition from new quarters in 1989 as telephone companies, free of government restrictions, enter the electronic publishing field. Newspapers have lobbied to close off this business to phone companies, claiming it would be unfair competition.

But set to expire in August is a restriction prohibiting AT&T from entering electronic publishing—part of the '82 consent decree that broke up AT&T. Bills freeing up the Baby Bells from the decree have been introduced in Congress this year. The consent decree only prevents telephone companies from engaging in the content-generating side. They can be carriers. Nynex in April launched a computer network that will feed over phone lines news headlines, arts calendars, TV schedules, movie guide, sports scoreboard, shopping by computer, stock and futures prices, mortgage rates and a joke of the day. Nynex will serve as carrier for a consortium of businesses, including a number of media companies.

In the category of "If you can't beat 'em, join 'em," the *Hartford Courant* is in its third month of producing FaxPaper, a legal-sized single-sheet fax summarizing the late-breaking news. The price: $1,000 a year. The sheet's ETA is 5 p.m. weekdays. The paper has yet to explore advertising in FaxPaper, but has a number of marketing angles in the works, such as getting health clubs and restaurants to subscribe as a customer service. [ ]

Biggest newspaper deals by leading media cos.

Property	Buyer	Seller	Price
National Enquirer, Weekly World News	Macfadden Holdings/Boston Ventures	GP Group	$412.5
Pasadena (Calif.) *Star-News**	Media News Group	Knight-Ridder	55.0
Nine newspapers (Ind., Ky., N.C.)**	Park Communications	NA	13.8
Pioneer Press	Chicago Sun-Times	Field Corp.	NA
Bridgeport (Conn.) *Post, Olean* (N.Y.) *Times Herald*	Thomson Newspapers	NA	NA

Notes: Dollars are in millions. *Includes its suburban newspapers, *Arcadia Tribune*, (Duarte) *Duartean, Monrovia News Post, Temple City Times*. **Includes dailies, *Eden Daily News*, Eden and Rockingham County, North Carolina; and *Commonwealth Journal*, Somerset, Ky.

Media companies ranked by newspaper revenue

Rank 1988	Rank 1987	Company	Newspaper revenue 1988	Newspaper revenue 1987	Newspaper revenue % chg	All media revenue 1988	Newspaper revenue % all media	Top newspaper by daily circulation: Newspaper	Circulation 3/31/89	'89-'88 % chg
1	1	**Gannett Co.**	$2,594.3	$2,432.5	6.7	$3,211.3	80.8	*USA Today*	1,656,467	4.4
2	2	**Times Mirror Co.**	1,997.7	1,995.9	0.1	2,677.9	74.6	*Los Angeles Times*	1,119,840	(1.2)
3	3	**Knight-Ridder Newspapers**	1,917.4	1,844.6	3.9	2,077.1	92.3	*Detroit Free Press*	629,275	(2.9)
4	4	**Advance Publications**	1,681.1	1,601.0	5.0	2,655.5	63.3	(Newark, N.J.) *Star-Ledger*	458,049	(0.4)
5	5	**Tribune Co.**	1,561.7	1,465.7	6.5	1,985.5	78.7	*New York Daily News*	1,230,186	(4.1)
6	6	**New York Times Co.**	1,380.1	1,348.6	2.3	1,700.1	81.2	*New York Times*	1,117,376	3.6
7	7	**Dow Jones & Co.**	937.1	948.7	(1.2)	973.1	96.3	*Wall Street Journal*	1,931,410	(4.6)
8	8	**Scripps Howard**	839.7	818.2	2.6	1,203.3	69.8	*Rocky Mountain News*	365,493	2.4
9	9	**Cox Enterprises**	739.0	710.6	4.0	1,578.2	46.8	(Atlanta) *Constitution*	282,442	3.6
10	10	**Hearst Corp.**	689.0	650.0	6.0	1,986.0	34.7	*Houston Chronicle*	427,844	3.9
11	12	**Washington Post Co.**	682.7	648.1	5.3	1,305.6	52.3	*Washington Post*	812,419	0.3
12	13	**Ingersoll Publications**	645.0	609.0	5.9	645.0	100.0	*New Haven* (Conn.) *Register*	103,507	0.5
13	11	**Media News Group**	572.4	650.0	(11.9)	572.4	100.0	*Houston Post*	322,193	6.6
14	15	**Thomson Corp.**	530.0	445.4	19.0	1,126.0	47.1	*Bridgeport* (Conn.) *Post*	56,117	(5.4)
15	14	**Capital Cities/ABC**	468.9	447.7	4.7	4,588.5	10.2	*Kansas City Times*	275,016	(2.0)
16	16	**Affiliated Publications**	444.5	441.9	0.6	506.5	87.8	*Boston Globe*	460,199	1.6
17	17	**Central Newspapers**	417.6	402.7	3.7	417.6	100.0	*Arizona Republic*	372,209	4.4
18	19	**Copley Newspapers**	373.9	350.0	6.8	381.3	98.1	*San Diego Union*	269,190	2.3
19	21	**Freedom Newspapers**	353.0	325.0	8.6	432.0	81.7	(Orange County, Calif.) *Register*	344,965	6.1
20	20	**McClatchy Newspapers**	352.6	328.9	7.2	352.6	100.0	*Sacramento Bee*	251,120	0.3
21	18	**Harte-Hanks Communications**	342.4	351.1	(2.5)	462.7	74.0	*Corpus Christi Caller*	67,628	(2.5)
22	23	**Landmark Communications**	303.5	283.4	7.1	363.6	83.5	*Norfolk Virginian-Pilot*	148,621	3.5
23	22	**Media General**	301.1	287.7	4.7	449.4	67.0	*Tampa Tribune*	287,289	5.9
24	24	**Pulitzer Publishing Co.**	287.2	270.0	6.4	391.0	73.5	*St. Louis Post Dispatch*	378,225	0.0
25	25	**Cowles Media Co.**	273.0	267.1	2.2	315.0	86.7	*Minneapolis Star Tribune*	403,300	(0.7)
26	27	**Morris Communications**	258.3	246.0	5.0	382.6	67.5	(Jacksonville) *Florida Times-Union*	156,839	(1.1)
27	29	**Chicago Sun-Times Co.**	235.4	220.0	7.0	235.4	100.0	*Chicago Sun-Times*	554,670	(1.1.3)
28	28	**Chronicle Publishing Co.**	234.0	221.0	5.9	384.0	60.9	*San Francisco Chronicle*	556,196	(2.3)
29	31	**Donrey Media Group**	228.1	215.2	6.0	300.0	76.0	*Las Vegas Review Journal*	134,491	9.2
30	32	**Journal Communications**	222.2	200.9	10.5	274.9	80.8	*Milwaukee Journal*	275,778	(2.9)
31	30	**A.H. Belo Corp.**	220.1	216.2	1.8	385.4	57.1	*Dallas Morning News*	359,976	(0.8)
32	33	**Seattle Times**	200.0	190.0	5.3	200.0	100.0	*Seattle Times*	236,563	0.4
33	26	**News Corp.**	195.7	260.9	(25.0)	1,683.3	11.6	*Boston Herald*	360,046	1.6
34	36	**Blade Communications**	174.0	158.0	10.1	225.2	77.3	*Toledo Blade*	154,592	(0.2)
35	35	**Times Publishing Co.**	169.1	160.6	5.3	194.0	87.2	*St. Petersburg Times*	375,870	10.7
36	34	**Lee Enterprises**	166.9	160.6	3.9	234.8	71.1	*Quad City Times*	55,183	(2.4)
37	NA	**Macfadden Holdings**	164.0	NA	NA	209.0	78.5	*National Enquirer*	4,383,227	(2.2)
38	38	**Times Journal Co.**	157.1	145.5	8.0	157.1	100.0	*Fairfax* (Va.) *Journal*	56,365	5.1
39	37	**Howard Publications**	155.0	155.0	0.0	190.0	81.6	*Hammond* (Ind.) *Times*	66,861	2.0
40	39	**Macromedia Inc.**	147.1	142.7	3.1	173.4	84.8	(Hackensack, N.J.) *Record*	156,761	1.4
41	40	**Dispatch Printing Co.**	140.0	130.0	7.7	204.4	68.5	*Columbus* (Ohio) *Dispatch*	257,366	(0.1)
42	41	**Multimedia Inc.**	135.2	128.1	5.5	374.0	36.1	*Greenville* (S.C.) *News*	86,506	0.5
43	43	**Providence Journal Co.**	133.0	124.0	7.3	243.0	54.7	(Providence, R.I.) *Evening Bulletin*	102,916	(1.4)
44	48	**DTH Media**	132.5	NA	NA	132.5	100.0	*Dallas Times Herald*	222,147	(1.8)
45	44	**Berkshire Hathaway**	131.7	123.0	7.1	131.7	100.0	*Buffalo News*	320,003	1.5
46	42	**Oklahoma Publishing Co.**	125.0	125.0	0.0	374.0	33.4	(Oklahoma City) *Oklahoman*	229,008	(3.6)
47	46	**CMP Publications**	113.0	94.8	19.2	132.0	85.6	*Electronic Engineering Times*	123,728	3.1
48	45	**Cooke Media Group**	110.0	96.0	14.6	287.0	38.3	*Los Angeles Daily News*	183,402	5.0
49	47	**Park Communications**	87.3	76.9	13.5	149.6	58.4	*Lockport* (N.Y.) *Union-Sun & Journal*	18,434	0.3
50	48	**Forbes Inc.**	6.4	6.0	6.7	181.4	3.5	*Somerset* (N.J.) *Messenger Gazette*	15,000	NA
		TOTALS	24,726.0	23,520.2	5.1	39,795.0	62.1		23,033,659	22.5

Notes: Dollars are in millions. Rankings given for 1987 in this table are based on figures restated or estimated in 1988, some of which are pro forma. Only companies among the 100 leading media companies are ranked in this table. **Sources:** Newspaper revenues are Advertising Age estimates. Daily circulation from Audit Bureau of Circulations Fas-Fax Report, March 31, 1989. Percent change on circulation computed from March 31, 1988 figures, not shown.

Radio revenue growth, up 11.1%, outstrips TV

Biggest broadcast deals by leading media cos.

Property	Buyer	Seller	Price
10 radio stations*	Westinghouse Electric	Metropolitan Broadcasting, Legacy Broadcasting	$385.0
KHJ-TV, Los Angeles	Walt Disney Co.	RKO General	320.0
WPRI-TV, Providence, WTKR, Norfolk	Narragansett Capital	Knight-Ridder	150.0
WSMV-TV, Nashville	Cook Inlet Corp.	Gillett Holdings	125.0
NBC o&o radio stations	Emmis Broadcasting	General Electric	121.5
TVX Broadcast Group**	Paramount Communications	Salomon Brothers	115.0
WKRN-TV, Nashville, WTEN-TV, Albany	Young Broadcasting	Knight-Ridder	82.0
WCIX-TV, Miami	CBS Inc.	TVX Broadcasting Group	59.0
WWJ/WJOI-FM, Detroit	CBS Inc.	Federal Broadcasting	58.0
KTVY-TV, Oklahoma City	Palmer Communications	Knight-Ridder	46.0

Notes: Dollars are in millions. *WNEW-FM, New York; KTWA-FM, Los Angeles; WMMR-FM, Philadelphia; WLLZ-FM, Detroit; WCPT/WLXR-FM, Washington; KILT-AM-FM, Houston; KDWB-AM-FM, Minneapolis. ** Pending.

First quarter '89 shows fragility as net TV spending actually drops

TV revenues for the 42 companies among the 100 Media elite that have broadcasting operations reached $15.2 billion, up 6.3%. The growth rate matches TV advertising returns from all stations for the year.

Advertising on TV (without cable) in 1988 grew 6.3% to $24.5 billion, according to the Television Bureau of Advertising.

Network television, aided by the Olympic Games and the presidential elections, accounted for 37.5% of the total.

First quarter 1989 results show the importance of those stimuli: Advertising actually dropped to $4.83 billion, down 0.7% from the prior-year period.

Among the components, network TV showed the only quarter-to-quarter decline, down 7.6% to $2.27 billion. Spot local and national syndication grew 2.7%, 5.4% and 31.6%, respectively, according to the TVB.

With the increasing fragmentation of TV audiences, the relatively lackluster year for stations and affiliate compensation agreements by networks under review, the purchase of TV stations slowed last year.

But this has led to no shortage of properties on the market. Some 30 of 600 network-affiliated stations were looking for buyers at the end of 1988.

Debt writedown, loss of license and reorganization led to the sale of stations among the Top 100 Media companies. RKO General, No. 74 on last year's list, is being forced to liquidate its TV holdings. The FCC ruled RKO an unfit licensee in 1987 but has been approving station settlements on a case-by-case basis. RKO's biggest property, KHJ-TV, Los Angeles, was sold to Walt Disney Co. for $324 million.

TVX Broadcast Group is expected to be bought out soon by Paramount Communications, the new name for Gulf & Western.

Paramount has an option to buy 79% of the company from Salomon Brothers, which gained control of TVX when the company defaulted on its loan from Salomon. TVX had planned to raise the funds from junk bond sales, but those plans collapsed along with the market in October 1987.

Gillett Holdings incurred heavy debt in 1987 with the purchase of six major market network affiliates from SCI Holdings and has begun to sell stations to meet payments.

Earlier this year, its Nashville NBC affiliate, WSMV-TV, was sold to Cook Inlet Corp. of Anchorage for $130 million.

Gillett also has been negotiating on-and-off with investment banker Dillon, Read & Co. to sell its CBS affiliate in Cleveland, WJW-TV, and NBC affiliate in Baltimore, WMAR-TV, but no agreement yet has been reached, according to Gillett.

Knight-Ridder in early 1989 moved to reduce $1 billion in debt by selling its eight TV stations. They account for only about 5% of total company revenue.

To date, K-R has agreed to sell KTVY-TV, Oklahoma City; WPRI-TV, Providence; WTKR-TV, Norfolk; WKRN-TV, Nashville; and WTEN-TV, Albany, for a total of $278 million.

LIN Broadcasting Corp. faces a buyout from McCaw Communica-

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tions, the nation's largest cellular telephone company. McCaw made a cash offer for LIN in early June after LIN announced plans to spin off its TV properties from its cellular telphone business. McCaw already owns 9.8% of LIN.

As networks struggled to maintain their audience shares, Fox TV network viewership increased. Nielsen Media Research rating (TV households) of 6.3 and share (percent of sets in use) of 10 were reported for Fox's Sunday night fare from Sept. 1 through April 16, 1989. This compares with a 4.1 rating and 7 share of a year ago.

Fox Broadcasting Co. currently has 126 affiliates reaching 90% of country, up from 87% coverage in February 1988.

The network's answer to cable TV's continued strong growth has been to join 'em. The move is out of necessity because TV networks can't own second networks or programming.

Through its newly formed NBC Cable unit, NBC introduced Consumer News and Business Channel (CNBC), a 24-hour consumer-oriented business news program service expected to reach about 10 million cable subscribers in 1989. NBC also purchased 50% of Cablevision Systems Corp.'s nine programming services, including SportsChannel America, a new national cable service NBC will help develop and manage.

NBC, having acquired the broadcast rights to the 1992 Summer Olympics in Barcelona, also will develop a pay-per-view cable Olympic package in addition to its live coverage beamed back to the U.S.

Cap Cities/ABC has been involved in cable through its ownership positions in Arts & Entertainment (38%), Lifetime (33%) and ESPN (80%). The all-sports cable network last year concluded a four-year $400 million deal with Major League Baseball to televise 175 games each year.

Revenues from radio increased 11.1% to $1.04 billion among 21 radio-involved media companies on the Top 100 chart. This outpaced the rest of the radio industry. As a whole, radio attracted $7.8 billion in advertising during 1988, up 8.2% from the prior year, according to the Radio Advertising Bureau.

Of the total, local spot accounted for $6 billion, up 9%; national spot totalled $1.4 billion, a 6.6% increase, and network reached $425 million, up only 3%.

The increase, following a meager 3.8% growth in 1987 and a poor showing in 1986, was attributed in part to the higher costs and declining audience of network TV.

During the first quarter 1989, radio continued to benefit as a TV alternative, from heavy auto company rebate programs and Sears, Roebuck & Co.'s move to greater localization of its marketing budget budget.

These factors combined to accelerate network radio advertising by 12.4% over first quarter 1988, national spot, 6.3%, and local 8%, according to RAB.

As a result of the strong quarter, the RAB is expected to revise its 1989 projections, previously set at 4%-5% growth for network, 5%-6% for national spot, and 8%-9% for local.

Good radio properties continued to sell at a premium. In Los Angeles, the nation's biggest radio market, KJOI-FM sold for $79 million in mid-1988, and KFAC-FM, a classical music station, went for $55 million—22 times annual cash flow of $2.5 million—early this year. Radio stations generally sell for 10 times cash flow.

The biggest radio deal involved the $385 million purchase by Westinghouse Electric Co. of 10 radio stations owned by Metropolitan Broadcasting Corp. and Legacy Broadcasting.

Notably absent from the radio chart is General Electric, whose NBC subsidiary sold off five of its seven radio properties to Emmis Broadcasting for $121.5 million. The remaining stations subsequently were sold.

NBC's chief broadcast competitors, Capital Cities/ABC and CBS Inc., remained firmly fixed in the Nos. 1 and 2 positions, respectively, in revenues derived from radio properties.

Cap Cities/ABC is poised to move higher in 1989 with its acquisition of WWJ and WJOI-FM Detroit. It paid Federal Broadcasting Co. $58 million.

Now that FCC regulations have increased the maximum number of stations owned by a single operator from 12 to 24 (CBS and Cap Cities/ABC both have 18), collecting of radio properties is heavy. Several non-100 Media companies are experiencing rapid growth from such accumulation. These companies with revenue estimates and station counts include Infinity, $111.6 million from 13 stations; Emmis Broadcasting, $88.7 million from 10 stations; Malrite, $72.2 million from 11, and Greater Media, $66.2 million from 13.

The industry launched an innovative campaign earlier this year that one RAB official characterized as "marketing by denial." To dramatize the impact of radio on American life, some 8,000 stations went silent for 30 seconds during early-morning rush hour. ||

Media companies ranked by TV revenue

Rank 1988	Rank 1987	Company	TV revenue 1988	TV revenue 1987	% chg	All media revenue 1988	TV revenue % all media	*Top TV station by average households reached* Station	Avg. h'hlds 2/89	'88-'87 % chg
1	1	General Electric Co.	$3,638.9	$3,241.0	12.2	$3,638.0	100.0	KNBC, NBC, Los Angeles	321,613	0.2
2	2	Capital Cities/ABC	3,306.3	3,028.7	9.2	4,588.5	72.1	WABC, ABC, New York	532,935	(18.4)
3	3	CBS Inc.	2,612.1	2,611.4	0.0	2,776.8	94.1	WCBS, CBS, New York	401,432	(8.8)
4	4	News Corp.	620.0	576.8	7.5	1,683.3	36.8	WNYW, FOX, New York	346,062	4.8
5	5	Westinghouse Electric Corp.	521.2	500.5	4.1	632.8	82.4	KYW, NBC, Philadelphia	185,338	(0.2)
6	6	Tribune Co.	378.6	366.2	3.4	1,985.5	19.1	WPIX, IND, New York	256,086	12.8
7	7	Gillett Holdings	354.0	340.0	4.1	354.0	100.0	WJBK, CBS, Detroit	123,711	(7.9)
8	8	Gannett Co.	305.5	277.6	10.1	3,211.3	9.5	WUSA, CBS, Washington	136,569	(6.6)
9	9	Cox Enterprises	286.6	266.8	7.4	1,578.2	18.2	WSB, ABC, Atlanta	133,864	0.9
10	10	Hearst Corp.	234.7	236.8	(0.9)	1,986.0	11.8	WCVB, ABC, Boston	158,813	(13.6)
11	11	Chris-Craft Industries	230.6	216.7	6.4	230.6	100.0	KCOP, IND, Los Angeles	163,207	(10.1)
12	12	Scripps Howard	197.2	182.3	8.2	1,203.3	16.4	WXYZ, ABC, Detroit	176,246	(16.7)
13	13	Washington Post Co.	180.2	171.4	5.1	1,305.6	13.8	WDIV, NBC, Detroit	174,551	1.9
14	14	A.H. Belo Corp.	165.3	165.5	(0.1)	385.4	42.9	WFAA, ABC, Dallas	158,158	1.1
15	17	TVX Broadcasting Group	150.8	133.4	13.0	150.8	100.0	KTXA, IND, Dallas	44,950	18.7
16	18	Oklahoma Publishing Co.	148.9	126.6	17.6	374.0	39.8	KTVT, IND, Dallas	86,571	46.1
17	15	H&C Communications	137.5	137.5	0.0	140.0	98.2	KPRC, NBC, Houston	100,228	0.2
18	16	LIN Broadcasting	137.2	136.8	0.3	158.4	86.6	KXAS, NBC, Dallas	118,202	(5.5)
19	20	Univision Holdings	136.3	121.5	12.2	136.3	100.0	KMEX, IND, Los Angeles	76,803	10.0
20	21	Multimedia Inc.	125.9	120.8	4.2	374.0	33.7	KSDK, NBC, St. Louis	117,711	4.7
21	19	Great American Communications	123.7	126.1	(1.9)	200.4	61.7	KTSP, CBS, Phoenix, Ariz.	72,023	12.8
22	22	Meredith Corp.	109.6	119.8	(8.5)	474.7	23.1	KCTV, CBS, Kansas City	56,997	1.0
23	23	Times Mirror Co.	99.0	110.1	(10.1)	2,677.9	3.7	KDFW, CBS, Dallas	141,510	13.1
24	25	McGraw-Hill	96.1	89.7	7.1	509.8	18.9	WRTV, ABC, Indianapolis	63,175	(16.9)
25	24	Chronicle Publishing Co.	96.0	90.0	6.7	384.0	25.0	KRON, NBC, San Francisco	143,020	9.4
26	26	Pulitzer Publishing Co.	92.7	84.8	9.3	391.0	23.7	WYFF, NBC, Greenville-Spartanburg	59,323	(3.7)
27	27	Viacom International	79.9	78.1	2.3	1,113.8	7.2	KMOV, CBS, St. Louis	89,376	2.8
28	29	Freedom Newspapers	79.0	67.0	17.9	432.0	18.3	WLNE, CBS, Providence, R.I.	23,079	(1.2)
29	28	Bonneville International Corp.	76.0	68.8	10.5	154.1	49.3	KIRO, CBS, Seattle-Tacoma	90,287	17.0
30	30	Lee Enterprises	67.9	62.8	8.1	234.8	28.9	KOIN, CBS, Portland, Ore.	57,547	6.6
31	32	Media General	61.8	60.0	3.0	449.4	13.8	WJKS, ABC, Jacksonville, Fla.	15,995	(34.9)
32	35	Dispatch Printing Co.	59.4	37.2	59.7	204.4	29.1	WBNS, CBS, Columbus, Ohio	56,609	(2.3)
33	34	New York Times Co.	56.4	54.7	3.1	1,700.1	3.3	WREG, CBS, Memphis	55,703	(3.5)
34	37	Journal Communications	38.8	36.2	7.3	274.9	14.1	WTMJ, NBC, Milwaukee	58,527	9.6
35	36	Park Communications	35.8	36.6	(2.2)	149.6	23.9	WTVR, CBS, Richmond	38,665	(8.3)
36	31	Providence Journal Co.	32.0	62.0	(48.4)	243.0	13.2	WHAS, CBS, Louisville	52,692	1.5
37	38	Macromedia Inc.	26.3	25.4	3.5	173.4	15.2	WOWK, CBS, Charleston, W. Va.	31,439	(5.3)
38	33	Harte-Hanks Communications	26.0	58.4	(55.5)	462.7	5.6	KENS, CBS, San Antonio	50,537	19.5
39	39	Landmark Communications	23.2	22.5	3.1	363.6	6.4	KLAS, CBS, Las Vegas	23,355	19.4
40	40	Howard Publications	20.0	22.0	(9.1)	190.0	10.5	WIVB, CBS, Buffalo*	45,265	(5.1)
41	41	Blade Communications	16.2	15.1	7.3	25.2	7.2	WDRB, IND, Louisville	16,335	24.6
42	42	Donrey Media Group	9.6	10.8	(11.1)	300.0	3.2	KOLO, ABC, Reno, Nev.	NA	NA
		TOTALS	15,192.3	14,296.4	6.3	38,201.6	39.8		5,054,509	(2.4)

Notes: Dollars are in millions. Rankings given for 1987 in this table are based on figures restated or estimated, some of which are pro forma. Only companies among the 100 leading media companies are ranked in this table. *Sold. **Sources:** TV revenues are Advertising Age estimates. Average households from A.C. Nielsen, Feb. 1989 ratings and number of households. Percent change on households from Feb. 1988 figures, not shown.

Media companies ranked by radio revenue

Rank 1988	Rank 1987	Company	Radio revenue 1988	Radio revenue 1987	% chg	All media revenue 1988	Radio revenue % all media	*Top radio station by revenue* Station, location	Revenue 1988	'88-'87 % chg
1	1	Capital Cities/ABC	$202.2	$184.3	9.7	$4,588.5	4.4	KABC, AM, Los Angeles	$33.0	37.5
2	2	CBS Inc.	184.7	150.4	9.5	2,776.8	5.9	KMOX, AM, St. Louis	20.5	11.4
3	3	Westinghouse Electric Corp.	111.6	100.0	11.6	632.8	17.6	WINS, AM, New York	22.5	(2.2)
4	4	Gannett Co.	85.0	79.4	7.1	3,211.3	2.6	KIIS, AM/FM, Los Angeles	29.0	0.0
5	7	Cox Enterprises	80.8	61.2	32.0	1,578.2	5.1	KOST, FM, Los Angeles	23.0	27.8
6	5	Bonneville International Corp.	78.1	68.9	13.4	154.1	50.7	KIRO, FM, Seattle	18.2	1.1
7	6	Great American Communications	76.7	64.2	19.5	200.4	38.3	WKLS, FM, Atlanta	11.5	15.0
8	8	Viacom International	61.3	54.0	13.5	1,113.8	5.5	WLTW, FM, New York	19.3	9.0
9	9	Tribune Co.	45.2	43.8	3.2	1,985.5	2.3	WGN, AM, Chicago	33.3	7.4
10	11	Hearst Corp.	28.3	25.2	12.3	1,986.0	1.4	WBAL, FM, Baltimore	9.6	31.5
11	10	Park Communications	26.5	25.3	4.7	149.6	17.7	WTVR, AM/FM, Richmond, Va.	1.5	(16.7)
12	12	Scripps Howard	16.9	15.9	6.3	1,203.3	1.4	WBSB, FM, Baltimore	9.0	0.0
13	15	Journal Communications	13.9	12.1	14.4	274.9	5.0	WTMJ, AM, Milwaukee	9.0	42.9
14	14	Pulitzer Publishing Co.	11.1	12.5	(11.2)	391.0	2.8	KTAR, AM, Phoenix	8.0	(8.0)
15	13	Multimedia Inc.	11.0	12.9	(14.7)	374.0	2.9	WFBC, AM/FM, Greenville, S.C.	4.5	(18.2)
16	16	Oklahoma Publishing Co.	7.1	7.4	(4.1)	374.0	1.9	WSM, AM/FM, Nashville	6.2	(4.6)
17	17	New York Times Co.	6.1	5.8	5.2	1,700.1	0.4	WQXR, AM/FM, New York	6.1	5.2
18	18	Landmark Communications	4.7	4.3	9.3	363.6	1.3	WLTY, FM, Norfolk, Va.	3.2	23.1
19	19	Dispatch Printing Co.	2.9	2.8	3.6	204.4	1.4	WBNS, AM/FM, Columbus, Ohio	2.9	3.6
20	20	H&C Communications	2.5	2.5	0.0	140.0	1.8	KPRC, AM, Houston	2.5	0.0
21	21	Crain Communications	0.4	0.3	33.3	137.2	0.3	WWUS, FM, Key West, Fla.	0.4	33.3
		TOTALS	1,037.0	933.2	11.1	23,539.5	4.4		273.2	9.5

Notes: Dollars are in millions. Rankings given for 1987 in this table are based on figures restated or estimated, some of which are pro forma. Only companies among the 100 leading media companies are ranked in this table. **Sources:** Radiorevenues are Advertising Age estimates. Station revenues from Jim Duncan Jr., Duncans Radio Market Guide, 1989 and 1988 editions. Percent change on revenue from 1987 figures, not shown.

Buying binges pump up magazine gains

Crossing the $10 billion mark, medium proves attractive target for expansion-minded

Revenues for the 36 media companies with magazine operations, bolstered by acquisitions and strong ad growth, saw total net revenues from magazines grow 13% to $10.3 billion in 1988.

And in '89, the buying frenzy continues. Category leader Time Inc. and No. 30 Warner Communications are trying to preserve their independence, much less their merger pact, in the face of hostile takeover attempts by Paramount Communications and others.

The biggest movement among the magazine companies last year came from Rupert Murdoch's News Corp. which pushed its magazine total to $509.6 million, up 74.6% largely by acquiring Triangle Publications and bringing *TV Guide* and *Seventeen* into the fold. Even with full reporting for Triangle in both years (it does not appear in News Corp.'s fiscal '88 totals), growth of the magazine operations would compare favorably with advertising returns in 1988 for the nation's leading consumer publications monitored by Publishers Information Bureau.

PIB reported 1988 ad revenue from its 166-member consumer magazines up 8.7% to $5.94 billion, which exceeds the 5.5% gain in 1987. The year-to-year increase was the largest since 1984. Cosmetics and toiletries provided the greatest growth of 21.5%, while the auto category grew by 17%.

The magazine industry was further buoyed by first quarter 1989 growth of 9.5% to $1.58 billion as eight of the top 10 advertising categories showed above average growth, according to PIB. Business services, food & food products and cigarettes & tobacco ad categories each recorded $100 million-plus in total advertising as each grew by at least 17%. Automotive magazines' biggest ad supporter increased only 2.1% to $217 million, thereby keeping the lid on double-digit growth.

Other acquisitions helped stimulate year-to-year growth totals for the 36. Cahners Publishing Co. was up 23.5% after adding numerous titles, including consumer-oriented *Modern Bride* in 1987. The ever title-hungry Cahners, part of U.K.-based Reed International group, earlier this year purchased four medical publications from Hospital Publications, Secaucus, N.J., for $20 million-to-$30 million. This May, Reed paid News Corp Ltd. $825 million for travel-related operations that include *Travel Weekly* and six other travel trade publications.

Automotive, magazines' big ad supporter, grew only 2.1% to $217 million, keeping a lid on double-digit growth in first quarter

Times Mirror magazine division revenues jumped 47% to $298.5 million, largely on the basis of its acquisition of four consumer magazines from Diamandis Communications in December 1987—*Field & Stream*, *Home Mechanix*, *Skiing* and *Yachting*. In October, 1988, Times Mirror bought *Military Forum*, circulated to 27,000 senior Department of Defense officials.

Ziff Communications, deriving all of its $200 million in revenues from magazines, grew by 37.9% based on the strength of its computer publications. Ziff's top three ad gainers show a concentration of power and growth: *PC Magazine* grew 35.5% in gross ad dollars to $105.5 million, *PC Week* expanded 4.2% to $75.[illegible] million, and *MacUser* vaulted 91.[illegible] to $22.8 million in 1988, according to the "Gallagher Report."

The New York Times Co. reported magazine revenues of $249.1 million, up 10.2%. It was involved in one of the bigger magazine acquisitions in May 1989 when it surprised the industry by snatching away *McCall's* from the grasp of Diamandis Communications. The division's totals are for the calendar year and do not include *McCall's*, formerly owned by Working Woman/McCall's Group. The group fetched $80 million for its leading women's magazine.

The deal sharpened the two-tier focus among the big circulation books in women's service: Hearst Corp. with *GH* and *Redbook*, Meredith Corp. with *Better Homes & Gardens* and *Ladies' Home Journal*, and now New York Times Magazines with *Family Circle* and *McCall's*.

The strong revenue growth in the aggregate, however, covers up some low-growth numbers turned in by many operations. Hearst Corp. advanced only 5.3% to an estimated $919 million in magazine revenues as its lead publication, *Good Housekeeping*, declined 2.4% to $129.3 million in gross ad revenue. Capital Cities/ABC magazine totals declined 1.3% to $370 million, while Edgell Communications grew 3.3%, Maclean Hunter Ltd. 3.1% and the Washington Post 1.6%, the latter affected by *Newsweek*'s 1% growth in gross ad revenue to $241.7 million. □

Biggest magazine deals by leading media cos.

Property	Buyer	Seller	Price
Triangle Publications	News Corp.	Triangle Publications	$3,200.0
Travel trade division*	Reed International (parent of Cahners)	News Corp.	825.0
Whittle Communications (50%)	Time Inc.	Whittle Communications	185.0
McCall's	New York Times Co.	Working Women/McCalls Group	80.0

Notes: Dollars are in millions. *Seven trade publications including *Travel Weekly*.

Media companies ranked by magazine revenue

Rank 1988	Rank 1987	Company	Magazine revenue 1988	Magazine revenue 1987	Magazine revenue % chg	All media revenue 1988	Magazine revenue % all media	Top magazine by gross ad revenue: Magazine	Ad revenue 1988	'88-'87 % chg
1	1	Time Inc.	$1,752.0	$1,621.0	8.1	$3,686.0	47.5	*Time*	$349.7	6.4
2	2	Hearst Corp.	919.0	873.0	5.3	1,986.0	46.3	*Good Housekeeping*	129.3	(2.4)
3	3	Advance Publications	745.0	678.0	9.9	2,655.5	28.1	*Parade*	266.5	19.2
4	5	Reader's Digest Assn.	600.4	522.2	15.0	600.4	100.0	*Reader's Digest*	114.0	6.3
5	4	Thomson Corp.	596.0	528.0	12.9	1,126.0	52.9	*Medical Economics*	25.3	3.3
6	13	News Corp.	509.6	332.8	53.1	1,683.3	30.3	*TV Guide*	335.4	1.3
7	8	Cahners Publishing Co.	420.0	340.0	23.5	420.0	100.0	*Restaurants & Institutions*	39.7	(0.5)
8	6	McGraw-Hill	413.7	377.0	9.7	509.8	81.1	*Business Week*	227.3	4.5
9	7	Capital Cities/ABC	370.0	374.8	(1.3)	4,588.5	8.1	*W*	27.1	30.9
10	11	Hachette Group	366.0	321.0	14.0	366.0	100.0	*Woman's Day*	115.6	0.1
11	9	Meredith Corp.	365.1	329.4	10.8	474.7	76.9	*Better Homes & Gardens*	152.8	7.5
12	12	International Data Group	352.0	300.0	17.3	352.0	100.0	*Computerworld*	5.7	9.2
13	10	Washington Post Co.	327.5	322.2	1.6	1,305.6	25.1	*Newsweek*	241.7	1.0
14	16	Times Mirror Co.	298.5	203.1	47.0	2,677.9	11.1	*Field & Stream*	36.9	(3.9)
15	14	New York Times Co.	249.1	226.1	10.2	1,700.1	14.7	*Family Circle*	134.4	8.4
16	15	National Geographic Society	245.4	223.4	9.8	245.4	100.0	*National Geographic*	35.7	24.1
17	19	Ziff Communications	200.0	145.0	37.9	200.0	100.0	*PC*	105.5	35.3
18	17	Petersen Publishing Co.	186.7	162.4	15.0	186.7	100.0	*Motor Trend*	27.2	9.5
19	18	Forbes Inc.	175.0	160.0	9.4	181.4	96.5	*Forbes*	128.7	0.1
20	21	General Media International	150.0	139.7	7.4	150.0	100.0	*Penthouse*	20.0	4.1
21	20	Edgell Communications	148.3	143.5	3.3	148.3	100.0	*Hotel & Motel Management*	8.5	8.5
22	23	U.S. News & World Report	141.8	124.2	14.2	141.8	100.0	*U.S. News & World Report*	128.1	20.7
23	22	Crain Communications	136.8	127.7	7.1	137.2	99.7	*Advertising Age*	26.9	0.4
24	24	Playboy Enterprises	120.4	115.7	4.1	143.8	83.7	*Playboy*	40.7	8.2
25	NA	Whittle Communications	96.6	67.4	43.3	152.0	63.6	*Special Reports*	40.0	NA
26	25	Maclean Hunter	70.6	67.9	3.1	181.1	38.7	*Progessive Grocer*	12.6	7.1
27	28	Affiliated Publications	62.0	30.9	100.6	506.5	12.2	*Billboard*	NA	NA
28	36	Macfadden Holdings	45.0	NA	NA	209.0	21.5	*True Story*	9.6	1.1
29	29	Cowles Media Co.	42.0	28.0	50.0	315.0	13.3	*Folio*	NA	NA
30	27	Warner Communications	40.6	38.0	5.3	496.4	8.1	*DC Comics*	NA	NA
31	26	Dow Jones & Co.	36.0	39.0	(7.7)	973.1	3.7	*Barron's*	33.0	0.4
32	30	Times Publishing Co.	24.9	22.8	9.2	194.0	12.8	*Florida Trend*	3.8	(5.0)
33	31	LIN Broadcasting	21.2	19.4	9.5	158.4	13.4	*GuestInformant*	21.2	9.5
34	32	CMP Publications	20.0	16.2	23.5	133.0	15.0	*InformationWEEK*	13.5	17.4
35	33	Media General	13.5	15.9	(15.1)	449.4	3.0	*Consultant*	4.3	16.2
36	34	Dispatch Printing Co.	2.1	3.5	(40.0)	204.4	1.0	*Ohio Magazine*	NA	NA
		TOTAL	10,261.6	9,039.1	13.5	29,638.7	34.6		2,911.7	8.2

Notes: Dollars are in millions. Rankings given for 1987 in this table are based on figures restated or estimated in 1988, some of which are pro forma. Only companies among the 100 leading media companies are included in this ranking. **Sources:** Newspaper revenues are Advertising Age estimates. Ad revenue from Publishers Information Bureau. Percent change computed on ad revenue from 1987 figures, not shown. AA chart: Kevin Brown

Companies

(Continued from Page S-1)

nues to 47.9% from 50.5%. Overall sales at General Electric ($50.1 billion) and Berkshire Hathaway ($2.3 billion) skew an analysis of public companies and have been omitted from the analysis of public companies here. This is because non-media accounts for 92.7% of GE's net revenue and 94.4% at Berkshire Hathaway.

Among the remaining 47 public media companies, their return on total sales (media and non-media) edged slightly upward to 8.5% from 8.1% in 1987 as net income rose 15.9% to $7.09 billion on net revenues of $83.9 billion, up 11.5%. *(See chart on Page S-24)* Given media's decline as a percentage of total sales and its lower year-to-year revenue increase than non-media, the greater returns appear to be coming from the non-media operations.

Compared to industry as a whole, media companies are performing handsomely. Among AD AGE's 100 Leading National Advertisers the aggregate return on sales was only 2.5% last year.

Media concentration among the public companies was dominated by newspapers, numbering 20 companies, followed by cable with 11 and TV with seven. As expected, cable's performance put a damper on composite totals. Five of the cable companies had negative sales, largely because of acquisition expenses charged to earnings. Cable alone had a 3.5% return on income, down from 3.7% in the prior year.

LIN Broadcasting again reported a strong 36.4% return on sales, exceeded only by CBS Inc.'s 41.4%. However, CBS included income generated from the sale of its records group in its net income total of $1.15 billion, up from $452.5 million in 1987. TVX, pending acquisition by Paramount Communications, trailed the rest with a return on sales of minus 54.4%.

Several private media companies on this year's Top 100 list are testing public waters. Reader's Digest and Central Newspapers announced plans this June to establish a public market for their stock. Both report that placing a value on the stock will enable shareholders, primarily those with non-voting stock, to dispose of their holdings. Over the years, each has distributed non-voting shares to foundations, pubic institutions and the like. □

Outdoor paces 'other media' segment

Media is like squash, it comes in every size, color, shape and taste.

And it will continue to proliferate like this basic garden variety as long as marketers and information mongers continue to invent new ways to capture the public interest.

Given the fracturing and splintering of "traditional" media — newspapers, magazines, TV and such — pinning a definition on media is slippery. Defying categorization are electronic library data-base suppliers, TV catalogers, telemarketing networks, electronic signage marketers and even fax papers. With the exception of electronic retailers, most have not reached the revenue magnitude to compete for space on the Top 100 Media chart.

For the 100 Leading Media issue, Advertising Age sought to hold to the traditional idea of media as gathering news and information, packaging it and distributing it to subscribers, paid or free. This generally meant newspapers, magazines, TV, radio and cable; the five big division breakouts reported in this issue. "Other media" were dominated by outdoor, free-standing insert operations and wire services.

Outdoor accounted for $963.4 million in revenues among seven media companies, up about 12% from the prior year. The leader remained 3M at $249.6 million, up 15%. Valassis Inserts retained its lead among FSI companies with $400 million in revenues, same as in '87. News Corp., which bought two FSI companies in last year's ranking — Quad/Graphics and Product Movers — reported $358 million for them in partial-year revenues.

Tangential to the FSI business are circulars and shared-mail programs of ADVO-System, which added $589 million in revenues to "other media," a 13.2% growth credited largely to price increases. Revenue growth couldn't offset a 24% hike in third-class postage rates that sent earnings into the loss column.

Between them, the two big wire services — Associated Press and Reuters Holdings — contributed $612.6 million to the "other media" category, up 14.9% from the prior year. Excluded from "other media" were data-base activities, motion pictures, theater chains, syndication, contract printing and book publishing.

Electronic "shopping" companies are among the fastest growing businesses using broadcast and cable, but they were excluded from the rankings because their revenues are retail sales.

Yellow Pages, which fit the media criteria, remains a black hole because CFOs and controllers are tight-lipped about the revenue stream. Although there is less noise in the numbers reported by Yellow Page operators this year, there is still some clutter. Rather than merge the R.H. Donnelleys and the Baby Bells into the Top 100 Media chart, Yellow Pages were kept separate *(See Page S-13).* ❑

Methodology

Companies on the Top 100 Media chart, whether U.S. or foreign based, were ranked by net revenues generated by their U.S. media properties. Net revenues exclude agency commission on the ad side and such items as provisions for newsstand returns, unpaid subscriptions and subscription agency commissions on the circulation side.

Figures used were either calendar or the latest available fiscal returns. In the case of mergers, figures representing a pro forma reading of the merged company were used if the company could provide them. A pro forma reading was accepted for United Artists Entertainment, a merger of United Cable Television Corp. and United Artists Communications. The revenue total was reported in public filings with the SEC.

Prior-year figures for the Top 100 Media companies often were restated to reflect current operations. To prevent this from affecting a company's prior-year ranking, the ranking used in last year's issue was retained.

With more than half the companies private, estimates often were required. Where made, either by Ad Age or by secondary sources, the estimates were run by the company for comment. To assist Ad Age in this project, however, most private companies were forthcoming with their total revenues and media category breakouts. ❑

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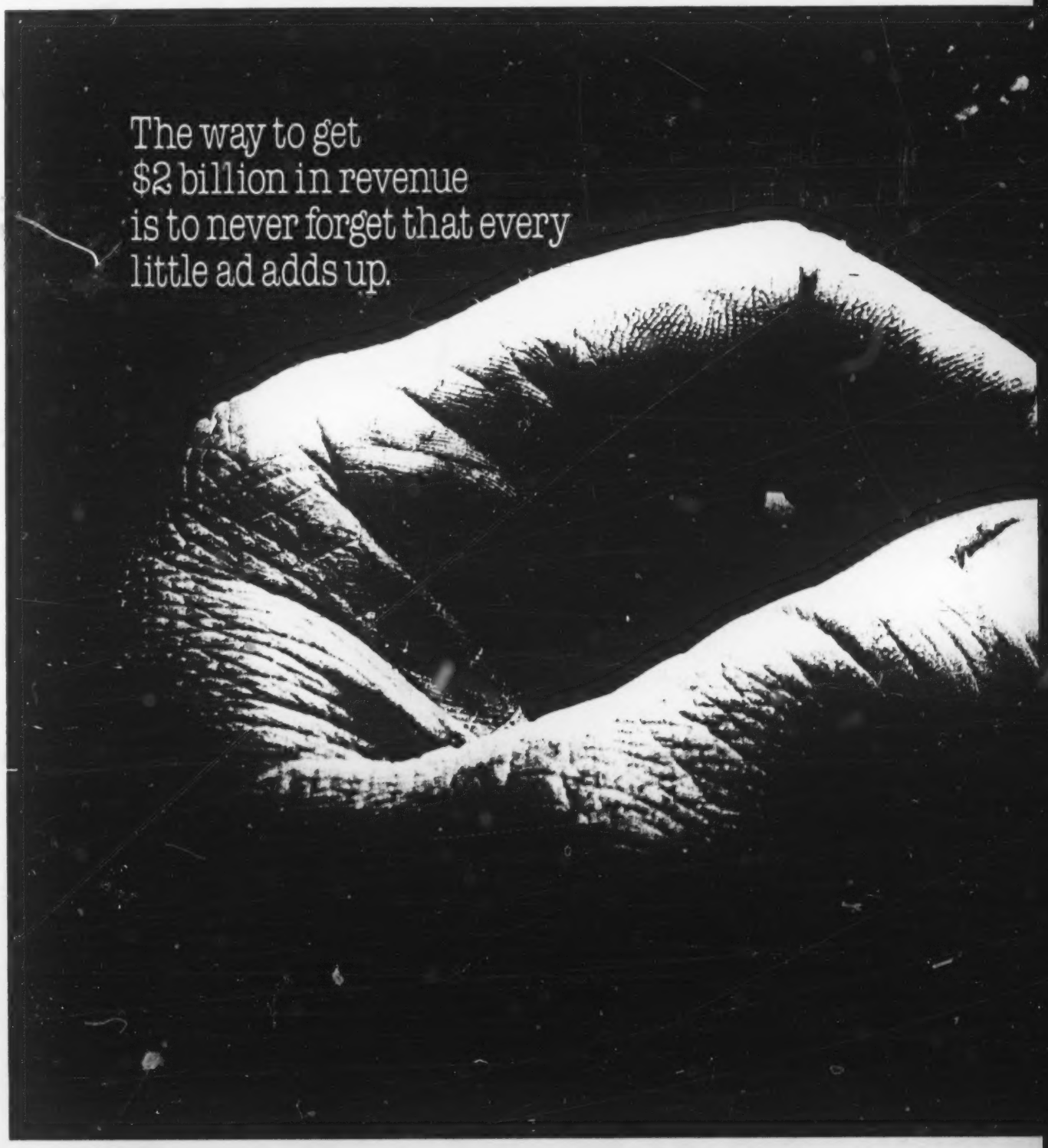


KNIGHT-

Knight Ridder, which recorded its thirteenth year of earnings per share growth in 1988, is a worldwide

Yellow Pages ring up $7 billion-plus in revenues

Rochester package helps GTE vault ahead of Bellsouth as industry leader

Top 10 Yellow Pages cos. in 1988

Rank	Company	Yellow Pages revenue	Total rev
1	GTE	$1,300 0	$16,460 0
2	Bellsouth	1,000 0	13,596 9
3	Bell Atlantic	830 0	10,880 1
4	Pacific Telesis, Pacific Bell Directory	789 0	9,483 0
5	Southwestern Bell	722 7	8,452 7
6	U S West	700 0	9,220 6
7	Ameritech	495 2	9,903 3
8	Dun & Bradstreet, R H Donnelley	442 0	4,267 4
9	United Telecom	183 0	6,493 0
10	Nynex	NA	12,660 8

Notes: Dollars are in millions. Yellow Pages revenue per company includes the following: 1 GTE directory revenues, 2 Total directory revenues including white pages, 3 Total directory operations revenues, 4 Directory advertising only, 5 Various directories, including Yellow Pages and white pages, 6 U S West Marketing Resources Group, U S West Direct, Trans Western Publishing, U S Marketing Resources Co , MM Plus Inc , 7 Estimated directory revenues, 8 Total publishing revenues from Donnelley Directory, Donnelley Information Publishing and Donnelley Information Technology, 9 Directories America, 10 Not available **Source:** Ad Age

BY JILL L. SHERER

Telephone companies are not only in the business of Talking Yellow Pages, but talking up the power and reach of the Yellow Pages medium, the fourth largest in the country, as directory revenues continue to rise.

The Yellow Pages Publishers Association, a Troy, Mich.-based group that represents publishers that produce more than 96% of all U.S. Yellow Pages directories and generate almost 99% of the medium's revenue, touts that Yellow Pages advertising reached $7.8 billion, up 6.8% from last year. These numbers, however, include advertising in white pages.

A purer figure for Yellow Page revenues would be $7.2 billion in 1988, up 7.5% from the previous year, says a spokesman from Communications Trends, Larchmont, N.Y., who predicts the industry will grow 7% to $7.7 billion in 1989.

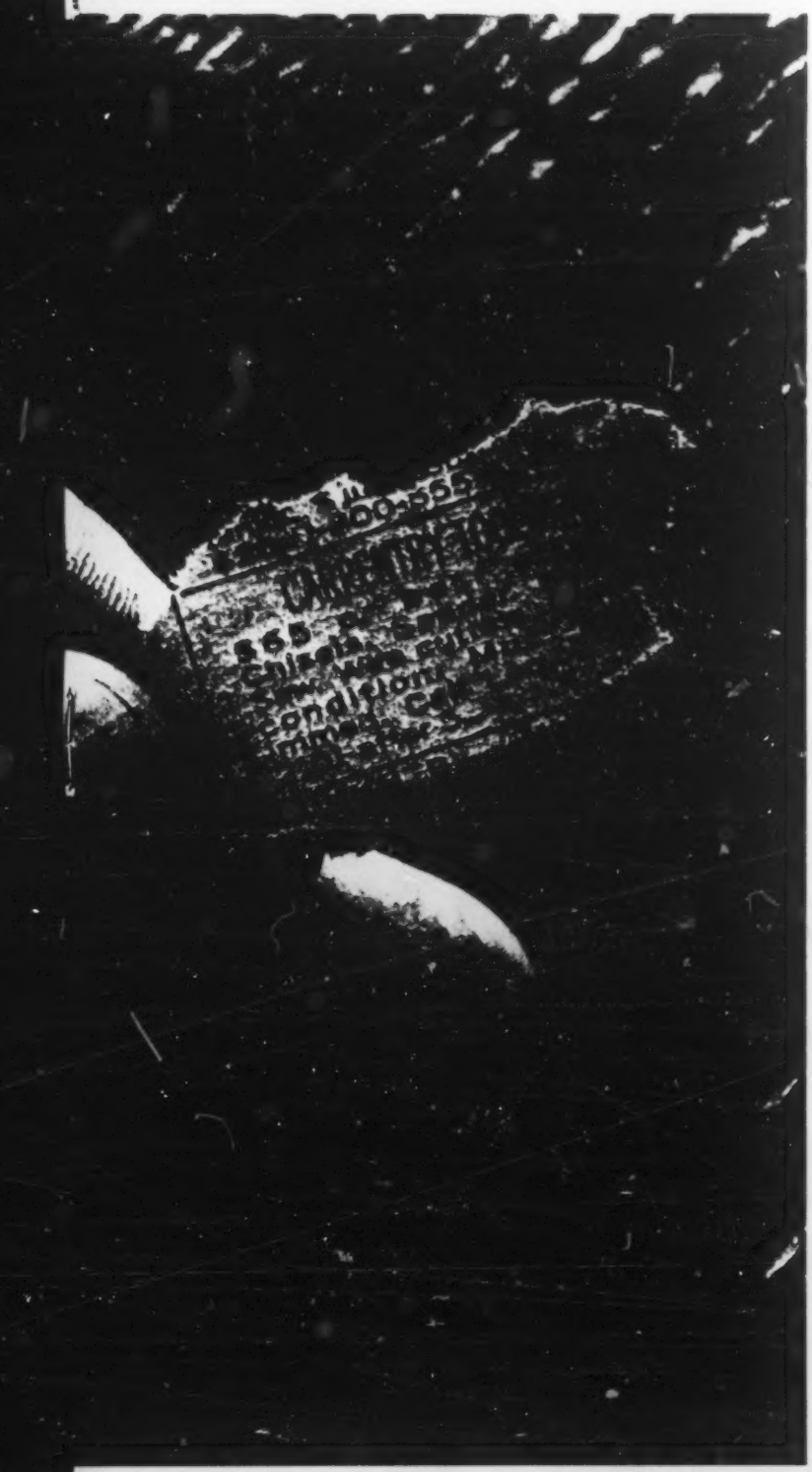
With Yellow Pages revenues totalling $1.3 billion, GTE passed Bellsouth—at $1 billion—as the industry leader in 1988. Bellsouth's total revenue count remained flat between the two years as GTE's operation soared from $860 million in 1987.

Part of GTE's approximate 51% increase from the prior year can be attributed to a $194 million contract it signed in 1988 with Rochester Telephone to provide directory advertising sales and publishing services over five years.

Another contributing factor is GTE's successful operations in publishing more than 1,000 directories and sales of Yellow Pages advertising in the U.S. and abroad.

Bell Atlantic retained the No. 3 ranking, with an $830 million company estimate that is relatively free of non-Yellow Pages revenue.

Nynex, on of the biggest Baby Bell publishers, would not break out its revenue figures, but industry experts believe it continues to rank in the top five. Ad Age placed it at the bottom of the ranking for lack of a figure. [ ]



Pressroom Foreman Hayvard Brantley wanted readers of The Bradenton (Fla.) Herald to see red. But a local car dealer had ordered yellow ink for the prices in his ad. Brantley saw that the ad was impossible to read, and changed the color. Two other area papers, never questioning the dealer's instructions, ran the ad in illegible yellow. The car dealer called Knight-Ridder's Bradenton Herald to say, "Thanks for thinking of me."

In St. Paul a businessman howled. His small ad for copier machines appeared right next to a much larger ad for another copier company in the Business/Twin Cities section of the St. Paul Pioneer Press Dispatch. When Vice President and Advertising Director Tom Golden heard about the mix-up, he offered to run the ad again free in the next Sunday edition. The Pioneer Press Dispatch gained a satisfied – and now frequent – advertiser.

Night Composing Supervisor Tammy Register called the publisher of The (Milledgeville, Ga.) Union-Recorder at home late one night. She wanted to stop the presses. No exclusive story or cataclysmic news event: An ad was incorrect. Not only did Publisher Roger Coover say, "Stop the presses," but he immediately drove to the paper to thank Tammy for watching out for a customer.

These examples might appear small, but they underscore Knight-Ridder's unending quest to satisfy our customers at our daily newspapers and our worldwide business information services.

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Companies with cable channels

Parent	Channel	Subscribers 1988	1987
Capital Cities/ABC*	ESPN	50.0	45.2
General Electric	CBNC	NA	NA
Landmark Communications	Weather Channel	38.0	32.0
Oklahoma Publishing Co.	Nashville Network	43.0	37.0
Playboy Enterprises	Playboy Channel	0.5	0.5
Time Inc.	Cinemax	6.0	5.1
	HBO	17.0	15.1
Turner Broadcasting	CNN	48.4	42.9
	Headline News	34.2	29.2
	SuperStation TBS	47.0	42.5
	TNT	23.0	NA
Viacom	Showtime	9.7	8.4
	The Movie Channel	2.6	2.9
Viacom (MTV Networks)	MTV:Music Television	44.2	37.7
	Nickelodeon	43.3	36.8
	Nick-at-Nite	39.6	31.8
	VH-1	29.6	24.4
Viacom**	Lifetime	42.0	35.4

Notes: Subscribers are in millions. Only companies among the 100 leading media companies are listed. * Capital Cities/ABC owns 80% of ESPN. ** Viacom owns 33.3% of Lifetime. **Source**: Cabletelevision Advertising Bureau, Cable TV Fact Book, 1989 edition.

Media's fastest-rising star —cable—soars 23.9%

Growing standbys, new players build category

Cable provided the largest number of new entries to AD AGE's Top 100 Media Companies' list and kept far ahead of other media categories in revenue growth—up 23.9% to $11.5 billion.

New entries to this year's list include Adelphia Communications, Cablevision Industries, Century Communications Corp., Houston Industries and United Artists Entertainment, a combination of United Artists Communications and United Cable Television Corp., last year's No. 64.

The new entries emerge largely through acquisition, but none could match the dollar volume of purchases made by Tele-Communications Inc., whose revenues of $1.7 billion, up 39.2%, actually belie its power.

TCI owns pieces of three other cable companies on the list of 36 and is in joint ventures with many others. These associations do not show up in TCI revenues, either because of minority ownership or buyouts dated after its year closed.

TCI in 1988 bought up the remaining 50% of Western Telecommunications (now WestMarc), purchased a 42% share in Storer Holdings and this year has taken a 52% position in the UAE merger.

The cable powerhouse's 1988 investments amounted to $1.5 billion, while last month's UAE merger cost TCI about $1.4 billion, including a $288 million investment in United Cable earlier in 1988.

TCI retained its lead in total basic subscribers among MSOs with 5.98 million—far ahead of Time Inc.'s ATC Corp. at 3.9 million.

Competition for cable properties has pushed up bidding prices to as high as $2,400 per subscriber—the price paid for the U.S. cable properties of Rogers Communications, No. 94 among last year's Top 100. Prices were about $900 per subscriber only five years ago.

The acquisition activity has extended beyond cable companies as well. In April 1989, Pacific Telesis announced it would buy into Group W's cable TV properties in Chicago, making PacTel the first Baby Bell to crack the cable industry. That same month, the FCC gave General Telephone Co. of California permission to build a cable TV system in a Los Angeles suburb. With prices going up, several media companies saw fit to bail out of cable. Harte-Hanks Communications, Hearst Corp. and New York Times Co. either left or announced plans to do so.

Cooke Media Group was on the verge this March of selling Cooke Cablevision systems for $1.5 billion to a consortium of seven operators. Though that deal fell through, Cooke has since asked another broker to sell the MSO.

While cable revenues continue to be derived largely through basic and pay subscription, cable is developing into an advertising powerhouse.

In 1988, cable grabbed $1.19 billion of the advertising pie, up 23.6% from 1987. Cable networks contributed 79% or $942 million of that total.

First quarter cable ad growth in 1989 is even more promising. Cable networks brought in $308.7 million in advertising, up 40.5% from the same period in the previous year. Many of these ad dollars are being diverted from broadcast networks. Cable penetration of U.S. households hit 55% in '88. Of that number, studies show, basic and pay cable combined pull 36% of viewing time, slightly more than network TV among cable households.

There continues to be room for innovation in the medium. Whittle Communications found advertiser support in tests for its "Channel One," a news program for high schools containing commercials. Despite opposition from some quarters, Whittle plans to launch the program nationwide.

The "Channel One" services, however, spawned challengers. Ted Turner's Cable News Network will launch its own commercial-free newscast to secondary schools this August, and The Discovery Channel will introduce commercial-free documentary programs.

Cable's versatility also is creating a new industry subgroup: Pay-per-view TV now accounts for an estimated 2% of industry revenues. Viacom International in late 1988 created Showtime Event Television to distribute special-event programming to PPV companies. □

Biggest cable deals by leading media cos.

Property	Buyer	Seller	Price
United Cable/United Artists	merged companies	NA	$1,600.0
Storer Communications	Comcast 50%, TCI/Knight-Ridder jv 50%	KKR	1,540.0
Centel Cable Television	six-company consortium	Centel Corp	1,400.0
Rogers Cablesystems	Houston Industries	Rogers Communications	1,265.0
Long Island, Cleveland cable	Cablevision Systems	Viacom	550.0
Selkirk Communications (only U.S. property is Ft. Lauderdale cable)	Maclean Hunter Ltd.	Selkirk	475.0
Adams-Russell Co.	Cablevision Systems	Adams-Russell Co.	463.8
NYT Cable TV	Comcast, Lenfest Communications	New York Times Co.	420.0
Continental Cablevision (17%)	Amon Hostetter, Continental ceo	Dow Jones & Co.	299.8
Daniels & Associates (pending)	United Artists (now UAE)	Daniels & Associates	256.4
Comcast Cablevision of Maryland	Comcast Corp.	limited partnership	210.0
Memphis CATV Inc. (49%)	Time Inc.'s ATC	MCI	148.0
ACT 1 Cable	United Artists (now UAE)	NA	128.0

Notes: Dollars are in millions.

Media companies ranked by cable revenue

Rank 1988	Rank 1987	Company	Cable revenue 1988	Cable revenue 1987	% chg	All media revenue 1988	Cable revenue % all media	*MSO property (if applicable)* Cable	Basic subscribers	Count date
1	1	Time Inc.	$1,934.0	$1,685.0	14.8	$3,686.0	52.5	ATC Corp.	3,900,000	12/88
2	2	TCI	1,705.1	1,225.1	39.2	1,705.1	100.0	TCI	5,977,790	12/88
3	3	Viacom International	972.6	806.4	20.6	1,113.8	87.3	Viacom Cablevision	1,114,500	12/88
4	4	Continental Cablevision	622.0	442.0	40.7	622.0	100.0	Continental Cablevision	2,302,000	12/88
5	5	Turner Broadcasting System	537.6	436.4	23.2	537.6	100.0			
6	6	United Artists Entertainment Co.	513.6	431.6	19.0	513.6	100.0	UAE	1,339,729	10/88
7	10	Cablevision Systems Corp.	493.5	299.5	64.8	493.5	100.0	Cablevision Systems Corp.	1,140,014	11/88
8	8	Storer Holdings	472.1	419.8	12.5	472.1	100.0	SCI Holdings	1,516,623	12/88
9	7	Cox Enterprises	471.8	425.0	11.0	1,578.2	29.9	Cox Cable Communications	1,465,245	12/88
10	9	Warner Communications	456.4	387.0	17.9	496.4	91.9	Warner Cable	1,488,720	12/88
11	11	Comcast Corp.	404.1	286.8	40.9	404.1	100.0	Comcast Cable Communications	1,410,000	12/88
12	12	Times Mirror Co.	282.7	239.8	17.9	2,677.9	10.6	Times Mirror Cable Television	992,000	12/88
13	13	Capital Cities/ABC	241.1	220.7	9.2	4,588.5	5.3			
14	14	Advance Publications	229.4	203.0	13.0	2,655.5	8.6	Newhouse Broadcasting	1,123,634	12/88
15	15	Sammons Communications	215.8	201.7	7.0	215.8	100.0	Sammons Communications	853,868	12/88
16	19	Adelphia Communications	185.0	131.4	40.8	185.0	100.0	Adelphia Communications	682,000	12/88
17	16	TeleCable Corp.	180.0	157.0	14.6	180.0	100.0	TeleCable Corp.	560,000	12/88
18	18	Cooke Media Group	177.0	139.0	27.3	287.0	61.7	Cooke Cablevision	692,790	12/88
19	20	Cablevision Industries Corp.	170.2	130.5	30.4	170.2	100.0	Cablevision Industries	600,870	11/88
20	17	Houston Industries	162.9	142.6	14.2	162.9	100.0	KBLCOM (formerly Rogers)	529,708	12/87
21	22	Century Communications	160.0	106.0	50.9	160.0	100.0	Century Cable	774,439	12/88
22	21	Scripps Howard	149.5	112.1	33.4	1,203.3	12.4	Scripps Howard	501,000	12/88
23	23	Washington Post Co.	115.2	96.6	16.8	1,305.6	8.8	Post-Newsweek Cable	396,000	12/88
24	24	Maclean Hunter	111.1	95.3	16.6	181.1	61.3	Maclean Hunter Cable TV	331,599	12/88
25	25	Multimedia Inc.	101.9	90.8	12.2	374.0	27.2	Multimedia Cablevision	313,167	4/88
26	27	Oklahoma Publishing Co.	93.0	61.0	52.5	374.0	24.9			
27	26	Providence Journal Co.	78.0	79.0	(1.3)	243.0	32.1	Colony Communications	301,576	12/88
28	28	Media General	73.0	60.5	20.7	449.4	16.2	Media General (Fairfax)	161,000	12/88
29	29	Chronicle Publishing Co.	54.0	46.0	17.4	384.0	14.1	Western Communications	260,742	12/88
30	31	Blade Communications	35.0	29.0	20.7	225.2	15.5	Blade Communications	133,000	12/88
31	32	Landmark Communications	32.2	25.9	24.3	363.6	8.9			
32	30	Playboy Enterprises	23.4	29.2	(19.9)	143.8	16.3			
33	33	Howard Publications	15.0	15.0	0.0	190.0	7.9	Falcon Cable TV*	630,000	12/88
33	34	Hearst Corp.	15.0	11.0	36.4	1,986.0	0.8	Hearst Communications of Calif.	57,410	12/88
35	35	Donrey Media Group	10.3	9.0	14.4	300.0	3.4	Donrey Cablevision	46,585	12/88
36	36	Copley Newspapers	7.4	3.4	117.6	381.3	1.9	Copley/Colony Cablevision	45,000	12/88
		TOTALS	11,500.9	9,282.2	23.9	31,009.5	37.1		31,133,333	

Notes: Dollars are in millions. Rankings given for 1987 in this table are based on figures restated or estimated in 1988, some of which are pro forma. Only 100 leading media cos. are ranked in this table. *Only partially owned by Howard. See accompanying chart for channel ownership among media cos. **Sources**: Cable revenues are ADVERTISING AGE estimates. Total number of basic subscribers in the MSO are from Cabletelevision Advertising Bureau, Cable TV Fact Book, 1989 edition.

Properties of the leading media companies

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TEXAS: *Dallas Morning News*; Dallas-Fort Worth Suburban Newspapers—*Arlington Daily News, Garland Daily News, Grand Prairie Daily News, Irving Daily News, Mid-Cities Daily News, Richardson Daily News* **Non-dailies:** Dallas-Fort Worth Suburban Newspapers-*Metrocrest News*

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CALIFORNIA: *Monterey Herald*; OHIO: (Toledo) *Blade*; PENNSYLVANIA: *Pittsburgh Post-Gazette*

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New York, N.Y. 10023-6298
(212) 456-7777

ILLINOIS: *Belleville News-Democrat*; MICHIGAN: (Pontiac) *Oakland Press*; MISSOURI: *Kansas City Times, Kansas City Star*; OREGON: *Albany Democrat-Herald*, (Ashland) *Daily Tidings*; PENNSYLVANIA: (Wilkes-Barre) *Times Leader*; TEXAS: *Fort Worth Star-Telegram* **Non-dailies:** CALIFORNIA: (Orange County, San Diego, Sacramento, Stockton) *Penny Saver*; CONNECTICUT: *Advertiser, Compass, Dolphin, Hamden Chronicle, Home News, Niantic News, North Haven Post, Wallingford Post, Branford Review, Clinton Recorder, Pictorial Gazette, Regional Standard, Shore Line Times, Ad Haven, Pennysaver, Peddler/Sentinel, Tradewinds, Southwinds*; ILLINOIS: *News Reporter, Cahokia-Dupo Herald, St. Louis Daily Record, St. Louis Countian, O'Fallon Progress, Highland News Leader, Command Post*; KANSAS/MISSOURI: (Wichita, Topeka, Kan.; Springfield, Mo.) *Pennypower Shopping News*; MASSACHUSETTS: *Braintree Forum, Bridgewater Townsman, Canton Journal, Carver Mariner, Cohasset Mariner, Hanover Manner, Hingham Manner, Holbrook Sun, Kingston Independent Voice, Marshfield Mariner, Norwell Mariner, Pembroke Mariner, Plymouth South Look, Randolph Mariner, Rockland/Abington South Look, Scituate Mariner, Weymouth News*; MICHIGAN: *Armada Times, Brown City Banner*; OREGON: *Gresham Outlook, Newport News-Times*, (Portland) *Nickel Ads, Springfield News, Cottage Grove Sentinel, Sandy Post, Lebanon Express*; RHODE ISLAND: *Pendulum, Narragansett Times, Standard Times*; WASHINGTON: *Little Nickel, Nickel Nik*

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ARIZONA: *Arizona Republic, Phoenix Gazette*; INDIANA: *Indianapolis News, Indianapolis Star, Muncie Evening Press, Muncie Star, Vincennes Sun-Commercial* **Non-dailies:** ARIZONA: (Phoenix) *Arizona Business Gazette*

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ILLINOIS: (Chicago) *Sun-Times* **Non-dailies:** ILLINOIS: *Star Newspapers-Williams Press* (Chicago Heights): *Chicago Heights Star, Crete & University Park Star, Frankfort-Mokena-New Lenox Star, Harvey-Markham Star, Hazel Crest-Country Club Hills Star, Homewood & Flossmoor Star, Matteson & Richton Park Star, Oak Forest Star, Orland Park Star, Park Forest Star, South Holland & Dolton Star, Tinley Park Star, Homer Township Star, Lansing-Lynwood Star, Burnham-Calumet City Star, Palos Area Star, Alsip/Crestwood Star, Worth/Chicago Ridge Star, Pioneer Press, Algonquin Countryside, Barrington Courier Review, Buffalo Grove Countryside, Cary-Grove Countryside, Crystal Lake Mirror, Deerfield Review, Elm Leaves, Evanston Review, Forest Leaves, Forest Park News, Franklin Park Herald-Journal, Glencoe News, Glenview Announcements, Harwood Heights News, Highland Park News, Lake Forester, Lake Zurich Courier, Libertyville Review, Maywood Herald, Melrose Park Herald, Morton Grove Champion, Mundelein Review, Niles Spectator, Norwich News, Northbrook Star, Oak Leaves, Palatine Countryside, Park Ridge Advocate, River Grove Messenger, Rosemont Progress, Schiller Park Independent, Skokie Review, Vernon Hills Review, Westchester Herald, West Proviso Herald, Wheeling Countryside, Wilmette Life, Winnetka Talk*

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ARIZONA: *Scottsdale Progress*; MINNESOTA: (Minneapolis) *Star Tribune*; MONTANA: *Great Falls Tribune*; SOUTH DAKOTA: *Rapid City Journal*; IDAHO: (Burley) *South Idaho Press* **Non-dailies:** COLORADO: Sentinel newspapers in Arapahoe, Arvada, Aurora, Commerce City, Englewood, Lakewood, Littleton, North Glen Thornton, South Jefferson, Westminster, Wheat Ridge; IDAHO: *Minidoka News, Reminder Shopper*

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ARKANSAS: (Arkadelphia) *Daily Siftings Herald*, (Rogers) *Northwest Arkansas Morning News, Pine Bluff Commercial*, (Fort Smith) *Southwest Times Record, Springdale News, Southern Standard*; CALIFORNIA: *Chico Enterprise-Record*, (Red Bluff) *Daily News, Hemet News, Lompoc Record, Ontario Daily Report*, (Pomona) *Progress Bulletin, Redlands Daily Facts, Ukiah Daily Journal, Vallejo Times-Herald*, (Woodland) *Daily Democrat*; HAWAII: (Hilo) *Hawaii Tribune-Herald*, (Kailua-Kona) *West Hawaii Today*; INDIANA: *Washington Times-Herald*; IOWA: *Clinton Herald, Oskaloosa Herald*; KENTUCKY: *Glasgow Daily Times*; MISSISSIPPI: *Picayune Item*; MISSOURI: *Moberly Monitor-Index & Democrat*; NEVADA: (Carson City) *Nevada Appeal, Ely Daily Times, Las Vegas Review-Journal*; NEW MEXICO: *Alamogordo Daily News*; NORTH DAKOTA: *Minot Daily News*; OKLAHOMA: *Altus Times, Bartlesville Examiner-Enterprise, Blackwell Journal-Tribune, Chickasha Daily Express, Claremore Daily Progress, Durant Daily Democrat*, (Frederick) *Daily Leader, Guthrie Daily Leader, Guymon Daily Herald, Henryetta Daily Free-Lance, Holdenville Daily News, Norman Transcript, Okmulgee Daily Times, Pauls Valley Daily Democrat, Wewoka Daily Times*; TENNESSEE: (Columbia) *Daily Herald*; TEXAS: *Athens Daily Review, Borger News-Herald, Cleburne Times-Review, Denison Herald, Gainesville Daily Register, Jacksonville Daily Progress, Kilgore News Herald, Sherman Democrat, Sweetwater Reporter, Weatherford Democrat*; WASHINGTON: (Aberdeen) *Daily World*, (Auburn, Kent, Renton) *Valley Daily News* **Non-dailies:** ARKANSAS: (Arkadelphia) *Advertiser, Booneville Democrat, Southwest American*, (Fort Smith) *Market Place*, (Springdale) *Preview*; CALIFORNIA: *Mid-Valley News*, (Chico) *Off the Record, Moreno Valley Butterfield Express*, (Hemet) *Riverside Valley News Advertiser, San Jacinto Valley Register, Fort Bragg Advocate-News*, (Fort Bragg) *Coast Plus Edition, Mendocino Beacon*, (Lompoc) *Mission Valley Review, Montclair Tribune, Rancho Cucamonga Times*, (Ontario) *Upland News, Bulletin, La Verne Leader*, (Pomona) *San Dimas Press*, (Red Bluff) *Times Sentinel*, (Redlands) *Community Spotlight*, (Ukiah) *Buyer's Guide*, (Vallejo) *Bargain Hunter*, (Woodland) *Weekly Democrat*; ILLINOIS: (Savanna) *Northwestern Illinois Dispatch, Savanna Times Journal*; IOWA: *Clinton Herald, Oskaloosa Herald*; KENTUCKY: *Glasgow Republican*; MISSISSIPPI: (Picayune) *Shopper*, (Picayune) *Poplarville Democrat*; MISSOURI: *Randolph County Times Herald*, (Moberly) *Regional Super Saver*; NEVADA: (Carson City) *Chronicle*, (Las Vegas) *Family Fare*; NEW MEXICO: *Lincoln County Weekly News*, (Alamorgordo) *Otero County Weekly News*; NORTH DAKOTA: (Minot) *Review*; OKLAHOMA: *Farm & Ranch Report*, (Altus) *Southwest Shopper, Dewey Herald-Record*, (Bartlesville) *Living/Morning American*, (Blackwell) *Times-Record, Port of Catoosa Times-Herald*, (Claremore) *Will Rogers Country News*, (Durant) *Weekly News*, (Frederick) *Tipton Leader*, (Guthrie) *Market Place, Guymon*, (Henryetta) *Super Paper*, (Norman) *Spotlight*, (Okmulgee) *Mainstream Edition*, (Pauls Valley) *Merchant's Choice*, (Pawhuska) *Osage Journal-News, Pawhuska Journal-Capital*; TENNESSEE: *Mt. Pleasant Record, Value Guide*, (Columbia) *Spring Hill Morning Sun*; TEXAS: *Advertiser, Athens Weekly Review, Cedar Creek Pilot*, (Athens) *Malakoff News, High Plains Sampler*, (Borger) *Stinnett Hutchinson County Herald*, (Cleburne) *Johnson County News*, (Gainesville) *Shopping News, Cherokee County Banner*, (Jacksonville) *Shopping Guide*, (Sweetwater) *Nolan County News*, (Weatherford) *Parker County News*; WASHINGTON: (Aberdeen) *East County News*, (Auburn, Kent, Renton) *Wednesday Only*

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NEW JERSEY: **Non-dailies:** *Bound Brook Chronicle, Greenbrook-North Plainfield Journal, Metuchen-Edison Review, Middlesex Chronicle, Piscataway-Dunellen Review, Somerset Messenger-Gazette, South Plainfield Reporter, Franklin Focus, Cranford Chronicle, Middlesex Hills Badminster Press, Highland Park Herald*

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Top 30 Daily Newspapers in U.S.

Ranked by 1988-1989 rate of growth

	1989 Daily Circulation	88-89 Percent Change	Rank by 1989 Daily Circulation
Houston Post	322,193	6.6%	30
Orange County Register	344,965	6.1%	28
Newsday	697,509	4.9%	8
Phoenix Republic	372,209	4.4%	24
St. Petersburg Times	**375,870**	**4.0%**	**23**
Houston Chronicle	427,844	3.9%	19
New York Times	1,117,376	3.6%	5
Miami Herald	442,976	2.8%	18
Rocky Mountain News	365,493	2.4%	25
Boston Globe	509,573	2.3%	14
Boston Herald	360,046	1.6%	26
Washington Post	812,419	0.3%	6
St. Louis Post-Dispatch	378,225	0.0%	22
Cleveland Plain Dealer	447,822	-0.3%	17
USA Today	1,341,811	-0.3%	2
Newark Star-Ledger	458,049	-0.4%	16
Minneapolis Star Tribune	403,300	-0.7%	20
Dallas Morning News	359,976	-0.8%	27
Philadelphia Inquirer	500,136	-0.8%	15
Los Angeles Times	1,119,840	-1.2%	4
Baltimore Sun	402,242	-1.4%	21
Portland Oregonian	327,603	-1.7%	29
Detroit News	676,025	-1.8%	9
San Francisco Chronicle	556,196	-2.3%	11
Detroit Free Press	629,275	-2.9%	10
New York Post	535,407	-3.6%	13
New York Daily News	1,230,186	-4.1%	3
Chicago Tribune	740,154	-4.4%	7
Wall Street Journal	1,931,410	-4.6%	1
Chicago Sun-Times	554,670	-11.3%	12

Source: ABC Fas-Fax reports for three or six months ending March 31, 1988 and 1989.

Top 30 Sunday Newspapers in U.S.

Ranked by 1988-1989 rate of growth.

	1989 Sunday Circulation	88-89 Percent Change	Rank by 1989 Sunday Circulation
Houston Chronicle	585,845	5.9%	16
St. Petersburg Times	**471,472**	**4.2%**	**26**
Rocky Mountain News	411,023	3.4%	30
San Diego Union	437,784	3.4%	27
Miami Herald	546,801	1.5%	21
Dallas Morning News	534,843	1.5%	22
Washington Post	1,149,856	1.5%	4
Portland Oregonian	415,926	1.3%	28
St. Louis Post-Dispatch	560,618	1.1%	19
Baltimore Sun	485,269	1.0%	25
New York Times	1,663,530	1.0%	1
Philadelphia Inquirer	1,010,530	0.9%	6
Newsday	707,787	0.8%	9
Atlanta Constitution	665,186	0.8%	13
Newark Star-Ledger	675,980	0.7%	12
Chicago Tribune	1,137,447	0.7%	5
Cleveland Plain Dealer	570,737	0.6%	17
Phoenix Republic	566,510	0.5%	18
Kansas City Times-Star	414,689	0.5%	29
Minneapolis Star Tribune	650,317	0.3%	14
Los Angeles Times	1,423,310	0.3%	3
Pittsburgh Press	560,199	0.2%	20
Seattle Times Post Intell.	504,993	-0.1%	24
Boston Globe	787,385	-0.3%	8
Milwaukee Journal	506,517	-1.2%	23
Detroit News	820,655	-1.9%	7
San Francisco Chronicle	700,989	-3.1%	10
Detroit Free Press	693,943	-3.8%	11
New York Daily News	1,526,413	-6.0%	2
Chicago Sun-Times	595,311	-6.6%	15

Source: ABC Fas-Fax reports for three or six months ending March 31, 1988 and 1989.

The Audit Bureau of Circulations (ABC) is the official auditing agency for newspaper circulations.

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NEW HAMPSHIRE-MASSACHUSETTS-MAINE-CONNECTICUT REGION: Dedham, Marion, Mattapoisett, Rochester, Wareham, Orleans, Brewster, Eastham, Provincetown, Truro, Wellfleet, Scituate, Cohassel, Hanover, Hingham, Hull, Norwell; Brockton (99.9% interest), Beverly, Hamilton, Marblehead, Topsfield, Wenham, Natick; Newton, Wayland, Wellesley, Weston, Reading, Saugus, Hahent, Watertown; Winchester, Weburn, Billerios, Burlington, Stoneham, Wilmington; Needham (99.7% interest); Concord, Alexandria, Allenstown, Antrim, Boscawan, Bow, Bridgwater, Bristol, Deering, Henniker, Hillsboro, Hopkinton, New Hampton, Pembroke; Dover, Berwick, Hebron, Madbury, Rollinsford, Somersworth, South Berwick, Exeter, Durham, Epping, Fremont, Hampton Falls, Newfields, Newmarket, North Hampton, Raymond, Seebrook; Lawrence, Mathuen, North Andovar; Portsmouth, Eliot, Greenland, Hampton, Kittery, New Castle, Newington, Rye, Stretham; Seco, Old Orchard Beach, Salem, Darry, Hampstead, Plaistow, Sandown; Hanson, East Bridgewater, Holbrook, West Bridgewater, Whitman; Middleboro, Lakeville, Berkeley, Dighton, Freetown; Stoughton, Avon, Easton, Raynham; Milton (96% interest); Pease Air Force Base, Quincy (98% interest); Randolph (94% interest). OHIO REGION: Athens, The Plains; Bay Village, Avon Lake; Bellevue, Clyde, Green Springs, Greencreek Township, Butler Township, Clayton, Englewood, Madison Township, Randolph Township, Trotwood, Union, Vandalia; Eastlake, Fairport Harbor, Grand River, Lakeline, Mentor, Painesville, Timberlake, Wickliffe, Willoughby, Willoughby Hills, Elyria, Carlisle and Elyria Townships; Fairborn, Donnelsville, Enon, New Carlisle, Bath, Bethel and Mad River Townships; Findley, Arlington, McComb, Mount Blanchard, Mount Cory, Rawson, Van Buren, Vantue; Fostoria, Arcadia, New Riagel, Sycamore, Tiffin; Galion, Crestline, N. Robinson; Huber Heights, Beth Township, Harrison Township; Kettering, Beavercreek, Beavercreek Township, Bellbrook, Centerville, Clearcreek Township, Corwin, Franklin Township, Miamisburg, Miami Township, Moraine, Oakwood, Springboro, Sugarcreek, Washington Township, Wayne Township, Waynesville, West Carrollton; Lancaster, Ashville, Berne Township, Baltimore, Bremen, Carroll, Circleville, Greenfield Township, Hocking Township, Lima Township, Millersport, Peteskela, Pleasant Township, Pleasantville, S. Bloomfield, Stoutsville, Sugar Grove, Thurston; N. Ridgeville, Amherst, S. Amherst, Amherst Township; Norwalk, Milan, Monroeville, Norwalk Township; Springfield, Harmony, Monroeville, Pleasant and Springfield Townships, S. Charleston, S. Vienna Village; Upper Sandusky, Nevada; Willard, Attica, Chatfield, Greenwich Village, New Haven, New Washington, N. Fairfield, Plymouth, Republic, Shiloh; Xania, Cedarville, Jamestown, New Jasper and Silver Creek Townships, Spring Valley, Wilberforce, Cedarville, Spring Valley and Xania Townships. VIRGINIA REGION: Richmond (88.8% interest); Ashland; Goochland County; Hanover County; Henrico County; James City County; York County. WESTERN NEW ENGLAND REGION: Ossining Town, Bedford, Briarcliff Manor, Mount Pleasant, New Castle, North Tarrytown, Ossining Village, Pleasantville, Tarrytown; Peekskill, Buchanan, Cortland, Croton-on-Hudson, Philipstown; Rockland, Haverstraw Town, Haverstraw Village, Pomona, Ramapo, Stony Point, West Haverstraw; Agawam, Granby, Holyoke, South Hadley, Southwick, Westfield, West Springfield; Deerfield, Bernardston, Northfield, Sunderland; Enfield; Northampton, Hatfield, Williamsburg; Springfield, Longmeadow. LOS ANGELES REGION: Bellflower; Carson; Compton; Corona, Riverside County; Covina, Los Angeles County; Downey, Bell Gardena, La Mirada, Lynwood, Paramount, Santa Fe Springs; Hollywood, Los Angeles, Venice, Wilshire; Inglewood; Maywood; Pomona; Tustin, Orange County; Westchester, Los Angeles, Los Angeles County; Westside, Culver City, Venice; South Central Los Angeles (80% interest). SIERRA REGION: Sierra Valleys, Hanford, Corcoran, Kings County, LeMoore; Tulare, Tulare County, Visalia, Fresno, County of Fresno, Clovis, Madera; Yuba City, County of Sutter, County of Yuba, Beals Air Force Base, Marysville, Wheatland; Reno, Washoe.

Cooke Media Group
Kent Farms
Middleburg, Va. 22117
(703) 687-4000

SYSTEMS: Cooke Cablevision—ALASKA: Fairbanks, Ketchikan, Juneau, Sitka. ARIZONA: Benson, Douglas; Green Valley, Sierra Vista, Tucson, Wilcox. GEORGIA: Cuthbert, Peachtree City. HAWAII: Hawaii Kai, Wailuku. ILLINOIS: Kankakee. MISSISSIPPI: Greenville. NEW MEXICO: Clovis. NEW YORK: Syracuse. NORTH CAROLINA: Ahoskie, Elizabeth City, Murfreesboro, Rocky Mount. OHIO: Blanchester, Wilmington. OREGON: Alturas, Astoria, Baker, Cottage Grove, The Dalles, Florence, Grants Pass, Klamath Falls, LaGrande, Medford, Redmond, Rogue, Roseburg, St. Helens. SOUTH CAROLINA: Aiken, Barnwell, Edgefield, Hilton Head, Johnston, McCormick, Saluda, Ware Shoals. TENNESSEE: Alcoa, Brentwood, Concord, Gatlinburg, Madisonville, Mt. Pleasant, Pigeon Forge, Rogersville, Sevierville, Sweetwater. TEXAS: Bryan/College Station, Paris, Victoria. VIRGINIA: Amherst, Emporia, Glasgow, South Boston, South Hill. WASHINGTON: Aberdeen, Centralia, Cle Elum, Dixie, Montesano, North Bend, Okanogan, Omak, Prescott, Starbuck, Waitsburg, Walla Walla, Washtucna, Yakima. WYOMING: Jackson Hole.

Copley Newspapers
7776 Ivanhoe Ave.
La Jolla, Calif. 92037
(619) 454-0411

SYSTEMS: Copley/Colony Cablevision—CALIFORNIA: San Pedro-Wilmington-Harbor City, Lomita, Los Angeles County, Costa Mesa, Cypress, unincorporated area in Orange County.

Cox Enterprises
1400 Lake Hearn Dr.
Atlanta, Ga. 30319
(404) 843-5000

SYSTEMS: Cox Cable Comm.—CALIFORNIA: Bakersfield, Humboldt Bay, San Diego, Santa Barbara. CONNECTICUT: Hartford. FLORIDA: Gainesville, Ocala, Pensacola. GEORGIA: Middle Georgia. ILLINOIS-IOWA: Quint Cities, Cedar Rapids. LOUISIANA: Jefferson Parish, New Orleans. MICHIGAN: Saginaw. NEBRASKA: Omaha. NEW YORK: Staten Island (under development). OHIO: Cleveland. OKLAHOMA: Oklahoma City. RHODE ISLAND: Cranston/Johnston. SOUTH CAROLINA: Myrtle Beach. TEXAS: Lubbock. VIRGINIA: Roanoke, Hampton Roads. WASHINGTON: Spokane.

Donrey Media Group
920 Rogers Ave.
Fort Smith, Ark. 72901
(501) 785-7810

SYSTEMS: Donrey Cablevision—ARKANSAS: Rogers. CALIFORNIA: Vallejo. OKLAHOMA: Bartlesville, Blackwell, Guymon.

Hearst Corp.
959 Eighth Ave.
New York, N.Y. 10019
(212) 649-2000

SYSTEMS: Pending sale: CALIFORNIA: Hearst Cablevision of California—Los Gatos, Milpitas, Mountain View, Newark, Santa Clara, Saratoga.

Houston Industries
800 Gessner, Ste. 700
Houston, Texas 77024
(713) 827-6824

SYSTEMS: KBLCOM Inc. (Rogers Cablesystems)—MINNESOTA: Minneapolis (92% interest), Minneapolis suburbs (88% interest)—Edina, Hopkins, Minnetonka, Eden Prairie, Richfield. OREGON: Portland. CALIFORNIA: Orange County—Huntington Beach, Westminster, Fountain Valley, Stanton, Garden Grove, Los Alamitos. TEXAS: Laredo, San Antonio.

Howard Publications
P.O. Box 570
Oceanside, Calif. 92054
(619) 433-5771

SYSTEMS: Choice TV—CALIFORNIA: Alhambra, Huntington Park, Norco, Norwalk, Pasadena, Riverside, San Gabriel, Temple City, Walnut, West Covina and unincorporated parts of Los Angeles County including Altadena.

Landmark Communications
150 W. Brambleton Ave.
Norfolk, Va. 23510
(804) 446-2000

CHANNEL: Weather Channel

Maclean Hunter
Maclean Hunter Bldg.
777 Bay St.
Toronto, Ontario M5W 1A7
(416) 596-5000

SYSTEMS: MICHIGAN: Barden Cablevision (59% interest), Maclean Hunter Cable TV. NEW JERSEY: Cable TV of Jersey City (80% interest), Suburban Cablevision.

Media General
333 E. Grace St.
Richmond, Va. 23219
(804) 649-6000

SYSTEMS: Fairfax Cable—VIRGINIA: Fredericksburg, Fairfax County.

Multimedia Inc.
P.O. Box 1688
Greenville, S.C. 29602
(803) 298-4373

SYSTEMS: Multimedia Cablevision—ILLINOIS: Alsip/Worth, Batavia, Chicago Ridge, DuPage County, Evergreen Park, Harvey, Hometown, Lisle, Markham, Oak Forest, Oak Lawn, Phoenix, Kane County, Four Lakes, South Holland, Villa Park. KANSAS: Bellaire,Crestview/Shadybrook, East Borough, Great Bend, Herington, Hoisington, Kechi, LaCrosse, Larned, Lyons, McConnell Air Force Base, McPherson, Medicine Lodge, Oaklawn, Park City, Rolling Hills, Sedgwick County, Sharon, Springdale/Timberlakes, Wichita, Wind Rose Lake. NORTH CAROLINA: Ayden, Battleboro, Beaufort County, Bridgeton, Clinton, Chocowinity, Craven County, Edgecombe County, Enfield, Greenville, Halifax, Kinston, La Grange, Lenoir County, Martin County, Nash County, Nashville, New Bern, Parmele, Pitt/Bethel, Princeville, River Bend, Robersonville, Rocky Mount, Sampson County, Scotland Neck, Sharpsburg, Tarboro, Trent Woods, Vanceboro, Walnut Creek, Washington, Wayne County, Winterville, Wingate. OKLAHOMA: Bethany, Bixby, Chickasha, Crescent, Cushing, Del City, Edmond, El Reno, Erin Springs, Garvin, Guthrie, Hall Park, Lindsay, Logan County, Midwest City, Moore, Mustang, Nichols Hill, Norman, Paula Valley, Payne County, Perry, Spencer, Stillwater, Tinker Air Force Base, Valley Brook, The Village, Warr Acres, Wyn-

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Providence Journal Co.
75 Fountain St.
Providence, R.I. 02902
(401) 277-7000

SYSTEMS: Colony Comm.—CALIFORNIA: Los Angeles, San Pedro, Wilmington. FLORIDA: Hialeah, Coral Gables. MASSACHUSETTS: Fall River, Lowell, New Bedford. NEW YORK: Beacon, Hyde Park, Lloyd, Monroe, Wappingers Falls. RHODE ISLAND: Hopkinton, Westerly, Pawtucket.

Sammons Communications
500 S. Ervay, Ste. 200A
Dallas, Texas 75201
(214) 742-9828

SYSTEMS: ALABAMA: Russellville, Tuskegee. CALIFORNIA: Glendale, Turlock, Whittier. CONNECTICUT: Waterbury. GEORGIA: West Point. ILLINOIS: Jacksonville, Ottawa. INDIANA: Logansport. KENTUCKY: Middlesboro. MISSISSIPPI: Brookhaven, McComb, Natchez, Pascagoula. NEW JERSEY: Dover, Pleasantville, Vineland. NEW YORK: Cortland, Johnstown. NORTH CAROLINA: Black Mountain, Waynesville. OKLAHOMA: Clinton, Elk City. PENNSYLVANIA: Bensalem, Easton, Emmaus, Fleetwood, Gettysburg, Morrisville, Oil City. TENNESSEE: Bristol, Johnson City, Morristown. TEXAS: Denton, Dumas, Duncanville, Fort Worth, Pampa, Park City, Tarrant County. VIRGINIA: Covington, Petersburg. WASHINGTON: Moses Lake.

Scripps Howard
1100 Central Trust Tower
Cincinnati, Ohio 45202
(513) 977-3000

SYSTEMS: CALIFORNIA: Sacramento. COLORADO: Fort Lupton, Lafayette, Longmont, Louisville, Parachute. FLORIDA: De Bary, Madison. GEORGIA: Battlefield/Lookout Mountain, Blue Ridge, Calhoun, Claxton, Dallas, Elberton, Glenville, Granger Co., Homersville, Metter, Millen, Montezuma, Monticello, North DeKalb, Rome, Rossville, Tallapoosa, Union City, Walker County, Warrenton, Waynesboro. INDIANA: Tell City. KENTUCKY: Barbourville, Campbellsville, Elizabethtown, Glasgow, Greenville, Knoxville, Lake City/LaFollette, Livingston. SOUTH CAROLINA: Newberry. TENNESSEE: Chattanooga, Knoxville, Gray, Greenville. VIRGINIA: Glade Springs/Abingdon. WEST VIRGINIA: Bluefield.

Storer Holdings
12000 Biscayne Blvd.
Miami, Fla. 33181-2710
(305) 899-1000

SYSTEMS: SCI Holdings—ALABAMA: Alabama area (79,500 subscribers). ARKANSAS: Arkansas area (73,500 subscribers). CONNECTICUT: Connecticut area (133,400 subscribers). DISTRICT OF COLUMBIA: Capital area (90,600 subscribers). FLORIDA: South Florida area (167,800 subscribers), West Florida area (179,200 subscribers). GEORGIA: Georgia area (67,600 subscribers). KENTUCKY: Kentucky area (234,100 subscribers). NEW JERSEY: New Jersey area (219,300 subscribers). SOUTH CAROLINA: South Carolina area (68,800 subscribers). TEXAS: Dallas/Ft. Worth area (90,700 subscribers), Houston area (104,000 subscribers). VIRGINIA: Virginia area (45,500 subscribers).

TCI
Regency Center One, Ste. 600
4643 S. Ulster St.
Denver, Colo. 80237
(303) 721-5500

SYSTEMS: TCI systems, 3.6 million subscribers; United Artists Communications (60% interest), 880,000 subscribers; Heritage Communications, 891,000 subscribers; WestMarc Communications, 347,000 subscribers; Communication Services (80% interest), 230,000 subscribers (50% interest).

TeleCable Corp.
740 Duke St.
Norfolk, Va. 23510
(804) 624-5000

SYSTEMS: ALABAMA: Auburn, Decatur, Selma. FLORIDA: Margate. GEORGIA: Columbus. ILLINOIS: Bloomington/Normal. INDIANA: Kokomo. KANSAS: Overland Park. KENTUCKY: Lexington, Radcliff. MISSOURI: Springfield. NORTH CAROLINA: Roanoke Rapids. SOUTH CAROLINA: Greenville, Spartanburg. TENNESSEE: Cleveland. TEXAS: Arlington, Plano, Richardson. VIRGINIA: Wytheville. WEST VIRGINIA: Beckley, Princeton. WISCONSIN: Racine.

Time Inc.
Time & Life Bldg.
Rockefeller Center
New York, N.Y. 10020
(212) 586-1212

SYSTEMS: American Television & Comm. Corp. (82% ownership)—ALABAMA: Birmingham. ARKANSAS: El Dorado. CALIFORNIA: Arvin/Lamont/Tehachapi, Orange County, San Diego, San Marino, S. Pasadena. COLORADO: Canon City, Colorado Springs, Littleton, Highlands Ranch, Northglenn, Thornton, Wheat Ridge. CONNECTICUT: Torrington. GEORGIA: Savannah. FLORIDA: Orlando. HAWAII: Honolulu. ILLINOIS: Champaign/Urbana. INDIANA: Indianapolis, Marion, Terre Haute. IOWA: Council Bluffs. KANSAS: Chanute, Emporia, Independence, Neodesha, Parsons. KENTUCKY: Hartford/Beaver Dam, Madisonville, Mayfield, Murray. LOUISIANA: Monroe, Shreveport. MAINE: Portland. MINNESOTA: Mankato, Marshall, Montevideo. MISSISSIPPI: Jackson. MISSOURI: Boonville, Chillicothe, Kennett, Marshall, Maryville, St. Louis. NEBRASKA: Columbus, Falls City. NEW YORK: Albany, Ithaca, Manhattan, Queens, Rochester. NORTH CAROLINA: Charlotte, Fayetteville, Greensboro, Raleigh-Durham. OHIO: Columbus, Delaware. OKLAHOMA: Woodward. PENNSYLVANIA: Erie, Franklin, Johnstown, Levittown, N. Versailles, Monroeville, Reading, Swissvale/N. Braddock. TENNESSEE: West Memphis. TEXAS: Austin, Wichita Falls. VIRGINIA: Lynchburg. WEST VIRGINIA: Charleston. WISCONSIN: Appleton, Beloit, Chippewa Falls/Eau Claire/Hallie, Green Bay. **CHANNELS:** Cinemax, Home Box Office.

Times Mirror Co.
Times Mirror Square
Los Angeles, Calif. 90053
(213) 237-3700

SYSTEMS: Times Mirror Cable Television—ARIZONA: Bullhead City, Casa Grande, Lake Havasu, Nogales, Phoenix. CALIFORNIA: Orange County, Palos Verdes, North San Diego County. CONNECTICUT: Meriden. ILLINOIS: Springfield. INDIANA: Lafayette. KENTUCKY: Ashland. MASSACHUSETTS: Amherst, Greenfield, Palmer, Haverhill, Weymouth. NEW YORK: Long Island. OHIO: Caldwell, Cambridge, Coshocton, Defiance, Greenfield, Ironton, Logan, Marion, Napoleon, Newark, Newcomerstown, New Philadelphia/Uhrichsville, Toronto, Waverly, Wauseon. PENNSYLVANIA: Beaver Falls, Washington. RHODE ISLAND: Providence, Warwick. TEXAS: Del Rio, Kerrville, Midland, Texarkana, Uvalde. WEST VIRGINIA: Weirton.

Turner Broadcasting System
One CNN Center
P.O. Box 105366
Atlanta, Ga. 30348-5366
(404) 827-1500

CHANNELS: CNN/Cable News Network, CNN Headline News, WTBS superstation services, TNT/Turner Network Television.

United Artists Entertainment Co.
2930 E. 3rd Ave.
Denver, Colo. 80206
(303) 321-4242

SYSTEMS: United Artists Comm.—ARKANSAS: Jonesboro. ARIZONA: Scottsdale. CALIFORNIA: Alameda, Arcadia, City of Industry, Cupertino, Davis, Foster City, Glendora, Hayward, Merced, Redlands, San Bruno, Sonora, Tracy, Vacaville, Van Nuys, Walnut Creek. COLORADO: Aspen, Denver, Englewood, Grand Junction. FLORIDA: Vero Beach. GEORGIA: Gainesville, Hinesville. HAWAII: Kailu-Kona, Lahaina-Maui. IDAHO: Boise. ILLINOIS: Carpentersville, Decatur, Effingham, Elgin, Galesburg, Peoria, Peru. INDIANA: Evansville, Hammond. KANSAS: Pittsburg. LOUISIANA: Baker, Baton Rouge, Bossier City, Leesville, Violet. MASSACHUSETTS: North Attleboro. MARYLAND: Annapolis, Baltimore, Ocean City. MICHIGAN: Grand Rapids, East Lansing, Royal Oak, Woodhaven. MINNESOTA: Shakopee. MISSISSIPPI: Biloxi, Hattiesburg. NEBRASKA: Beatrice, Bellevue. NEW MEXICO: Gallup, Santa Fe. NEW YORK: New Rochelle, Port Jefferson Station, Watertown. NORTH CAROLINA: Asheville, Banner Elk. OKLAHOMA: Tulsa. OREGON: Pendleton. SOUTH CAROLINA: North Augusta. TEXAS: Abilene, Gallatin, Houston, Jacksonville, Manchester, Murfreesboro, Mt. Juliet, Perrytown, Round Rock, Shelbyville, Sweetwater, Tyler, The Woodlands. UTAH: Moab. VIRGINIA: Newport. WASHINGTON: Kennewick. WYOMING: Casper.

Viacom International
1211 Ave. of the Americas
New York, N.Y. 10036
(212) 575-5175

SYSTEMS: Viacom Cablevision—CALIFORNIA: San Francisco region; North Bay region: Marin County, Sonoma County, Napa/Pinole; Diablo region: East Bay, Delta, Oroville/Paradise. OHIO: Dayton region. TENNESSEE: Nashville region. WASHINGTON: Northwest region: Puget Sound, Tacoma (Pierce County), Salem. WISCONSIN: Milwaukee region. **CHANNELS:** Showtime/The Movie Channel, MTV Networks.

Warner Communications
75 Rockefeller Plaza
New York, N.Y. 10019
(212) 484-8000

SYSTEMS: Warner Cable Comm.—ARIZONA: Flagstaff, Kingman, Parker, Sedona. ARKANSAS: Booneville, Clarksville, Fayetteville, Paris, Russellville. CALIFORNIA: Avenal, Bakersfield, Barstow, Blythe, Palm Springs, Taft. FLORIDA: Crestview, Fort Walton Beach, Lake City, Niceville. ILLINOIS: Altamont, Danville, DeKalb, Rochelle, St. Almo, Sycamore. INDIANA: Union City, Warsaw. KENTUCKY: Manchester. MASSACHUSETTS: Athol, Chelsea, Dalton, Everett, Lynn, Pittsfield, Salem, Somerville, Swampscott, Wakefield, Winthrop. MICHIGAN: Menominee. MISSISSIPPI: Batesville, Cleveland, Lambert, Marks, Yazoo City. NEW HAMPSHIRE: Berlin, Claremont, Nashua. NEW JERSEY: Avalon. NEW YORK: New York (under construction), Olean. OHIO: Akron, Alliance, Canton, Cincinnati, Columbus, Cridersville, Delphos, Fort Shawnee, Kenton, Plain Township, Sandy, St. Mary's, Sidney, Urbana, Wapakoneta, Youngstown. OREGON: Coos Bay, Myrtle Point. PENNSYLVANIA: Altoona, Bradford, Chambersburg, Clearfield, Marietta, Morrison Cove, Newport, Pottsville, Reedsville, Roaring Springs, Shippensburg, Warren. TENNESSEE: Kingsport. TEXAS: Houston and suburbs. VERMONT: Bellows Falls, Brattleboro. VIRGINIA: Hampton, Harrisonburg, Poquoson, Reston, Williamsburg. WEST VIRGINIA: Martinsburg. WISCONSIN: Brookfield, Marinette, Marshfield, Menasha, Merrill, Milwaukee (under construction), Neenah, Oshkosh.

Washington Post Co.
1150 15th St. N.W.
Washington, D.C. 20071
(202) 334-6000

SYSTEMS: Post Newsweek—ARIZONA: Bisbee, Clifton, Cottonwood, Globe, Holbrook, Page, Safford, Showlow, Winslow. CALIFORNIA: Burlingame, Modesto/Oakdale, Santa Rosa, Union City. ILLINOIS: Highland Park. INDIANA: Greenwood. IOWA: Sioux City. KANSAS: Abilene, Beloit, Clay Center, Concordia. MISSISSIPPI: Clarksdale, Gulfport. MISSOURI: Brookfield, Joplin, Kirksville, Trenton. NEBRASKA: Norfolk. NEW MEXICO: Rio Rancho, Roswell. NORTH DAKOTA: Fargo. OHIO: Akron. OKLAHOMA: Altus, Ardmore, Frederick, Hobart, Idabel, Mangum, Miami, Ponca City, Vinita, Nowata. TENNESSEE: Dyersburg. TEXAS: Aransas Pass, Bonham, Childress, Lampasas, Lufkin/Livingston, Memphis, Odessa, Port Lavaca, Sherman/Denison, Wellington.

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(501) 785-7810
Donrey Outdoor Advertising.

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New York, N.Y. 10281
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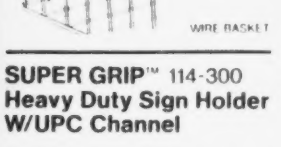

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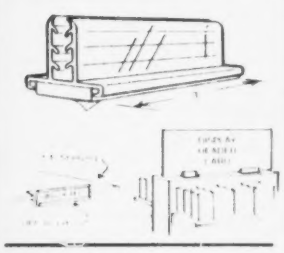

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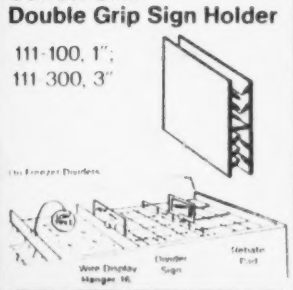

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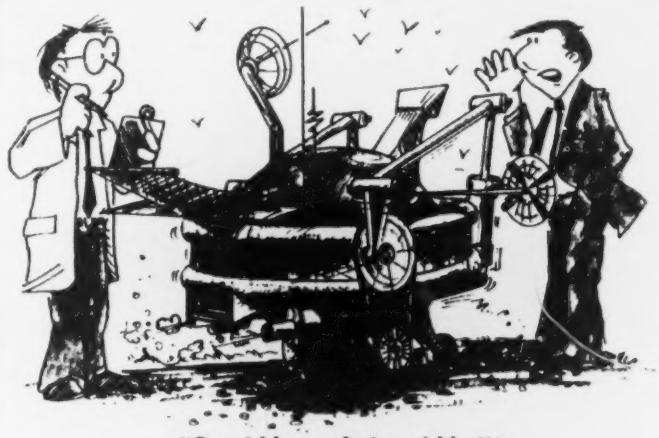
Publicly-held media companies by return on sales

Rank 1988	Rank 1987	Company	Return on sales 1988	Return on sales 1987	Total revenues 1988	Total revenues 1987	Net income 1988	Net income 1987	Media revenues 1988	Media revenues 1987
1	5	**CBS Inc.**	41.4	16.4	$2,777.7	$2,762.1	$1,149.9	$452.5	$2,776.8	$2,761.8
2	1	**LIN Broadcasting**	36.4	41.9	225.5	208.7	82.1	87.4	158.4	156.2
3	7	**Washington Post Co.**	19.7	14.2	1,367.6	1,315.4	269.1	186.7	1,305.6	1,240.3
4	16	**Berkshire Hathaway**	17.1	9.8	2,333.2	2,402.9	399.3	234.6	131.7	123.0
5	4	**Lee Enterprises**	16.2	18.8	252.5	237.6	40.9	44.6	234.8	223.4
6	6	**Dow Jones & Co.**	14.2	15.4	1,603.1	1,314.4	228.2	203.0	973.1	987.7
7	8	**Reuters Holdings PLC**	13.4	12.6	1,777.0	1,366.6	237.8	172.8	351.3	293.5
8	9	**Park Communications**	12.8	12.3	149.6	138.8	19.1	17.1	149.6	138.8
9	15	**Journal Communications**	11.2	10.3	443.2	404.0	49.6	41.6	274.9	249.2
10	14	**Gannett Co.**	11.0	10.4	3,314.5	3,079.0	364.5	319.4	3,211.3	2,991.3
11	18	**3M**	10.9	9.7	10,581.0	9,429.0	1,154.0	918.0	249.6	217.0
12	11	**Houston Industries**	10.8	12.0	3,649.5	3,628.2	395.3	435.0	162.9	142.6
13	20	**McGraw-Hill**	10.2	9.4	1,818.0	1,751.0	185.0	164.8	509.8	466.7
14	19	**Warner Communications**	10.1	9.6	4,206.1	3,403.6	423.2	328.1	496.4	425.0
15	22	**Times Mirror Co.**	10.0	8.5	3,332.6	3,142.3	331.9	266.5	2,677.9	2,548.9
16	17	**New York Times Co.**	9.9	9.8	1,700.0	1,642.4	167.7	160.3	1,700.1	1,642.4
17	13	**United Artists Entertainment Co.**	9.3	10.7	1,103.0	875.8	102.8	93.4	513.6	431.6
18	21	**Thomson Corp.**	9.2	9.1	4,726.0	3,940.0	436.0	359.0	1,126.0	973.4
19	28	**Tribune Co.**	9.0	6.6	2,334.8	2,149.8	210.4	141.5	1,985.5	1,875.7
20	36	**Chris-Craft Industries**	8.5	4.4	250.8	241.3	21.4	10.6	230.6	216.7
21	29	**Capital Cities/ABC**	8.1	6.3	4,773.5	4,440.3	387.1	279.1	4,588.5	4,256.2
22	12	**McClatchy Newspapers**	8.1	11.5	355.8	331.7	28.8	38.0	352.6	328.9
23	25	**Knight-Ridder**	7.5	7.9	2,083.3	1,968.2	156.4	155.2	2,077.1	1,943.9
24	10	**Maclean Hunter**	7.5	12.0	1,044.7	840.9	78.1	101.1	181.1	163.2
25	23	**Central Newspapers***	7.0	8.1	417.6	402.7	29.3	32.8	417.6	402.7
26	34	**Meredith Corp.**	7.0	5.6	678.5	601.6	47.4	33.9	474.7	449.2
27	30	**General Electric Co.**	6.8	6.1	50,089.0	48,158.0	3,386.0	2,915.0	3,638.0	3,241.0
28	24	**Westinghouse Electric Corp.**	6.6	7.9	12,499.5	11,332.0	822.8	900.5	632.8	600.5
29	32	**Time Inc.**	6.4	6.0	4,507.0	4,193.0	289.0	250.0	3,686.0	3,306.0
30	39	**Multimedia Inc.**	6.1	3.0	439.6	410.8	26.9	12.5	374.0	352.6
31	35	**Scripps Howard**	5.8	5.5	1,214.5	1,147.0	70.1	63.5	1,203.3	1,128.5
32	37	**Pulitzer Publishing Co.**	5.0	4.2	391.0	367.3	19.6	15.3	391.0	367.3
33	26	**Cowles Media Co.**	3.9	7.5	315.8	295.1	12.2	22.2	315.0	295.1
34	33	**A.H. Belo Corp.**	2.6	5.8	385.7	381.7	10.1	22.3	385.4	381.7
35	43	**TCI**	2.5	0.3	2,282.0	1,709.4	56.0	5.6	1,705.1	1,225.1
36	3	**Associated Press**	2.4	18.8	270.8	247.8	6.6	46.7	261.3	239.3
37	27	**Playboy Enterprises**	1.6	6.9	159.8	161.8	2.6	11.1	143.8	144.9
38	31	**Media General**	1.2	6.0	755.7	715.3	8.8	42.9	449.4	424.1
39	42	**Century Communications Corp.**	1.0	0.9	163.3	109.8	1.6	1.0	160.0	106.0
40	38	**National Geographic Society**	(0.6)	3.1	428.9	387.0	(2.7)	11.9	245.4	223.4
41	41	**Advo-System**	(0.7)	1.7	589.0	520.5	(4.1)	8.7	589.0	520.5
42	45	**Viacom International**	(9.8)	(12.2)	1,258.5	1,010.7	(123.1)	(123.5)	1,113.8	938.5
43	44	**Comcast Corp.**	(10.6)	(3.0)	449.9	309.3	(47.6)	(9.4)	404.1	286.8
44	46	**Turner Broadcasting System**	(11.7)	(20.1)	806.6	652.4	(94.5)	(131.2)	537.6	436.4
45	2	**Affiliated Publications**	(15.1)	41.1	534.2	490.1	(80.9)	201.2	506.5	472.8
46	40	**Great American Communications Co.**	(19.0)	1.7	381.9	340.3	(72.4)	5.7	200.4	190.3
47	47	**Cablevision Systems Corp.**	(32.3)	(24.7)	493.5	299.5	(159.4)	(74.0)	493.5	299.5
48	49	**Storer Holdings**	(34.3)	(36.9)	472.1	419.8	(162.1)	(155.1)	472.1	419.8
49	48	**TVX Broadcasting Group**	(54.4)	(36.0)	150.8	133.4	(82.0)	(48.0)	150.8	133.4
		TOTAL	**8.0**	**7.4**	**136,338.3**	**125,810.4**	**10,878.8**	**9,271.9**	**45,369.8**	**41,382.9**

Notes: Dollars are in millions. Rankings given for 1987 in this table are based on figures restated or estimated in 1988, some of which are pro forma. Only companies among the 100 leading media companies are ranked in this table. *Central Newspapers is private, but released these sales and earnings figures. **Sources:** Company sources, annual reports and other public documents. Media revenues are Advertising Age estimates.

AA chart: Kevin Brown



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MAXWELL'S MARKET SHARES

Pet-food sales up slightly

By JOHN C. MAXWELL JR.

The pet-food industry continued its trend of modest growth with a 3% increase in dollar sales to about $5.9 billion for 1988.

Cat food again led the way with an increase of 3.8% to $2.29 billion, with experts estimating a 3% tonnage gain. Dog-food sales were a little under $3.6 billion, a 2.45% increase.

Dog-food volume was flat, with any sales improvement coming primarily from the increased pricing of premium products.

Increases in dollar sales for the industry are expected to keep outpacing volume growth by a substantial margin for the foreseeable future, due in part to the "trending up" of product lines.

Segment leaders within each of the categories remained virtually unchanged.

Dog treats exhibited another large gain, with an 8.4% increase in dollar sales to $430 million and a a 4%-to-5% increase in unit volume. The segment's unit growth is expected to do that well or better for the foreseeable future.

The soft-dry segment witnessed a large dollar gain of 11.9% to $242 million, mainly due to the strength of Kibbles 'N Bits 'N Bits 'N Bits.

Canned dog food had a 3.4% increase in dollar sales to $920 million with no unit growth for the year. Moist dog-food sales declined 1.5% to $192 million and volume fell 1%.

Canned and dry cat food turned in respective sales gains of 5.5% and 5.3% for 1988, bringing sales to $1.26 billion and $792 million. Unit growth for both segments increased an estimated 3%.

Moist cat food declined 9.2% in sales to $217 million with tonnage dropping about 5%. Cat treats remained at $20 million in sales, with no unit growth forecast for the year.

The continued strength in cat food is a positive for companies such as Ralston Purina Co., Heinz Pet Products and Carnation Co., which have a product emphasis in this category. Kal Kan Foods (Mars Inc.) and Alpo Petfoods (GrandMet USA) had the biggest sales gains with increases of 16.4% and 11.3% as Kal Kan moved up the market share ladder to fourth place behind Purina, Quaker Oats Co. and Carnation. Purina maintained its market share, while Kal Kan had the largest absolute increase of 1.2 points.

A number of factors are contributing to the cat-food gains. First is the upward trend in the number of cats. Second, the number of households with cats is increasing rapidly. This correspondingly points to more dispersed ownership. The ratio of cats per household has decreased in the past three years from 2.16 in 1986 to 2.10 in 1988, a faster rate of decrease than the dog ownership ratio.

Other demographic factors—the rise in two-income families, the increase in urban populations and the upward movement in the number of people renting rather than owning homes—point to the choice of smaller, easier-to-care-for pets.

The pet-food industry as a whole should get an added push as awareness of the psychological benefits of owning a pet increases.

Another trend is the emerging

(Continued on Page 53)

CAT-FOOD SALES

Brand	Manufacturer	1987	1988*
Canned cat food		$ in millions	
Kal Kan Whiskas	Kal Kan (Mars)	$242.6	$262.0
9 Lives	Heinz	255.5	253.3
Friskies Buffet	Carnation	175.0	200.0
Fancy Feast	Carnation	138.5	145.5
Amore	Heinz	85.0	100.0
Purina 100	Ralston Purina	86.2	88.5
Sheba	Kal Kan (Mars)	—	28.0
Puss'n Boots	Quaker Oats	21.0	22.0
Bright Eyes	Carnation	14.5	10.0
Catviar	Ralston Purina	8.0	10.5
Unique	Ralston Purina	5.0	5.0
Tabby	Alpo (GrandMet USA)	2.0	1.0
Others		161.7	135.2
Total		$1,195.0	$1,261.0
Dry cat food			
Cat Chow	Ralston Purina	$154.0	$152.0
Friskies	Carnation	91.5	92.0
Meow Mix	Ralston Purina	85.0	86.5
Kal Kan Whiskas	Kal Kan (Mars)	61.5	65.0
9 Lives	Heinz	46.4	55.0
Special Dinners	Ralston Purina	43.5	41.0
Dry cat food cont'd			
Alley Cat	Ralston Purina	43.5	51.4
Chef's Blend	Carnation	40.3	37.6
Thrive	Ralston Purina	37.0	35.8
Kitten Chow	Ralston Purina	32.0	40.6
Smart Cat	Ralston Purina	15.0	25.5
Others		102.3	109.6
Total		$752.0	$792.0
Moist cat food			
Tender Vittles	Ralston Purina	$118.3	$111.5
Happy Cat	Ralston Purina	57.5	48.4
9 Lives Tender Meals	Heinz	30.5	27.0
Moist Meals	Quaker Oats	6.4	4.5
Moist & Tender	Ralston Purina	2.6	1.0
Others		23.7	24.6
Total		$239.0	$217.0
Cat treats			
Pounce	Quaker Oats	$14.0	$14.0
Bonkers	E-II Holdings	6.2	6.0
Total		$20.2	$20.0

* 1988 figures are estimates. Source: John C. Maxwell Jr.

DOG-FOOD SALES

Brand	Manufacturer	1987	1988*
Dry dog food		$ in millions	
Dog Chow	Ralston Purina	$255.0	$255.0
Puppy Chow	Ralston Purina	155.0	155.0
Alpo Beef Flavored Dinner	Alpo (GrandMet USA)	108.0	113.5
Gravy Train	Quaker Oats	90.0	95.6
Come 'N Get It	Carnation	84.0	83.0
Kibbles and Chunks	Ralston Purina	70.0	72.0
Hi Pro	Ralston Purina	80.0	70.0
MealTime	Kal Kan (Mars)	64.4	62.0
Chuck Wagon	Ralston Purina	58.3	51.0
Mainstay	Ralston Purina	48.5	46.0
O.N.E.	Ralston Purina	45.0	50.0
Lucky Dog	Ralston Purina	40.5	40.0
Purina Blends	Ralston Purina	33.5	30.0
Cycle	Quaker Oats	30.4	48.8
Hearty Chunks	Quaker Oats	30.0	35.0
Grrravy	Ralston Purina	30.0	43.0
Fit & Trim	Ralston Purina	30.0	34.0
Puppy Chow Chewy Morsels	Ralston Purina	20.0	15.0
Hunters Choice	Jim Dandy (GrandMet USA)	12.9	13.0
Jim Dandy Chunk & Ration	Jim Dandy (GrandMet USA)	11.5	11.5
Alpo Puppy	Alpo (GrandMet USA)	10.0	9.0
Gravy Train Puppy	Quaker Oats	9.0	4.0
Thrive	Ralston Purina	8.0	6.0
Ken-L Ration Biskit & Meal	Quaker Oats	7.0	6.0
Bow Wow	Piasa	6.0	5.5
Kasco	Piasa	5.5	5.5
Praise	Ralston Purina	5.0	—
Friskies Dinner & Cubes	Carnation	5.0	—
Field n' Farm	Ralston Purina	3.5	2.0
Field Master	Ralston Purina	3.3	4.0
Alamo Brand	Alpo (GrandMet USA)	2.0	—
Savor	Ralston Purina	2.0	2.0
Cadillac	Cadillac	1.6	3.0
Blue Mountain	Associated Products	1.3	1.0
Vets Nuggets'	Heinz	1.3	1.0
Strongheart	E-II Holdings	1.2	1.0
Gaines Meal	Quaker Oats	0.8	0.6
Others		430.5	425.0
Total		$1,800.0	$1,799.0
Moist dog food			
Gainesburgers	Quaker Oats	$47.0	$38.5
Top Choice	Quaker Oats	20.5	13.8
Ken-L Ration Special Cuts	Quaker Oats	20.0	17.4
Moist & Meaty	Ralston Purina	20.0	32.5
Ken-L Ration Burgers	Quaker Oats	20.0	16.4
Smorgasburger	Quaker Oats	12.5	13.0
Moist'n Beefy	Quaker Oats	4.0	9.5
Prime/Puppy Choice	Quaker Oats	1.5	1.2
Others		49.5	49.7
Total		$195.0	$192.0
Dog treats			
Milk-Bone & others	Nabisco Brands	$159.1	$163.7
Chew-eez & others[2]	Superior Brands	40.0	43.0
Jerky Treats	Heinz	36.7	37.3
Meaty Bones	Heinz	26.5	30.0
Bonz	Ralston Purina	21.0	19.0
Alpo Jerky	Alpo (GrandMet USA)	13.0	13.0
Hearty Chews	Ralston Purina	12.0	15.0
Alpo Snaps	Alpo (GrandMet USA)	11.5	11.0
Snausages	Quaker Oats	10.5	9.3
Pup-Peroni	Quaker Oats	10.0	12.5
Beef Bites	Alpo (GrandMet USA)	7.4	7.8
100% Natural Treat	Quaker Oats	5.0	7.0
Cheesedawgs	Ralston Purina	3.0	5.4
Marrow Bone	Kal Kan (Mars)	2.0	1.0
Tasty Chunks	Quaker Oats	2.0	1.5
Recipe	Heinz	1.5	1.2
Say Cheese, People Crackers	Hi-Life	1.1	0.8
Others		34.2	51.5
Total		$396.5	$430.0
Canned dog food			
Alpo	Alpo (GrandMet USA)	$240.0	$262.0
Kal Kan Pedigree	Kal Kan (Mars)	160.0	200.0
Mighty Dog	Carnation	98.0	88.0
Cycle	Quaker Oats	72.3	65.0
Ken-L Ration	Quaker Oats	50.0	45.0
Skippy, Premium'	Heinz	39.3	39.0
Grand Gourmet	Carnation	25.0	50.0
Recipe	Heinz	24.5	23.5
Vets'	Heinz	21.5	15.0
King Kuts	Quaker Oats	20.0	43.0
Gravy Train	Quaker Oats	11.0	9.0
Cadillac	Cadillac	11.0	13.0
Strongheart	E-II Holdings	9.5	7.5
Twin Pet	Allied Foods	8.0	11.0
Blue Mountain	Alpo	8.0	7.5
Skippy'	Heinz	7.5	6.8
Alpo Canned Puppy	Alpo (GrandMet USA)	7.5	6.8
Laddie Boy	Laddie Pet Food	5.0	4.5
Bone Appetit	Ralston Purina	2.0	2.0
Henny Pen	Allied Foods	1.5	0.5
MPS	Kal Kan (Mars)	1.0	0.5
Red Heart	Allied Foods	0.2	—
Others		67.2	20.4
Total		$890.0	$920.0
Soft-dry dog food			
Kibbles 'N Bits 'N Bits 'N Bits	Quaker Oats	$113.3	$151.0
Tender Chops	Quaker Oats	59.7	56.1
Moist 'n Chunky	Ralston Purina	22.5	17.8
Puppy Kibbles 'N Bits 'N Bits 'N Bits	Quaker Oats	13.2	10.5
Dinner Rounds	Heinz	4.0	3.2
Jim Dandy Tender Moist Chunks	Jim Dandy (GrandMet USA)	3.6	3.4
Total		$216.3	$242.0

* 1988 figures are estimates. [1]Purchased by Heinz from CNB Foods in 1987. [2]Superior products include Chew-eez, Wagtime Biscuits, Bone-Anza and Chew-eez Flavor Sticks. Source: John C. Maxwell Jr.

Purina selects upscale cat food

By JULIE LIESSE ERICKSON

Ralston Purina Co. is taking to O N E -upmanship to hold its lead in the $2 billion cat-food market.

Purina Select, the cat-food version of the company's upscale Purina O N E dog food, is rolling into Western markets and metropolitan New York next month as a prelude to a national rollout.

It's being marketed as the only dry cat food with real meat as the main ingredient and the first super-premium dry cat food sold in supermarkets. Purina Select will be available in two flavors: chicken and lamb, and trout and salmon.

The marketer already sells a similar product, under the ProPlan name, in non-supermarket outlets.

Purina will support the introduction with a TV and print campaign from Scali, McCabe, Sloves, New York.

Scali handled the introduction of O N E three years ago.

Purina also is trying to preen its image in the best-selling canned segment by repackaging and renaming its Purina 100 as Purina Premium, shipping now to retailers nationwide.

"Since 1986, our low price has been our major point of difference. In 1989, we're doing two things to change that: changing our name and [adding] new contemporary packaging," Purina said in retailer sales materials.

But one competitor, who asked not to be named, said: "They haven't changed the product, and the name change alone doesn't make them a premium product."

Led by the Sheba brand from Mars Inc.'s Kal Kan Foods and Fancy Feast from Carnation Co.'s Friskies PetCare unit, the premium segment is the fastest-growing in the $1 billion canned cat-food market.

Purina dominates its competition in dry cat food, with a 54.6% share, and the declining semimoist segment, with a 74% share, according to Wheat First Securities analyst John C. Maxwell Jr. But it hasn't been a serious competitor in canned products, where it lags behind Heinz Pet Products Co., Friskies and Kal Kan, with a 10% share.

Free-standing inserts and various other couponing programs will support the Purina Premium relaunch. Centra Advertising, Purina's in-house agency, handles the brand.

With these two products, Purina continues its aggressive push into cat food.

During the past year, the company has introduced Tender Vittles Lite semimoist cat food; Kitten Chow Dairy Formula; Kit N Kaboodle, Cat Menu and Cat Chow Plus dry cat foods; and Whisker Lickin's cat treats.

Mr. Maxwell's figures for 1988 show Purina leading the total cat-food market with a 34.7% share, followed by Friskies with 24.2%, Heinz with 21.7%, and Kal Kan with 17.7% #

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Pet food

(Continued from Page 43)

strength of specialty shops as a distribution channel. This channel, consisting primarily of pet shops and veterinarian practices, adds an estimated $700 million in sales. The annual growth rate of this segment has been more than 18%.

The segment is dominated by two companies, Hill's Pet Products (Colgate-Palmolive Co.) and Iams Co. Hill's, with an estimated $300 million to $350 million in revenues, has close to a 50% market share. Iams had an estimated $105 million in revenues in 1988, translating to a second place position with a 14.3% market share.

Targeting the specialty-store consumers will hold an increasing attraction to the mass-market manufacturers. In turn, sales through this channel will rise at a faster rate than sales through food stores.

Another continuing trend is the consolidation and concentration of the players in the market. The top six companies now comprise more than 81.1% of the total industry.

Due in part to a forecast of continued mergers and acquisitions, and in part due to the difficulty of entering the industry, concentration should continue. Consolidation is likely to occur especially rapidly within the universe of companies that primarily distribute through non-food channels. Most of the market other than Hill's and Iams is made up of a number of small, privately held companies.

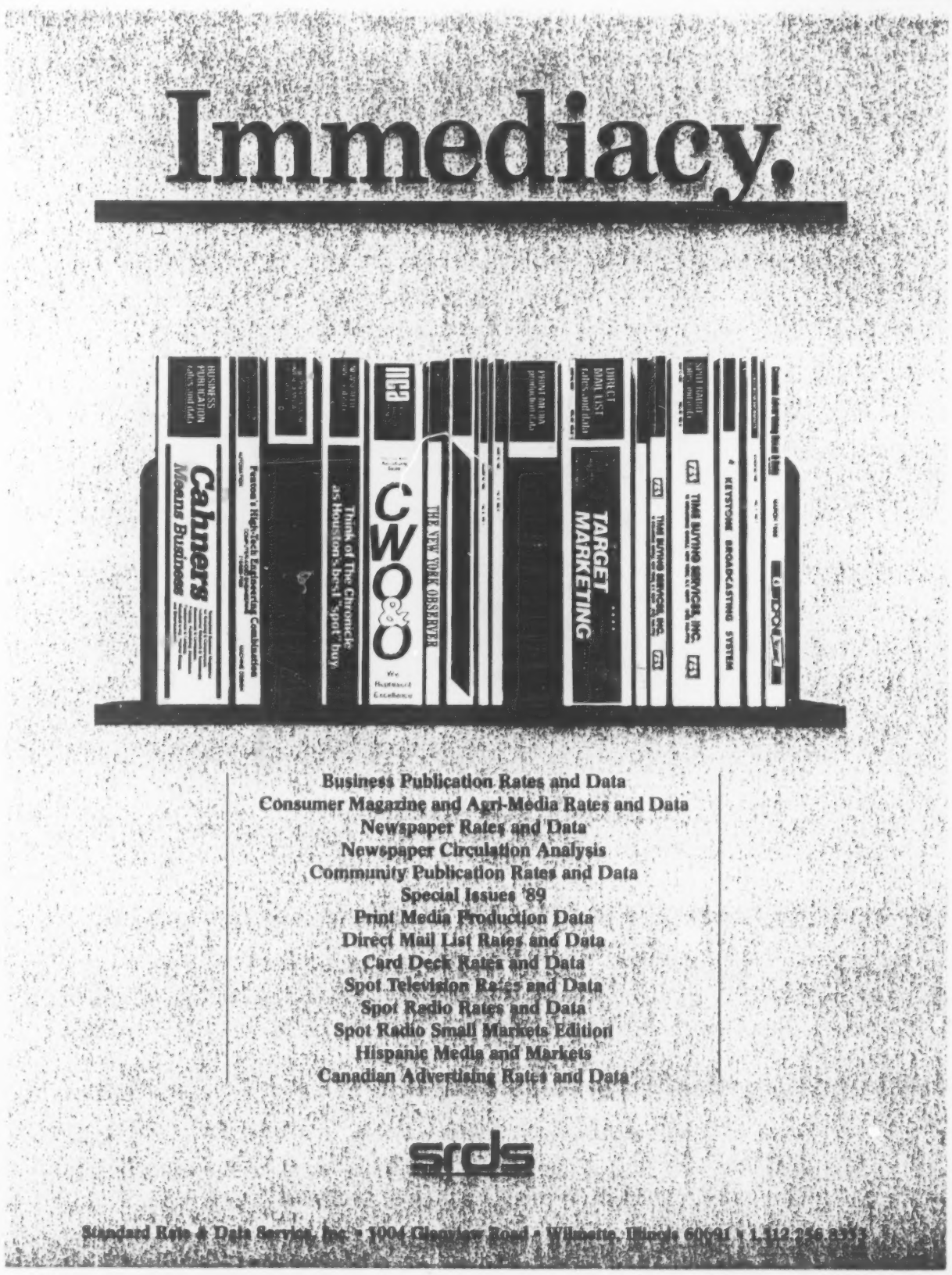
This past year didn't witness a mass proliferation of new products, but it's interesting that a few industry experts believe product introductions will increase in the next couple of years. It appears product introductions in the future will be a balance between a re-emphasis on core brands and the targeting or creation of niche markets.

The trend of trading up products also will continue. Witness the change of Kal Kan to Kal Kan Pedigree, and the emphasis on "premium" brands, as volume growth stays modest and companies seek ways to increase dollar sales.

Companies such as Alpo with Alpo Lite, Purina with Pro Plan Lite Formula and Quaker with Cycle 3 Lite have introduced "diet" pet foods.

It appears this is a potentially large segment for the pet-food industry as a whole, but most of the growth will be in the area of dog food. This is due to a much higher percentage of dogs (40%) being obese compared with cats (10%), based on a survey of veterinarians' patient characteristics #

Mr. Maxwell is with Wheat First Securities, Richmond, Va.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LAUNCHING PAD

New publication launches.

'B.CV'

InterVision will introduce, with a fall issue, *B.CV*, or "Before *CareerVision*," a twice-yearly magazine for college-bound high school juniors and seniors. *CareerVision* is a magazine for college students launched last February by InterVision. *B.CV* will be distributed to 250,000 students at more than 1,250 high schools. A b&w or color page is $9,000. Kathi Doolan is publisher. Offices are at 251 Park Ave., New York 10010. Phone: (212) 475-8200.

'Career Futures'

Career & Information Services introduced, with a spring issue, *Career Futures*, a quarterly aimed at college upperclassmen and recent graduates. "We provide our readers with the information they need to make a successful transition from their education to real life," said

founder and Publisher Dennis Flavin, former publisher of the now-defunct *Business Week Careers*. Circulation, paid and controlled, is 650,000. A b&w page is $17,062, and a color page is $22,750. Denis Meacham is editor, and Jack Cortissoz and William Flavin are ad directors. Offices are at 70 Seaview Ave., Stamford, Conn. 06902. Phone: (203) 353-7060.

'Get Into Golf'

Times Mirror Magazines will introduce, with a February test issue, *Get Into Golf*, an offshoot of its *Golf* magazine. The new publication will be aimed at "the millions of people just taking up the game, returnees and infrequent players," the company said. No frequency has been set pending the results of the test issue. Initial rate base is 265,000, all newsstand. A b&w page is $8,000, and a color page is $12,000. Peter Bonanni is publisher, Robin McMillan is editor and James Ransford is ad director. Offices are at 2 Park Ave., New York 10016. Phone: (212) 779-5000. #

NEWSSTAND

A listing of print advertising opportunities.

Child, New York, "The family traveler" special advertising section, September/October issue; ad close: June 27. B&w one-sixth page: $1,800.

Country Journal, Harrisburg, Pa., "Greenhouse gardens" special editorial section, September/October issue; ad close: June 27. B&w page: $8,295; color page: $11,600.

In Fashion, New York, "Russia's styles in America" special editorial feature, September issue; ad close: June 27. B&w page: $5,050; color page: $7,250.

New England Business, Boston, "The presidents' report" special editorial feature, August issue; ad close: June 28. B&w page: $5,040; color page: $6,500.

Details, New York, "Women's Paris collections" special editorial section, September issue; ad close: June 30. B&w page: $3,650; color page: $5,800.

New Miami, Miami, "First anniversary" special editorial issue, August issue; ad close: June 30. B&w page: $1,895; color page: $2,385.

New York Yankees, Bronx, N.Y., "Hall of Fame day" special editorial issue, Aug. 31 issue; ad close: June 30. B&w page: $1,750; color page: $2,425.

Psychology Today, New York, "Learning" special editorial supplement, September issue; ad close: June 30. Color page: $33,920.

The Village Voice, New York, "Rock 'n' roll quarterly" special editorial supplement, July 18 issue; ad close: June 30. B&w page: $6,360; color page: $7,210.

Popular Mechanics, New York, "Recreational shooting" special editorial report. October issue; ad close: July 1. B&w page: $29,621; color page: $39,943.

Profitable Craft Merchandising, Peoria, Ill., "Christmas preview" special editorial feature, August issue, ad close: July 1. B&w page: $2,435; color page: $3,980.

Elle, New York, "Solar/polar style" special advertising section, November issue; ad close: July 3. Color page: $30,000.

Prevention, Emmaus, Pa., "The 100 best diet and healing foods" special editorial section, September issue; ad close: July 3. B&w page: $27,910, color page: $36,565.

Rolling Stone, New York, "Woodstock 20th anniversary" special editorial issue, Aug. 24 issue, ad close: July 3. B&w page: $28,090; color page: $40,035. #

RATINGS & RESEARCH

Ratings and research developments of interest to media buyers.

MTV Networks vs. the people meter. How many kids and teens are *really* watching those TV sets?

Far more than are reported by Nielsen Media Research's people meters, contend many programmers.

Now MTV Networks and J. Walter Thompson USA are circulating the results of a telephone coincidental survey (asking kids and teens what they're viewing at that moment) and arguing the data demonstrate a stubborn, sizable undercount.

The phone survey was conducted this spring, and its results are similar to a phone survey from February 1988. Both showed significantly more viewing of MTV, Nickelodeon and others kids' fare than was recorded by the people-meter sample.

The new nationwide phone survey covered more than 75,000 TV viewers contacted by Nielsen between March 13 and April 16. Viewers were selected at random.

For MTV Networks' Nickelodeon, the survey indicated the viewer-per-viewing-household figure for children ages 2 to 11, as reported by the people meter, was 24% lower (0.92) than reported in the phone survey sample (1.21).

For syndicated weekday kids' TV programming, the people-meter figure (0.71) was 25% lower than the phone survey results (0.95); for Saturday morning network kids' programming, the people-meter figure (0.71) was 11% lower than the phone survey results (0.80).

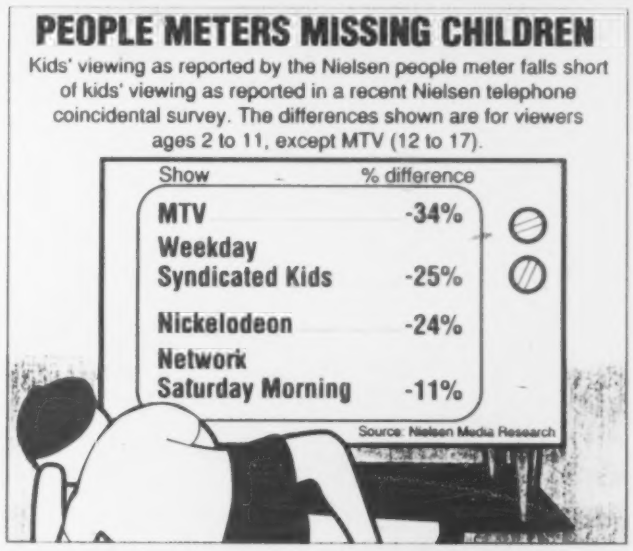
The phone survey also showed the people meter understated the viewer-per-viewing-household figure for MTV by 34% (0.39 instead of 0.59 as measured in the phone survey) for teens ages 12 to 17 and by 32% (0.30 instead of 0.47) for young adults ages 18 to 24.

"Children can successfully operate microwave ovens, videocassette recorders and TV remote controls but may not be willing to operate people meters on an ongoing basis. There is no tangible reward for doing so," said Debbie Solomon, VP-research at JWT.

Nielsen Media Research Exec VP John Dimling admitted there's a problem and said the phone coincidental survey, while not a definite measurement, "supports the conclusion that the people meter understates teen and kids viewing."

The solution: passive people meters. But Nielsen doesn't expect the passive meters to be in use before 1992. #

Written by Wayne Walley.


PEOPLE METERS MISSING CHILDREN
Kids' viewing as reported by the Nielsen people meter falls short of kids' viewing as reported in a recent Nielsen telephone coincidental survey. The differences shown are for viewers ages 2 to 11, except MTV (12 to 17).
Show
% difference
MTV -34%
Weekday Syndicated Kids -25%
Nickelodeon -24%
Network Saturday Morning -11%
Source: Nielsen Media Research

John Heiland

THE PRINTED WORD

Magazines sport ad-page jumps

Print media advertising and circulation performance.

Public interest in sports is at an all-time high. Total attendance for 11 major sports reached 442 million last year, a record, an annual survey by the *Daily Racing Form* found.

The sports media marketplace is booming, too.

Broadcast rights fees for major sports are soaring. Regional sports channels are popping up on television from coast to coast; ESPN, once the only 24-hour national sports network, now faces competition from SportsChannel America and the recently announced Mizlou Sports News Network.

As the public's appetite for sports event programming grows, so does its thirst for sports news and information. At least two national consumer sports publication launches have been announced in the past year.

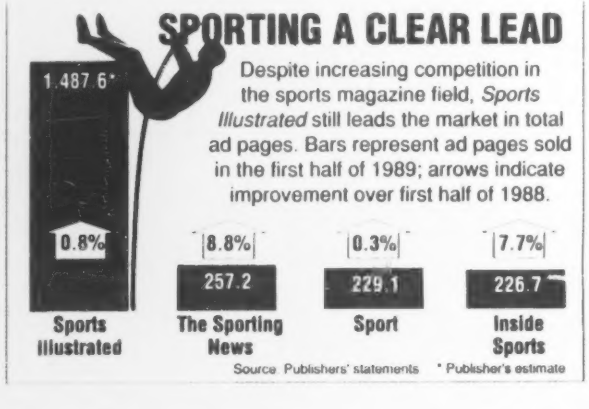
ESPN's new *TV Sports*, which made its debut in January, is a monthly guide to sports programming distributed through 2.1 million Sunday newspapers.

Former *New York Post* Publisher Peter Price, former *Sports Illustrated* writer Frank Deford and Univisa this fall will launch a daily sports newspaper, tentatively titled *The National*.

The paper will compete primarily with the sports section of *USA Today*.

The new publications don't have much of a shot at overthrowing *Sports Illustrated*, the undisputed heavyweight champion of sports print. They may heat up the race for the No. 2 ranking, a position not forcefully claimed by any of *SI's* current competitors.

This week, "The Printed Word" scouts the nation's top general-interest sports publications.



Holly Segurine

Sports Illustrated, New York (Time Inc.): *SI's* ad-page count leveled off in the first half of '89 after dramatic growth during the 1988 Olympics. The weekly remains—far and away—the king of the sports publishing hill. Last year, *SI* ranked third among *all* magazines in ad revenues, taking in $323.9 million, and eighth in ad pages with 2,978. An offshoot, *Sports Illustrated for Kids*, was introduced in January.

Ad pages—(first-half 1989) 1,487.6, up 0.8%; (full year 1988) 2,978, up 12.3%.

Rate base—3,150,000.

Color cost per thousand—$33.40.

The Sporting News, St. Louis (Times Mirror Co.): This 103-year-old newspaper is *SI's* only weekly competition. Editorially, *TSN* tries to distance itself from the rest of the pack and has earned a reputation as a statistic-filled, nuts-and-bolts newspaper for the serious sports fan. Ad pages dipped in '88, but the newspaper has seen the greatest percentage growth in pages among sports publications for the first half.

Ad pages—(first-half 1989) 257.2, up 8.8%; (full year 1988) 578.8, down 8.2%.

Rate base—725,000.

Color CPM—$26.90.

Inside Sports, Evanston, Ill. (Inside Sports Inc.): *Inside Sports* was launched in 1980 under the auspices of *Newsweek* and, under its third and current owner, has become serious competition for its closest rival, *Sport*. The increased competition has led both books to beef up their editorial products and tinker with their looks.

Ad pages—(first-half 1989) 226.7, up 7.7%; (full year 1988) 419.0, up 2.9%.

Rate base—500,000.

Color CPM—$29.

Sport, Los Angeles (Petersen Publishing Co.): The 43-year-old monthly was in a slump when Petersen acquired it last July, but seems to be rebounding nicely after intense physical therapy. The publisher trimmed the magazine's rate base and rates, expanded its editorial and use of color, and added more special issues focusing on major sporting events. The June issue was the magazine's largest to date under Petersen, with 56.8 ad pages, a 35.8% increase from a year earlier.

Ad pages—(first-half 1989) 229.1, up 0.3%; (full year 1988) 424.4, down 11.3%.

Rate base—850,000.

Color CPM—$30. #

Written by Scott Donaton.

Cyclamate could have comeback

By LAURIE FREEMAN

The U.S. Food & Drug Administration could reapprove the use of cyclamate as an artificial sweetener by yearend. Cyclamate was banned about 20 years ago.

Unlike NutraSweet Co.'s aspartame, cyclamate is heat-stable and can be used in baking.

"Cyclamate could be used in any food category where low-calorie sweeteners are used now with even more applications like baked goods and heated foods," said Russell Lemieux, a spokesman for the Calorie Control Council. "It means more low-calorie sweetener options and ultimately more low-calorie food and beverage choices."

The council, representing soft-drink marketers, and Abbott Laboratories, the only remaining U.S. cyclamate manufacturer, asked the FDA to lift its ban.

An FDA official last month said the ban was a mistake. At the time, cyclamate was believed to cause bladder cancer.

"There's a good deal of ground left to cover. . . . It's not likely to be given the green light before the end of the year," said Emil Corwin, the FDA spokesman.

Cyclamate is marketed overseas as a tabletop sweetener and as a blending element in other foods, including soft drinks.

Pepsi-Cola Co. and Coca-Cola USA said they're closely watching the FDA's actions on cyclamate. Pepsi said it uses cyclamate in some products sold overseas.#

NutraSweet rivals loom

(Continued from Page 3)

approval by the U.S. Food & Drug Administration.

In April, Pfizer assigned its Altame sweetener, which is 2,000 times sweeter than sugar, to Bozell with an estimated $25 million-to-$30 million budget (AA, April 24). The assignment involves Bozell Public Relations, Bozell Healthcare and Poppe Tyson for the creation of a unified and far-reaching campaign.

McNeil has named Lowe Marschalk as its agency for sucralose, said to be 600 times sweeter than sugar. (NutraSweet is 200 times sweeter than sugar.)

McNeil said it would be premature to comment on ad plans until FDA approval is granted.

The company, however, is expected to keep pace with Pfizer's spending.

McNeil asked the FDA in February 1987 for approval to market sucralose in 15 product categories, including tabletop sweeteners, carbonated and non-carbonated beverages, baked goods, milk, frozen desserts and salad dressings.

Sucralose, derived from sugar, has no calories and is stable enough to be used in baked and frozen products, a spokesman said. Aspartame, in its current form, isn't heat-stable.

How does NutraSweet plan to respond to the competition?

"What competition? What new products? At this point, there's only one [Hoechst Celanese's Sunette, or acesulfame-K] on the market. That's just not enough at this point for us to make any change in our ad and marketing strategy," said a NutraSweet spokesman.

"In our view," he said, "consumers in this category look at taste, and in our research, consumers prefer the taste of NutraSweet."

The lion's share of new category spending will likely go behind sweeteners as ingredients for package foods, by far the largest segment of the sugar substitute market.

About 85% of all sweeteners are used as ingredients, and of that amount, 60% is used in soft drinks. Tabletop sweeteners account for only 15% of all use, according to Reach Associates, a consulting company.

Sunette has FDA OK

Hoechst Celanese's Sunette has had FDA approval for almost a year for use in desserts, dry beverages, chewing gums, desserts and puddings.

The company, a unit of West Germany's Hoechst AG, named Bergelt Litchfield to handle Sunette. Spending is limited to trade advertising this year.

The company's ad and promotional efforts, due to break this fall, will be aimed at increasing its number of ingredient licensees, a Bergelt spokesman said.

Consumer advertising will be given a try after Sunette gets FDA approval for use in soft drinks and baking products, he said. But approval isn't expected until at least 1990.

So far, Stadt Corp. is the only U.S. marketer that plans to use Sunette as an ingredient. Sunette will be used in Stadt's new tabletop sweetener called Sweet One.

Stadt President Marvin Eisenstadt said he's disappointed Hoechst Celanese hasn't run a consumer ad campaign to promote Sunette.

"We thought they would run a campaign, but they didn't," Mr. Eisenstadt said. "So it's up to us."

Stadt doesn't have the marketing or ad budget of NutraSweet, however; it will spend $5 million starting July 15 with a network TV push for Sweet One.

The ad campaign, from Pedone & Partners, mentions Sunette as Sweet One's ingredient.

Stadt has faced NutraSweet in the past. Stadt's sister company, Cumberland Packing, markets Sweet 'N Low, the saccharin-based granddaddy of artificial sweeteners, and a competitor to NutraSweet's Equal.

First introduced in 1958, Sweet 'N Low is aimed at artificial sweetener users, while Sweet One is aimed at sugar users.

Sweet 'N Low breaks network TV spots this October that continue its ad theme from last year, "For millions, there's just no Equal." Sweet 'N Low's ad spending in 1988 was $3.2 million, according to BAR/LNA Multi-Media Service, less than half Equal's $7.4 million.

Mr. Eisenstadt said Sweet 'N Low has about a 55% volume share of sugar substitute packet sales in grocery stores, compared with Equal's 35%. But Arbitron/SAMI figures show that on a dollar basis, Equal leads the market with $124.9 million in sales compared with Sweet 'N Low's $74.6 million.

Equal costs more than Sweet 'N Low.

Perhaps the most dogged NutraSweet competitor is United Sweetener, a unit of Netherlands-based Holland Sweetener Co.

Holland Sweetener is now introducing its Sweetmatch aspartame/saccharin blend sweetener into Delaware, targeted at sugar users.

Fight over blend

NutraSweet doesn't market a blend product but holds a patent on a blend that Holland Sweetener challenged at the U.S. Patent & Trademark Office. The patent office ruled in favor of Holland, said company attorney Carl Love.

Holland Sweetener also has issued legal challenges in Switzerland, Sweden, Norway, the Netherlands and Canada.

NutraSweet expects to continue fighting United Sweetener.

"This is by no means a final step. NutraSweet Co. has two active patents: one covering the overall use of aspartame in any form [expiring December 1992] and another covering all blends made with aspartame [expiring in November 1996]. We're confident they'll remain [in effect] until expiration," the NutraSweet spokesman said.

It's not known whether United Holland has a U.S. ad agency; United Sweetener couldn't be reached.

Much further away from market are five P&G sweeteners; they've been patented but haven't yet been put before the FDA for approval.

Company spokesman Don Tassone said P&G originally planned to use the sweeteners in its Crush soft-drink line, but now that business has been put on the block.

Still, a Crush sale won't deter the company from developing the new sweeteners, though it's not clear now whether they will be sold as ingredients, used in-house or both.

General Foods USA last summer said it might apply for FDA approval for two new artificial sweeteners called PS 99 and PS 100 that are between 2,000 and 2,500 times sweeter than sugar.

Although General Foods had no comment about its plans for the sweeteners, it's apparent that both PS 99 and PS 100 have applications in most all General Foods existing product lines. For example, the sweeteners could be used in powdered and carbonated soft drinks, bakery products, powdered desserts, dairy products, canned goods and tabletop sweeteners.

Whether the company will also market the sweeteners to competing food companies isn't known.#

Laurie Freeman in Washington and Julie Liesse Erickson in Chicago contributed to this story.

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New Tyson process aims to freeze out competition

By CHRISTY FISHER

Tyson Foods is preparing a July rollout of a new frozen chicken product in a bid to increase its supermarket presence.

The introduction of Tyson IQF chicken will be backed by an estimated $4 million print campaign from Saatchi & Saatchi Advertising, New York. Newspaper ads could start as early as July with a magazine push in the fall.

The poultry marketer will use a method of freezing chicken that preserves freshness. Until now, the individually quick-frozen process was only used for chicken bound for the foodservice industry, said Jack Dunn, Tyson's senior VP-retail marketing.

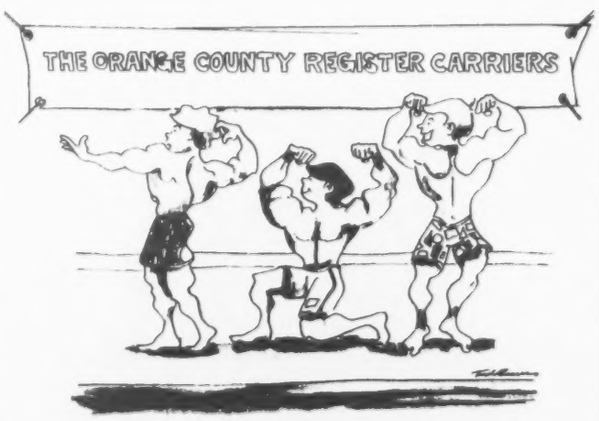
With the method, individual chicken pieces are instantly frozen and covered with an ice glaze just 8 hours after the chicken has been slaughtered, when the meat is most tender, Mr. Dunn said.

Rollout plans call for a 16-market introduction with national distribution set for completion by yearend.

Ads will educate consumers about the IQF method and include a $1-off coupon. Tyson will continue its "Feeding you like family" TV campaign, introduced in April (AA, Feb. 13).

Also next month, the company will introduce a ground chicken product, with no ad support.

Of the estimated 355 million pounds of chicken produced weekly for foodservice and supermarket sales, No. 1 Tyson has a 13.1% share, followed by 8.9% for ConAgra and 7.6% for Holly Farms, said John McMillin, an analyst with Prudential-Bache Research. But Tyson has only a "very small" share of the $1 billion branded chicken category, he said. Holly Farms leads with 19%, followed by Perdue Farms and ConAgra at 6% each.#



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Advertising Age

Crain's International Newspaper of Marketing.

Crush fails to fit on P&G shelf

Why the master product marketer is calling it quits in soft drinks

As the 1980s dawned, Procter & Gamble Co. had its sights on two major new fields of interest—healthcare and soft drinks. Acquisitions soon put the giant marketer into both.

As the decade ends, the nation's medicine chests are full of such P&G home remedies as Vicks Formula 44, Pepto-Bismol and Chloraseptic. But its soft-drink operation, Crush International, is on the selling block. Why did the most renowned U.S. package-goods company fail in the rough-and-tumble world of soft-drink marketing?

By Patricia Winters

Emery Bodnar, a soft-drink bottler, remembers the day he decided to take Procter & Gamble to court.

The exclusive bottler of Crush in several south Texas markets was in his San Antonio office in early May when a P&G executive came to visit. The executive told him P&G's Crush International unit intended to sell Orange Crush and its sister flavors at the huge Wal-Mart Stores chain in his market, but there was a catch.

P&G, he said, was going to bypass the bottler and sell directly to the chain.

"I told [him] you can do it in court," said Mr. Bodnar, the general manager of Big Red Bottling Co. and four other bottling plants. "We had a legal contract."

Mr. Bodnar never sued because he didn't have to. On May 16, P&G announced it had retained Goldman, Sachs & Co. to sell Crush. The news confirmed longtime rumors that Crush and Hires root beer, the other key P&G soft drink, were drowning in a sea of colas.

Still, it came as a surprise to the Crush International staff, who'd discounted the persistent rumors and were conducting business as usual.

The company was about to introduce Crush Ground Zero, a short-term commemorative soft drink tied to the release of a new album by the rock group Animotion. And one source close to the company said the unit had developed and was hoping to introduce a Hires cola.

But apparently P&G already had determined its money would be better spent elsewhere.

What went wrong?

Crush International's U.S. market share—all flavors of Crush, Hires and Sun-drop lemon-lime—last month stood at just 0.8%, reported *Beverage Digest*, an industry newsletter. Nine years ago, when P&G bought the company, its share was 1.3%.

In interviews with industry analysts, competitors, bottlers, former P&G executives and sources close

(Continued on Page 42)

Inside:

- **MasterCard, Visa finalize** their fourth-quarter ad plans—P. 12
- **U.S. toy marketers pin** hopes on super-fast cars—P. 25
- **Elvis' granddaughter wins** "Cover Story" queen award—P. 37

Bo-daciously Nike

Jackson touches many bases in TV spot

By MARCY MAGIERA

At Nike, they call it "Bolympics."

The newest execution of the year-old "Just do it" campaign places Nike superathlete presenter Bo Jackson in its own type of decathlon.

The 60-second spot from Wieden & Kennedy, Portland, Ore., breaks July 11 during Major League Baseball's all-star game. It also uses a host of Nike's star endorsers to comment on what Mr. Jackson can and can't do.

And he's not the only Bo. The commercial also features rock 'n' roll great Bo Diddley.

The spot opens with words on a black background: "Cross-Training by Bo Jackson. Music by Bo Diddley." It then alternates between shots of Mr. Diddley performing on the guitar, Mr. Jackson playing different sports and other athletes commenting on Mr. Jackson's ability.

For example, after Mr. Jackson tags a hard pitch, Los Angeles Dodger Kirk Gibson asserts, "Bo knows baseball."

Los Angeles Ram Jim Everett testifies, "Bo knows football," and Chicago Bull Michael Jordan agrees, "Bo knows basketball too."

John McEnroe is surprised: "Bo knows tennis?" Joan Benoit Samuelson is sure that "Bo knows running." Los Angeles King Wayne Gretzky sums up Bo's hockey ability in one word, "No."

The 7-Eleven Women's Cycling Team and the men of California's Muscle Beach say Bo knows cycling and weights, respectively.

In the last scene, Mr. Jackson screeches on the electric guitar until he gets a reaction from Mr. Diddley, who says: "Bo, you don't know diddley."

The commercial, also to run in

(Continued on Page 51)

Bo Jackson connects with the bat, and in several other sports, in Nike's new "Just do it" spot, breaking during baseball's all-star game.

July 10, 1989

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Last Minute News

Time Inc. exits women's titles

NEW YORK—Time Inc. said it will sell its 50% interest in Working Woman/McCall's Group, effectively ending the media giant's involvement in women's magazine publishing. Reginald Brack, president-ceo of Time Inc. Magazine Co., said the sale of Time's interest, valued at about $25 million, is "a done deal, ready to close." Time Inc. and entrepreneur Dale Lang formed the group in 1986. The group included the monthly *McCall's*, which will be sold to the New York Times Co. Magazine Group, and *Working Woman* and *Working Mother*. Mr. Lang wasn't available for comment, but sources said he plans to use the repurchase of interest in *Working Woman* and *Working Mother* as the foundation for a new company, Lang Communications. Separately, Mr. Lang owns the monthly business magazine *Success*.

Judge orders Wilkinson change

NEW YORK—Gillette on Friday was denied a preliminary injunction against Wilkinson Sword USA's TV spot that makes comparative ad claims

(Continued on Page 8)

Media bonanza seen with abortion ruling

By STEVEN W. COLFORD

The U.S. Supreme Court's new ruling on abortions could mean unprecedented levels of local issue advertising next year as pro- and anti-abortion forces battle to shape public opinion and state laws.

In all 50 states, voters will either face proposals to change existing abortion laws to reflect the Supreme Court's ruling, which allows states to restrict abortions, or elect candidates to public office.

These candidates for state or national offices are possible targets of paid media by pro- or anti-abortion groups.

An indication of the potential media spending on issue ads alone could be drawn from Michigan, where the state chapter of the National Right to Life last year spent more than $1 million for TV advertising that helped persuade voters there to ban state-funded abortions.

"In a lot of states now without set abortion laws, there will be tremendous media fights," said Cathy Farrell, president of Farrell Media, New York, the media buyer for President Bush's successful 1988 campaign. "It's a well-fought issue that is so emotional . . . It could be that groups on both sides will wage all-out media wars."

Some groups are already spending heavily on national campaigns. The National Abortion Rights Action League in March began a $2.5 million campaign, including a series of new TV spots scheduled to break late last week.

Many such organizations have reacted to the Supreme Court's decision with promises to pour money into campaigns targeting candidates or ballot issues.

Planned Parenthood this week planned to break an ad saying, "Five Supreme Court justices had their say on abortion. Now have yours."

Doug Gould, Planned Parenthood's VP-communications, said the ad from the Public Media Center, San Francisco, featured a coupon to mail elected officials.

"We've been advertising throughout the year, but will absolutely be doing

(Continued on Page 54)

Coors uncaps popular-price Keystone

By IRA TEINOWITZ

Adolph Coors Co., facing declines in its premium-price beers, will introduce its first contender in the popular-price segment.

Coors will introduce Keystone and Keystone Light beers nationally on Sept. 11.

The new Coors brand will challenge segment leaders Busch beer from Anheuser-Busch, Old Milwaukee from Stroh Brewery Co. and Milwaukee's Best from Miller Brewing Co.

The popular-price segment is one notch below the premium segment that includes Coors, Budweiser and Miller High Life.

Foote, Cone & Belding, Chicago, agency for Coors Light, has been given the $20 million-plus Keystone assignment. The brand wasn't market tested.

Brewing industry sources say Keystone is part of a renewed interest in new-product development by the nation's fourth-largest brewer.

Coors recently began testing a line of non-alcoholic, flavored sparkling waters (AA, Feb. 27) and is expected to join A-B, G. Heileman Brewing Co. and others in introducing a dry beer.

The company will market Keystone only in cans, but in cans with a difference. Coors will advertise Keystone as being available in specially lined cans that take away the metal taste of canned beers.

Coors attributes the Keystone introduction to a desire to offer its distributors a full line of products, complementing regular Coors, Coors Extra Gold and Coors Light at the premium level and Herman Joseph's at the superpremium end.

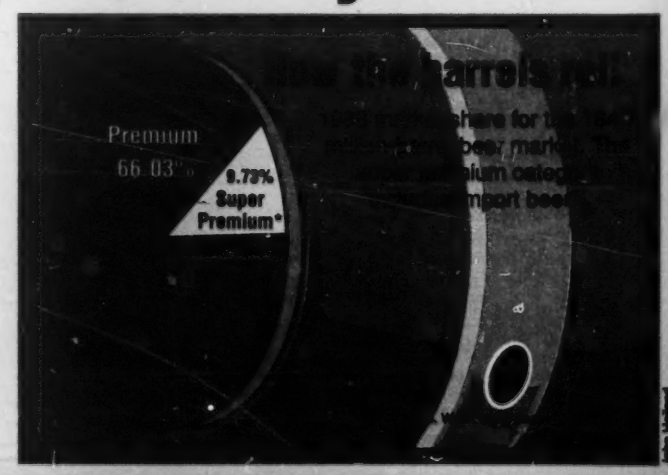
"Something we have been considering is that the U.S. beer industry will continue to consolidate and the main brewers left will be full-line brewers," said Rob Klugman, Coors VP-development international and marketing services.

Others point to increased competition and Coors' own declining overall market share.

"This is a move of a desperate brewer, not a constructive new-product brew," said Robert S. Weinberg, a beer analyst for R.S. Weinberg & Associates. "They are trying to utilize capacity."

Mr. Weinberg said the popular-

(Continued on Page 52)



John Holland

Newspapers may get military boost

By JANET MEYERS

WASHINGTON—Congress may order the Pentagon to look at spending more of its $200 million ad budget on newspapers.

The proposal, already approved by the House Armed Services Committee, is slated to be presented to the full House later this month.

The legislation would require the U.S. Department of Defense to justify how it divides its ad budget among the various media and analyze how increased newspaper ad spending would affect recruiting.

An Armed Services Committee staffer said the bill isn't expected to meet any opposition in the full House.

The legislation was initiated after a dozen state press associations passed resolutions urging that the Armed Forces spend more than the current $9.5 million, or about 5% of total ad dollars, in newspapers. The Defense Department last year spent 29.7% of its total budget on TV.

The legislation was proposed by Rep. Tommy Robinson (D., Ark.), an Armed Services Committee member who initially wanted to force the Pentagon to spend at least 25%—or about $50 million—in newspapers.

Defense ad policy officials lobbied against such a restrictive measure and now say they're satisfied with the proposal.

"We feel it's our job to keep our media mix under consideration all the time," said Maj. Dave Fredrikson, an advertising director for the department. "If Congress would like us to explain how we come up with the way we spend our budget, that's fine. It was the arbitrariness and restriction of the 25% proposal that we objected to."

But newspapers, particularly smaller community publications, say they're not getting their appropriate share of defense ad dollars, said David Simonson, exec VP of the National Newspaper Association, which represents smaller newspapers.

"If you look at the community newspapers, kids really devour and scour the pages for news of the local swim team, the football team," Mr. Simonson said. "This is the audience" the department wants.

"I know newspapers are not the easiest media buy to handle," he said. "But we feel the community press is a good vehicle that's been overlooked as a way to deliver this audience."

But the association may have trouble convincing the Pentagon.

"Our target audience is reading fewer and fewer newspapers," Maj. Fredrikson said. He noted a recent Simmons Media Research report for the American Newspaper Publishers Association showing youths are increasingly likely to get news from TV.

"Rather than increasing our newspaper budget, perhaps we should be looking for alternatives," he said.

A Rand Corp. report on the effectiveness of Army recruiting ads is likely to be the focus of the department study. That report concluded that newspaper and magazine advertising appeared to be more effective, at least in the short term, at producing enlistments, than TV and radio.

That theory hasn't enjoyed much popularity within the Army, however, because recruit advertisers believe Rand's statistics don't take into account broadcast media's residual effects on recruits.#

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Cover photo by Michael A. Marcotte

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ABP ABC BPA

Dairy industry aims to beat FDA on labels

By JANET MEYERS

The dairy industry, a major target of cholesterol-minded health groups, may launch its own nutrition labeling project before the U.S. Food & Drug Administration implements a cholesterol-labeling program, slated for later this year.

Such a pre-emptive strike by the industry, which spends $150 million annually to advertise cheese, butter and milk, would be the latest move by frustrated marketers eager to extol the healthful attributes of their foods.

That eagerness has been thwarted by the FDA. The agency has yet to promulgate the health claims guidelines for food it initiated nearly five years ago. Industry sources say the guidelines for companies regarding special characteristics that could be ascribed to food products are still a long way from release.

The dairy industry's thirst for using nutrition-based claims was outlined in a 56-page report commissioned by the Wisconsin Milk Marketing Board.

Known as the "Bridge Project," the report outlines 14 initiatives that state and national dairy groups might consider to prevent sales from going sour in the face of a nutritional backlash against fat and cholesterol.

Those initiatives include an umbrella ad campaign for all dairy foods that would focus on healthful attributes.

The groups are also encouraged to get involved in making nutritional labeling more meaningful to consumers and to help emphasize dairy products' positive nutritional values.

That could lead the National Dairy Promotion & Research Board to alter some of its campaigns to focus on nutritional benefits.

For example, "our calcium campaign is not juxtaposed against fat," said George De Jager, dairy board senior VP-marketing and advertising. "But the campaign shows there are benefits to dairy foods. It's a countersell."

The industry also wants to speed up research on low-fat or "light" dairy products. Several research groups are studying new low-fat and reduced-sodium cheeses, as well as cholesterol suppressors for some dairy products.

"Our calcium campaign is not juxtaposed against fat. But the campaign shows there are benefits to dairy foods. It's a countersell."

The dairy board's agencies are Grey Advertising, New York; DDB Needham Worldwide, Chicago; and McCann-Erickson Worldwide, San Francisco.

Other health groups—notably, the American Heart Association—are also moving ahead.

The association later this month will start a potentially controversial seal-of-approval program, called the "Consumer Health Information Program." The group plans to designate three or four food categories, then ask marketers of food products in those categories to submit their products for healthfulness testing.

Companies with products that win a heart association seal of approval then will be cleared to use that endorsement in advertising and labeling.

In the fall, the association plans to

(Continued on Page 54)

THIS IS THE LAST TIME YOU'LL SEE
Advertising Age
DETAILS NEXT WEEK

Magazines see red flag

Automakers push retail media

By RAYMOND SERAFIN

The magazine industry is jittery as auto marketers rethink their media strategies.

With the 1990 model year expected to produce more vehicles than prospective buyers, automakers more than ever may rely on retail-oriented advertising.

That means broadcast and newspapers, with their ability to quickly spread word of a new consumer incentive or other sales messages, could benefit at the expense of magazines, say automotive media directors and other observers.

The automakers' $700 million splurge in the network TV prime-time upfront market shows the importance being attached to having TV available for tactical moves. And when Nissan Motor Corp. USA dropped the remainder of its $35 million consumer print schedule for '89 models (AA, Feb. 13), it showed the extremes carmakers would go to in reacting to changing market conditions.

"We're all nervous. We don't know what will happen," said Charles Lee, automotive marketing manager for the Magazine Publishers of America.

One agency media director said Nissan's move "scared the pants off" magazine publishers.

"The vibes aren't good," a Detroit-based consumer magazine media rep said after initial meetings with media buyers on 1990 plans.

Automotive is the biggest category in magazine advertising, and it's critical to a wide range of newsweeklies, general-interest and specialty publications. Automotive spending in magazines hit $399.9 million in the first five months of 1989, up 7.76% from the same period in 1988, the Publishers Information Bureau reported.

The second-largest category was toiletries and cosmetics, at $263.2 million.

The MPA is working hard to stem any trend away from magazine buys. The association put together a study of 20 years of auto sales that showed sales and market share most often increased when magazines played a significant part in the media mix (AA, May 8).

MPA officials have been presenting the study in individual sessions with agency media directors and client ad managers.

But the study also can be looked upon as historical confirmation of publishers' fears: When sales decline, automakers forsake magazines.

"The moment we get into a tight market situation, Detroit loses its nerve," said one high-ranking agency official. "The industry doesn't understand the power of a brand."

The overriding factor driving a brutal fight for market share is what the industry refers to as "overcapacity"—the ability to build and import more cars and trucks than can be sold in the market.

Autofacts, a research company, predicts North American overcapacity will be about 2.2 million vehicles in the 1990 model year and will grow to about 2.5 million annually from 1991 through 1994.

"Overcapacity is likely to make people in the industry more short-term driven than they have been the past couple of years," said Bob Reuschle, senior VP-director of media for J Walter Thompson USA, Detroit, which handles Ford Motor Co.'s Ford Division. "It's very expensive to have cars backing up to the factory gate."

James Gagen, VP-associate media director

(Continued on Page 52)

TOP CONTRIBUTORS TO PRO-ADPAC

PRO-ADPAC's leading contributors as reported to the Federal Election Commission.

Philip H. Geier Jr., chairman, Interpublic Group of Cos.	$5,000
Ken Roman, chairman, Ogilvy Group.	$2,500
Norman Berry, former creative president, Ogilvy & Mather	$1,500
Burt Manning, chairman, J. Walter Thompson Co.	$1,000
John Bowen, chairman, D'Arcy Masius Benton & Bowles	$1,000
Hall Adams Jr., chairman, Leo Burnett Co.	$1,000
Richard O'Connor, vice chairman, Lintas:USA	$500
Eric Mower, president, EMA	$500
Chuck Peebler, ceo, Bozell	$500
Allen Rosenshine, chairman, BBDO Worldwide	$500
John O'Toole, president, American Association of Advertising Agencies	$500
David Hefter, chairman, Rapp Collins Marcoa	$500
Stuart Upson, co-chairman, Saatchi & Saatchi Advertising	$500
Richard Braddock, sector executive, Citicorp	$300
Ronald Perrella, president, Rapp Collins Marcoa	$250
Peter Husting, exec VP, Leo Burnett Co.	$250
Arthur Sperry, Sperry & Associates	$250
Peter Dow, president, Lintas:Campbell-Ewald	$250
Sheila Kelley Dore, senior VP, Doremus & Co.	$225

New industry ad PAC could escape limits

By STEVEN W. COLFORD

WASHINGTON—A political action committee quietly formed last year and bankrolled by some of the biggest names in advertising is expected to survive even if President Bush's anti-PAC proposal is approved this year.

President Bush wants to do away with PACs linked to unions, corporations and trade associations, but the Professionals in Advertising Political Action Committee is an independent PAC and could escape relatively unscathed.

The independent PAC, chaired by Philip H. Geier Jr., chairman-ceo of Interpublic Group of Cos., raised more than $25,000 for the 1988 elections. Mr. Geier was also the biggest contributor, giving $5,000, Federal Election Commission records show.

Although the president wants to limit campaign contributions by so-called independent PACs, White House officials say a reasonable campaign contribution limit of $2,500, or half the current allowable contribution, might be approved.

President Bush's proposal to ban trade association PACs could have a negative impact or even eliminate the political action committees of the American Advertising Federation and the dormant committee of the Association of National Advertisers.

PRO-ADPAC was set up because federal election-law restrictions made the independent PAC—with no official ties to an association, corporation or organization—more attractive, allowing for greater freedom in raising and contributing dollars.

The independent PRO-ADPAC evolved from a short-lived idea of the three industry associations to form a pan-industry PAC (AA, June 27).

Leaders of the trade groups sub-

(Continued on Page 56)

BDDP entering Asia; Ammirati sale drags

By PETER S. GREEN

PARIS—Bouncing back from defeat in last month's takeover battle for Boase Massimi Pollitt, BDDP Group is entering Southeast Asia with the acquisition of 20% of Batey Ads.

Singapore-based Batey has offices in Hong Kong and Kuala Lumpur, Malaysia, and owns 82% of Batey & Chan, Los Angeles.

BDDP Chairman Jean-Claude Boulet also said his agency is still interested in buying Ammirati & Puris, the New York shop owned by BMP and now up for sale by new parent Omnicom Group.

"We have indicated to Omnicom and Ammirati & Puris that we are interested. Now the ball is in their camp," he said. "We are not offering any specific price. We don't want to swap shares with Omnicom."

A senior Omnicom executive said BDDP had expressed interest but "we have no proposals from them on the table."

The executive said Omnicom isn't ready to discuss disposing of Ammirati & Puris.

"It will certainly be several weeks, if not months, before something happens," he said. "First you must get the bear before you can sell the fur."

Martin Puris, Ammirati & Puris

(Continued on Page 49)

Who's sponsoring?

A-B crimps Miller rock tour deal

By IRA TEINOWITZ

Miller Brewing Co. is learning the danger of taking only partial sponsorship of a rock group.

Its soon-to-be heavily advertised sponsorship of the Who's 25th anniversary tour is being encroached on by rival Anheuser-Busch.

Shortly after Miller announced its plans to sponsor the band's national tour (in addition to two Texas benefit concerts it earlier agreed to), A-B announced that it, too, is sponsoring the Who.

A-B's Budweiser sponsored the June 27 New York performance of the Who's rock opera, "Tommy," and will do the same Aug. 24 in Los Angeles. Both shows are in cooperation with the Rock & Roll Hall of Fame.

A-B will advertise its sponsorship in *Rolling Stone* and in TV spots, though officials last week were uncertain whether the TV would be network or regional. D'Arcy Masius Benton & Bowles, St. Louis, handles.

Miller, on the other hand, last week broke a network TV spot for Miller Genuine Draft promoting the 25th anniversary tour. It will also conduct a sweepstakes promotion tied to the more than 30 concerts.

Miller features the Who in commercials running in Texas for Miller Lite.

Backer Spielvogel Bates, New York, handles Genuine Draft and Miller Lite advertising; Gary M. Reynolds & Associates, Milwaukee, handles the promotion and point-of-purchase materials.

The Who's music, not the band, is featured in the TV spot. Miller is, however, featuring members of the Who in advertising that's part of its Texas-only campaign for Miller Lite that started June 27.

Also, band members will be featured in new Miller Lite spots promoting responsible drinking. Those spots break today and air only in Texas.

Miller was aware of the possibilities for confusion when it elected only to take on sponsorship of the Who tour, said Craig Connelly, manager of entertainment marketing. "We felt the tour sponsorship would give us a broad base of consumer support vs. just New York and Los Angeles," he said. "The Who is not our spokesman nor is it Anheuser-Busch's. We don't look at their sponsorship as diminishing our sponsorship across the country."

One stop on the Who's tour will be St. Louis, where Miller Genuine Draft will sponsor the group's concert in Busch Stadium. A-B owns that stadium, and it's filled with signage promoting A-B brands.#

World News Roundup

SYDNEY—Qantas Airways gave Mojo additional business in the U.K., Ireland, Europe and the Middle East, completing the 30-country network where Qantas flies. WCRS Mathews Marcantonio, London, previously handled those areas. Total account is estimated at $40 million.

GENEVA—The League of Red Cross Societies named Saatchi & Saatchi Advertising, London, to handle its estimated $15 million global account.

MADRID—McCann-Erickson Worldwide will open Universal de Medios, its first Spanish media-buying company, this fall.

LONDON—McCain Foods pulled its $4.8 million account from newly merged BMP DDB Needham because of a conflict with BMP's Unilever-owned Batchelors Foods account. DDB Needham handled McCain.

Tracy-Locke L.A. unit to chase film studios

By CLEVELAND HORTON

Tracy-Locke is going to the movies.

The agency's troubled Los Angeles office is splitting into two operations, one dedicated to traditional general advertising and a new division, Michel/Russo, acting as an entertainment and marketing agency.

Michel/Russo, quietly created in March, last week agreed to sell a minority interest to Tracy-Locke for an undisclosed sum.

Daniel Michel will keep his posts as president of both the Tracy-Locke branch office and the entertainment unit he formed. His partner, Howard Russo, currently is the only other employee of Michel/Russo.

Mr. Michel, 43, joined Tracy-Locke in March from Columbia Pictures, where he was marketing president for about one year (AA, March 27). He previously was exec VP-chief operating officer at BBDO Worldwide's Los Angeles office.

Mr. Russo, 48, worked with Mr. Michel at Columbia as senior VP-creative advertising and at BBDO as creative chief on entertainment accounts.

The move is designed to tap the trend of the major studios to adopt more sophisticated approaches to marketing movies.

Meanwhile, Tracy-Locke has promoted Kenneth Gal, 33, to exec VP-general manager, from senior VP-management representative, to relieve Mr. Michel of the day-to-day responsibilities at the agency.

While the dual effort is designed to strengthen Tracy-Locke's position in southern California, it can't replace the billings the agency lost when Taco Bell pulled its $75 million corporate account (AA, May 1).

Mr. Michel said, however, that Michel/Russo should be able to steer business to the general agency.

Michel/Russo will still be able to promote itself as a full-service entertainment and marketing company, one able to draw on Tracy-Locke for services such as research, publicity, and media planning and buying, he added.

The move is designed to tap the trend of the major studios to adopt more sophisticated approaches to marketing movies. Several Los Angeles agencies have set up separate entertainment divisions.

Mr. Michel called his new enterprise a "creative and marketing boutique," backed up by the regional network of Tracy-Locke branches. The agency's Atlanta office currently buys regional media for three studios: Columbia, Universal Pictures and Orion Pictures.

(Unlike most ad agency clients, movie studios are less stringent about seeming client conflicts.)

Mr. Michel added that Michel/Russo will also target home video companies, TV production houses, the recording industry and theme parks.#

First perk

D'Arcy rolls new ad for Maxwell House

By JON LAFAYETTE and JUDANN DAGNOLI

General Foods USA on July 12 airs the first TV spot for Maxwell House coffee from D'Arcy Masius Benton & Bowles, New York.

The new commercial is for Maxwell House Colombian Supreme coffee, a line extension that went into national distribution earlier this year. It had been assigned to Ogilvy & Mather, which lost the entire $50 million account to D'Arcy in May, but none of O&M's advertising has run.

Controversial Maxwell House spokesmen-newscasters Linda Ellerbee and Willard Scott don't appear in the new advertising; nor is the brand's well-known percolator music heard.

The commercial focuses on "the quality of the Colombian beans and the expertise of Maxwell House," said a company spokesman.

The Colombian Supreme spot doesn't indicate the creative direction the agency will take when it develops a campaign for the flagship brand, agency sources said. But it does "hint at the strategic direction we're headed," a source said.

A campaign for the basic product isn't expected until late summer.

Colombian Supreme is a more upscale product that General Foods hopes it can sell at higher margins than its regular blend. But it will be lower priced than other coffees using the expensive Colombian beans.

Last year, General Foods rolled out another pricey line extension, Maxwell House Rich French Roast. By introducing upscale products, the company believes it can boost the image of the sagging Maxwell House franchise.

Maxwell House's image has been tarnished in recent years by heavy promotional dealing, a reformulation that lowered the quality of its coffee and a $17.5 million drop in ad spending in 1987.

Maxwell House's share of the $4.8 billion coffee market has been steadily declining since 1985.

The company's share was 34% last year, down from 39% three years earlier.#

Autos

(Continued from Page 3)

on the Pontiac account at D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich., said it appears TV is already capturing a higher percentage of automotive ad dollars during the 1989 model year.

"In a world of consumer incentives, TV becomes more important because you can do a fast turnaround," he said.

Another automotive media director, who asked not to be identified, said magazines at best are holding their own during 1989, as a percentage of auto spending.

"I think [the percentage] will go down next year, which is pretty much evidenced by the big spending in the upfront markets," he said.

The MPA study found magazines accounted for about $800 million, or 26%, of total ad spending by automakers. Magazines' percentage of category ad spending has fallen every year since 1983, when the figure was 30.9%.

A Nissan spokesman said his company is awaiting the media recommendation from agency Chiat/Day, to be completed in the next few weeks.

He said the company is keeping its options open regarding magazine advertising, but expects its commitment will be "more limited than last year."

Not all the factors are so bleak for magazines, however.

The balkanization of the industry —more than three dozen car and light-duty truck nameplates now compete in the U.S.—has made niche marketing an irreversible part of automotive strategy. Magazines, with their ability to target narrowly, have great appeal in trying to sell a growing number of specialty, low-volume models.

Tom Healey, director of media and advertising services for J D Power & Associates, an auto marketing consultancy, predicted differing needs will drive marketers to varied media strategies.

"Nissan was not necessarily a bellwether," he said. "Between now and 1992, there will be enormous amounts of new-product launches," and launches tend to use all media because of the need to build an image.

The biggest-impact launches this fall will be Toyota Motor Sales USA's Lexus division and Nissan's Infiniti division, both with luxury-performance models.

Next year, General Motors Corp.'s Saturn subsidiary will enter the fray.

The three new units combined will pump at least $200 million more a year into auto advertising.

Mr. Healey also said the price increases in network TV time, caused by the biggest automakers competing vigorously in the upfront market, may cause smaller car marketers to shift money away from TV.

"It's not that they'll be locked out," he said, "but they might find out that what's left is so pricey, they'll want to look elsewhere."

Not all magazines are affected equally by marketplace changes. "The incentive wars have been gravy for . . . the fast-close newsweeklies," said one media director.

While it appears that GM is prepared to spend big in hopes of recapturing share in 1990, Ford and Chrysler Motors are believed to be leaning toward limited budget increases to try to protect their profit margins in a lackluster market.

Auto marketers also are putting more of their ad budgets into dealer co-op efforts, which so far has favored spot TV.

JWT's Mr. Reuschle said the magazine industry should make an effort to improve its image with dealers, because dealers have a big impact on how the factories allocate their money.

"Dealers in general are not as in love with magazines as they are with TV," he said. "Magazines should look for a positive way of merchandising themselves to dealers, so they would be more appreciative of the value of magazine advertising."#

Cleveland Horton in Los Angeles contributed to this story.

Coors

(Continued from Page 1)

price segment decreased last year to 24.2% of the 185 million barrels of beer sold in the U.S., from 25.4% in 1987. By contrast the premium segment last year accounted for 66%, up from 64.5%.

Coors has acknowledged its shipments slipped 5.5% to 3.1 million barrels in the first quarter, mainly because of slowing beer sales in western states, the company's home territory.

A-B last year expanded Busch beer into many of those western markets and that could be hurting Coors. Busch is now sold in 41 states and may be available nationally in 1991.

Busch Light draft is in test now in Missouri, southern Illinois and Texas (AA, April 17).

Coors' Mr. Klugman denied the brewer is worried about Busch and said Keystone is more directly aimed at Milwaukee's Best and Old Milwaukee, generally priced below Busch.

Manny Goldman, beverage analyst for PaineWebber, said Coors sales this year are down 3% to 5% overall after gaining 5% to 16.5 million barrels last year.

Mr. Goldman said Coors' entrance into the popular-price market is overdue.

"Part of the business is popular-price beers," he said. "Coors won't live or die by Keystone or Keystone Light, but they have to have their bases covered."#

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By Bob Garfield

Ad Review

Prudential believes in 'Happy endings'

(Rating: ★ ★ ★)

"Say," Jack Carson and his 1930s character-actor cohorts used to say (because apparently in the '30s everybody would say "say" before saying anything), "what's the big idea?"

Say, maybe he was asking about advertising.

In the intervening years, we've seen big ideas executed to perfection, the Apple Computer "1984" commercial being a classic example. We've seen big ideas executed poorly, such as the James Bond-themed spots for the Sterling motorcar. And, of course, we've seen many thousands of mediocre ideas materialize in mediocre productions.

But what are we to make of a not-particularly-big idea that is blessed with a breathtaking production? This is the case with Prudential's "Happy endings" commercials, the latest of which takes the campaign's labored premise and honors it with one of the most remarkable displays of cinematic virtuosity in the history of advertising.

The spot, called "Night Club," mimics every element of a contrived '30s musical romance flick (except Jack Carson), and is very nearly perfection.

The setting is a Stork Clublike night spot, with a lonesome blond singer onstage. As she begins crooning a song "Eddie Boyle and I made famous a long time ago," in barges Eddie himself. "I'm late, five years late," he declares wistfully, heading for the stage. The maitre d' tries to stop him, but the owner intercedes. "Put a lid on it," the boss tells the employee, and Eddie joins his true love for their famous duet.

I have everything . . . all my dreams come true/You in my arms . . . stocks and bonds, and a home for two.

Here the voice-over kicks in: "In the movies it's easy to make dreams come true, and end up with a bright financial future, peace of mind and the home of your dreams. In the real world, you need rock-solid investment advice [a color shot appears of the Prudential-Bache Securities logo], the right protection for your family [Prudential insurance logo] and expert help when you're buying or selling a home [Prudential real estate logo]. So for your family's dreams, come to the companies of the Prudential and build your future on the rock."

Then, back in b&w amid a dance number, the screen fills with "The End" in florid script. Thus ends the straight-faced send-up, more homage than parody, all hilariously precise. New York-based Backer Spielvogel Bates creatives Bill Backer, Helio Gonzalez, Howard Benson, Chris Grabenstein—along with producer Lisa D'Andrea and director Steve Horn—spared no detail in replicating the Depression-era fantasy.

Strategically speaking, this Prudential spot, from Backer Spielvogel Bates, has major flaws. But the brilliant execution covers a multitude of sins.

From the goofy expression on the bandleader's face, to Eddie's brisk "Hiya, Charlie" greeting, to the glycerin-teary eyes of the singers, the whole thing might have come off a dusty archive shelf at MGM.

Eddie is a baritone—not a tenor—and that's the only thing about the spot remotely unfaithful to the corny real thing. The lighting, acting, sound, props, dialogue, camera angles, dramatic conventions and makeup are perfect replicas of the stuff we see at 3 a.m. on Channel 67.

The question is: What's the point? All of "Night Club" 's magnificence is a means for delivering a somewhat obtuse and none too compelling message. Forgetting for a moment the so-called "vampire video" phenomenon, wherein entertaining creative work can supposedly distract the viewer from the advertising message, the notion of "life isn't like the movies" is a dull commonplace.

It's as if America's greatest technological resources had been devoted, along with a blank check and patriotic resolve of the most powerful nation on Earth, to develop the means, within a span of 15 short years, to put a man on the surface of Finland. Who cares?

The impact is further blunted by the pan-Prudential aspects of the campaign. The "Happy endings" theme is a bit obvious for an insurance commercial; for a financial-services ad it's almost nonsensical. The idea, I suppose, is to achieve marketing economies of scale while reinforcing the Pru's emergence as a total financial powerhouse. But it just doesn't scan.

Real estate, insurance sales and securities are all very different kinds of businesses. There's certainly no one-stop shopping for them; you can't buy whole life from a Prudential real estate salesman, and you can't buy land from the Pru-Bache broker.

There's merit, perhaps, in the idea of positioning Prudential as the only brand to trust for all your financial needs, but this campaign doesn't really make the point. The concepts of longevity and security—as symbolized by the famous rock of Gibraltar emblem—are all but absent.

On the other hand, genius covers a multitude of sins.

So captivating is the mimickry that viewers will scrutinize each deliciously accurate detail. The cinemagic that may at first cause the viewer to tune out the voice-over message—the dread vampire video effect—with repeated exposures might actually compel viewers to *scrutinize* the message, lame though it may be.

And there is the advantage of being part of a continuing campaign. Previous "Happy endings" commercials, while not quite as delightful, have accustomed audiences to the premise. The visual style having been established, each subsequent execution should be not only better understood but better appreciated. Anticipated even. So the whole can exceed the sum of its parts.

Say, maybe that's what they mean by "Happy endings."#

The rating system uses four stars to represent excellent, three for notable, two for mediocre and one for pathetic.

PRO-ADPAC may survive Bush plan

(Continued from Page 3)

sequently discarded the idea, but some of the individuals involved went ahead with the independent PAC.

"Our hope is that this committee would become a significant force for our industry," said Howard Bell, American Advertising Federation president and a trustee of PRO-ADPAC.

"Anything we can do to increase our clout in Washington is desirable."

Mr. Bell said the intent is for PRO-ADPAC to grow and for its contributions—and its influence—to increase and be specifically targeted.

Although its $25,455 war chest of last year was unprecedented for the ad industry, which previously had only a single active political action committee, it pales in comparison with some of the major PACs.

For example, the biggest-spending independent PAC of 1988, the National Security Political Action Committee, raised and doled out more than $10 million. Most of that supported President Bush, and included a TV ad campaign featuring a photograph of convicted murderer Willie Horton.

PRO-ADPAC "was developed in midcampaign," Mr. Bell said, "so it really wasn't able to function on a full scale. But I'd say it is quite likely that it will spend more in the presidential and congressional campaigns of the coming years than it did in its organizational year.

"We're talking not about millions of dollars—this isn't like the American Medical Association PAC or the auto or steel industries—but a reasonable amount of dollars . . . to help those who help our industry."

PRO-ADPAC's statement of organization is dated July 18, 1988.

Its contributions to candidates last year totaled $5,100, and operating expenses amounted to $1,430, leaving the PAC with a yearend balance of $18,925, FEC records show.

> *"Our hope is that this committee would become a significant force for our industry. Anything we can do to increase our clout in Washington is desirable."*

The politicians that got the largest PRO-ADPAC contributions—$1,000 apiece—were Sen. John Danforth (R., Mo.), the ranking Republican on the Senate Commerce Committee; Rep. Thomas Luken (D., Ohio), chairman of the House Commerce subcommittee that handles many ad-related issues; and Rep. Thomas Foley (D., Wash.), the House majority leader.

PRO-ADPAC also contributed to the campaigns of five incumbents serving on the House Commerce Committee: $600 to Tom Tauke (R., Iowa); $500 to Jerry Sikorski (D., Minn.); $400 to Billy Tauzin (D., La.); and $300 each to Ralph Hall (D., Texas) and Al Swift (D., Wash.).

Deciding which candidates will get money is up to PRO-ADPAC trustees and its treasurer, AAF Senior VP Wally Snyder. But Mr. Bell was candid in describing the qualifications of potential beneficiaries:

"Basically, we're talking about people who need support for their re-election and who are key players on issues that impact advertising, whether through regulation of it or otherwise. It's people who we believe are or will be our friends on advertising-related issues if they have the ability to take a position on those issues."

The list of PRO-ADPAC contributors is a virtual who's who of advertising *(see chart on Page 3)*.

Besides Mr. Geier, other leading contributors included Ken Roman, chairman-ceo, Ogilvy Group ($2,500); Norman Berry, formerly creative president, Ogilvy & Mather Worldwide ($1,500); Burt Manning, chairman, J. Walter Thompson Co. ($1,000); John Bowen, chairman, D'Arcy Masius Benton & Bowles ($1,000); and Hall Adams Jr., chairman, Leo Burnett Co. ($1,000).

Many of those contributors also sit on PRO-ADPAC's trustees committee. Among the trustees are Reginald Brack Jr., exec VP, Time Inc.; Timm Crull, president, Carnation Co.; Melvin Goodes, president, Warner-Lambert Co.; H. John Greeniaus, president, Nabisco Brands; DeWitt Helm Jr., president, Association of National Advertisers; Daniel Jaffe, senior VP, ANA; Alexander Kroll, chairman, Young & Rubicam; Leonard Matthews, former president of the American Association of Advertising Agencies; John McGillicuddy, chairman, Manufacturers Hanover Corp.; current Four A's President John O'Toole; Ogilvy's Mr. Roman; Allen Rosenshine, chairman-ceo, BBDO Worldwide; J. Philip Samper, vice chairman, Eastman Kodak Co.; and Robert Wright, president, NBC.

The AAF's Messrs. Bell and Snyder apparently took the lead in forming PRO-ADPAC. The AAF's political action committee, called ADPAC, refunded $2,300 in contributions to six individuals, and the same six contributed identical amounts to PRO-ADPAC, FEC records show.

The future of ADPAC—which in 1987 and 1988 reported contributions of $300 to Rep. Sikorski; $1,000 to Sen. Daniel P. Moynihan (D., N.Y.), a member of the tax-writing Senate Finance Committee; and Rep. John Dingell (D., Mich.), chairman of the House Commerce Committee—is unaffected, Mr. Bell said.

"There are association-related issues rather than advertising issues," Mr. Bell said, "and AAF's PAC can contribute on those issues."

ADPAC ended 1988 with $711, FEC records show.#

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NEWSPAPER

July 17, 1989

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TO OUR READERS

When *Advertising Age* management sat down two years ago to discuss preparing the publication for the 1990s, the key phrase was "reader-friendly" and the key question was "How can we make *Ad Age* easier to get through each week?"

Well, here we are. We needed it. And we've done it.

What you are holding in your hands is a new look. By now you've noticed that we changed the flag—the fourth major change in nearly 60 years—and created a new, combination Last Minute News and Inside box. Why change the flag? Because we want it to coordinate with other graphic elements of the redesign. Why the new box? To give our popular late news items and story "teases" a regular home.

David Persson, publisher of *Advertising Age*

But believe me, you ain't seen nothing yet.

Because this is more than just a new look. It is a new way to guide readers through an "international newspaper of marketing" that is filled with the hottest global news and news-features anywhere.

The challenge was to keep *Ad Age*, Crain Communications Inc.'s flagship newspaper, newsy and surprising, while putting signposts and road maps in place to help readers. In the constant monitoring of our readers' needs, we learned that what you demand from a publication's design is not so much speed as comfort. That is, you want to know where you are at all times, have the information necessary to decide whether that's where you want to be and the ability to get in and out of our "points of entry" quickly.

To aid that effort, the new design features a unique color-coded format. The "In This Issue" box on Page 2 provides three things: an index, highlights and a guide that helps locate departments in the book and lets readers know immediately where they are.

As major airports color-code their directional signs to get you to the right terminal, ticket counter and gate, we have color-coded and labeled every page of *Ad Age* for the same purpose: to get you where you want to go quickly and easily.

We also have created a format for the book that, over the next few months, should become familiar: upfront news, followed by a news-feature, Viewpoint section, Special Report and the various

(Continued on Page 2)

P&G agencies mull Europe media link

By Laurel Wentz and Jon Lafayette

Three Procter & Gamble Co. agencies—Leo Burnett Co., Grey Advertising and D'Arcy Masius Benton & Bowles—are talking about buying media together in Europe to counter rivals' joint media-buying groups there.

None of the three agencies would confirm anything beyond exploratory and preliminary discussions, but one executive indicated more shops are involved.

"We've had lots of conversations with lots of different people about buying consortia," said Roy Bostock, New York-based president of D'Arcy. "It's more extensive than that list of agencies."

"If you were to speculate on which partners made sense, obviously these three [agency] names would fit," said Kerrie Rubie, Burnett's regional managing director in London.

The talks don't appear to be far along. One agency executive who asked not to be identified said, "If anything is happening, it is not at [P&G's] urging, not with their blessing and not with their knowledge. And, clearly, it would be if something were [close to] happening."

Sources at New York-based N W Ayer, another P&G shop, said they were aware of talks among other P&G agencies, but President-CEO Jerry Siano said "there's no specific involvement on our own."

The prospect of expansion of Saatchi & Saatchi Co.'s U.K. media-buying operation into other European countries, coupled with group media-buying initiatives under way by Interpublic Group of Cos. and others, is intensifying the pressure for single-network agencies to find buying partners.

Saatchi, P&G's other global agency, plans to expand its 10-month-old Zenith Media Buying Services operation, said John Perriss, worldwide media director of Saatchi & Saatchi Co.

Saatchi controls 8% of pan-European ad spending and is aiming to centralize most of its European media buying within six months, he said. Saatchi opened Zenith to combine buying for its three major U.K. shops.

P&G has tolerated joint media-buying arrangements by its agencies on a local level but is expected to look more closely at the client-conflict issue if Burnett, Grey and D'Arcy link up internationally.

The company has taken a wait-and-see approach and hasn't put its buying into Zenith in the U.K. or Media Buying Co. in the Nether-

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Levi's broadens appeal

New campaign replaces 'blues' with tour of USA

By Marcy Magiera

SAN FRANCISCO—Levi Strauss & Co. tonight unveils on network TV new commercials for its 501 jeans, the first break from "501 blues" since that theme began in 1984.

As Levi's belted the "blues" to the tune of $125 million during that five years, its flagship jeans became the hippest thing on young men's hips. And that equity isn't lost in "Levi's 501 USA," as the new campaign is called.

Each of eight spots in the new $22 million campaign from Foote, Cone & Belding is titled for the locale in which it was shot; each has the comfortable feel of an old pair of Levi's.

The commercials were shot by director Leslie Dektor and FCB Executive Creative Director Mike Koelker in Boston; Chicago; Houston; Dubuque, Iowa; Hollywood, Calif.; Lake Charles, La.; Cape Ann, Mass.; and Antelope Valley, Calif. They highlight people's loyalty to where they live.

The spots, which broke last weekend on MTV: Music Television and also will run in spot markets, are more personal than the sculpted "501 blues" spots. Unscripted, stream-of-consciousness dialogue replaces the earlier campaign's reliance on music.

Levi's 501 jeans cruise through Dubuque, Iowa, and seven other cities and towns in new ads.

The new 501 campaign is evolutionary rather than revolutionary, and that's the same way Levi's is approaching plans to expand its presence in non-jeans businesses.

The marketer is back on the expansion track

(Continued on Page 48)

LAST MINUTE NEWS

Big Mac tries Breakfast Burritos

OAK BROOK, Ill.—McDonald's is testing Breakfast Burritos and a Quarter Pounder Ranchero burger in selected markets including Houston. Two 30-second TV spots, from Leo Burnett USA, Chicago, are themed "Say ole all day." The burritos come in either egg, sausage and chilis or ham, egg and cheese, and sell for 99¢ each. The Ranchero uses a corn-based bun and sells for $1.84. Sources said McDonald's may roll out the items this year. Also, McDonald's is reviving the McRib sandwich, pulled from the menu in the early 1980s, as a limited-time promotional item in selected markets nationwide. The chain is also expected next month to start market testing of a pie-style McPizza.

Revlon buys Tarlow

NEW YORK—In a rare move, Revlon has acquired one of its agencies, Tarlow Advertising. Tarlow, a $60 million shop, will continue to operate independently and will be managed by President Dick Tarlow, 48, and existing management. Mr. Tarlow has also joined Revlon as exec VP-advertising, a post formerly held by Arthur Cohen. Mr. Tarlow will supervise Revlon's in-house ad group, the Creative Workshop, and its outside agencies. Revlon shops include Hill, Holliday, Connors, Cosmopulos; Young & Rubicam; Hal Riney & Partners; and Ketchum Advertising. Agencies contacted said they were unadvised of the buy. Tarlow now handles Revlon's Jontue, That Man, Jean Nate and special projects plus Max

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D'Arcy to get the largest slice of Burger King's media work.

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West Germany's detergent giant links agency compensation to performance.

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Agency tops off a long list of wins with the $20M Canada Dry, Sunkist account.

Most BK media goes to D'Arcy

By Jon Lafayette

D'Arcy Masius Benton & Bowles, New York, has been served the largest slice of Burger King Corp.'s $215 million media pie, picking up all media planning and the bulk of the buying.

But Saatchi & Saatchi Advertising, which shares the account with D'Arcy, may carry a heavier production load, creating more TV commercials over the course of the year.

Both agencies are on a fee rather than commission basis, however, and have been told they will be equally compensated on the account.

Also, Saatchi's Conill Advertising is the front-runner to add Burger King's approximately $2 million Hispanic advertising assignment.

Castor GS&B Advertising resigned the account last week when it learned Burger King was reviewing the business.

Conill suddenly was freed up last week when it was terminated by McDonald's Corp., at approximately $6.6 million one of the largest U.S. Hispanic accounts.

McDonald's cited conflict problems, explaining that it no longer believed agency assurances that there would be no contact between its account people at Conill and the Burger King account group at Saatchi.

The naming of D'Arcy to handle the vast majority of the media work was a surprise to both agencies, which had expected the business to be split more evenly between the shops.

At this point, D'Arcy will handle all media planning and buying for network prime time, local spot TV, syndication, radio and print. Saatchi will buy kids TV and sports programming, sources said.

The naming of D'Arcy to handle the vast majority of the media work was a surprise to both agencies.

But one executive added that "our relationship with Burger King is still evolving and these things can change."

A Burger King spokeswoman said only that "media buying will be a shared responsibility, with both doing some of it."

Agency executives indicated Burger King has been trying to evenly divide the account's workload between the agencies and that Saatchi's work in other areas compensated for its relatively small media responsibilities.

For example, sources said, Saatchi is responsible for products and promotions, and probably will wind up producing more TV commercials than D'Arcy, which is handling brand image.

Saatchi also does far more sales promotion work and sports marketing than D'Arcy.

The two shops competed intensely for the media assignments but have been more cooperative in developing a strategy for the chain's upcoming campaign.

There's still some competition over which agency's work will get on the air first.

Both D'Arcy and Saatchi have been given the go-ahead to produce new TV spots, expected to air in late August or early September, sources said. D'Arcy is working on four spots, while Saatchi is making two.

A D'Arcy source said the new campaign will stress Burger King's individualized treatment of its customers.

Although in line with the "Have it your way" theme created in the 1970s by BBDO, D'Arcy's creative won't officially resurrect those words.

"We're not using that as the theme line," the source said. "We're

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Un-hyping Saturn

Riney sets 'Media Day' briefing

By Cleveland Horton and Patricia Strnad

Hal Riney & Partners executives are inviting media salesmen to an unusual "Media Day" in an effort to temper inflated expectations surrounding Saturn Corp.'s $80 million-plus account.

About 350 invitations for the event, planned for Aug. 29 at San Francisco's Palace of Fine Arts, are going out this week for a mass briefing by executives from Saturn and the Riney agency.

The agency plans to invite national magazines and newspapers, independent sales reps, and network radio and TV salesmen. Each media property will be allowed to send two people to the presentation.

"If media reps have one complaint, it's that they never get enough information," said Alan Ching, VP-associate media director at the San Francisco-based agency.

No media strategies have been determined for Saturn, Mr. Ching said, though the first campaign will break before the car's launch (*AA*, July 10).

General Motors Corp. announced the Saturn subsidiary in January 1985; Saturn plans a regional rollout of a coupe and sedan on the West Coast in the late fall of 1990.

Last week, Don Hudler, VP-sales, service and marketing for Saturn, said the first advertising could appear in the next three to six months, but the car itself likely won't be included.

Thomas Shaver, Saturn director of marketing services, said initial advertising probably won't widely promote Saturn's link to GM, though the company is still determining how much emphasis to place on that link.

Mr. Ching admitted that Media Day is a first for the agency and perhaps the industry. He added that it's being designed only for Saturn and won't become standard operating procedure.

The size and general interest in the Saturn account led the agency to develop the idea, he said.

"We're not extending invitations to individual newspapers, but we will include all major rep companies," Mr. Ching said. "The same applies to local radio and TV."

Mr. Ching said the purpose of the Saturn and Riney presentation is threefold: to encourage media salesmen to develop original media buys; to be fair to the media reps, giving them equal information; and to eliminate the agency's need to repeat the presentation numerous times.

Observers are speculating that a fourth purpose is to deflate the hype that has built up around the Saturn launch and to douse possibly exaggerated media community expecations.

"If this [Media Day] puts some reality on it, good," Mr. Ching said.

Saturn executives expected to attend Media Day include Mr. Shaver and VP-Communications Bruce G. MacDonald. Riney VP-Media Director David Verklin, originator of the event, and Patrick Sherwood, senior VP-management supervisor, will also be present. Agency Chairman-

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Readers

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AA departments—including International news, MediaWorks and People. By grouping familiar elements into standard departments, we have given them a "home," a place where you can count on finding them each week.

The redesign was developed during the past 10 months by an *Ad Age* team composed of Design Director Geof Shives, Graphics Editor Jill D'Angelo and Managing Editor Valerie Mackie. They did the intensive, hard work while I, along with Editor Fred Danzig, Executive Editor Dennis Chase, Corporate Art Director Joe Faraci and Editor in Chief Rance Crain tried to stay out of their way.

As we considered various approaches, we kept ourselves focused on streamlining the book. We're very excited about what we've come up with and trust you will find the effort worthwhile.

Best of all, our editors assure me that the new format gives us more news "bang." We, of course, remain as committed as ever to the pursuit of marketing and advertising news —and to reporting it in a lively fashion with authority, credibility and fairness.

That's the bedrock upon which *Ad Age* has been built through the years. It's the editorial philosophy that is designed to outlast this and all future changes.

Enjoy.

—David Persson

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CONSUMER MAGAZINE AD LINAGE

	June 1969	June 1968	Year-to-date 1969	Year-to-date 1968
■ Auto/cycle/rec. vehicles				
AutoWeek (52X)	185.0	173.8	947.7	1,005.5
Car & Driver	163.3	119.6	697.8	673.3
Car Collector & Car Classics	17.7	11.5	101.9	97.8
Car Craft	110.6	118.0	468.9	514.2
Circle Track	90.6	81.7	537.4	509.5
Cycle	49.4	51.2	271.1	289.6
Cycle World	41.3	60.7	268.3	311.9
Dirt Rider	41.2	47.5	204.3	244.1
Dune Buggies & Hot VWs	71.3	81.5	409.3	443.7
Family Motor Coaching	198.8	172.7	1,120.9	1,045.0
4 Wheel & Off-Road	86.9	94.5	485.5	505.9
Four Wheeler	93.3	106.0	491.6	532.0
Hot Rod	97.2	92.8	565.5	571.8
Motorcyclist	54.3	53.0	282.6	305.2
Motor Trend	103.8	93.7	546.1	528.5
Motorhome	104.7	99.6	542.3	537.2
Rider	42.0	41.8	228.8	255.5
Road & Track	148.3	102.0	667.0	646.7
Trailblazer	61.0	52.4	350.0	312.7
Trailer Life	90.5	100.3	581.3	565.4
Total Group	**1,851.3**	**1,754.2**	**9,768.4**	**9,895.5**
% change	**5.5%**		**-1.3%**	
■ Boating & yachting				
Boating	131.7	132.3	995.5	1,044.6
Chesapeake Bay	64.3	58.4	323.5	300.8
Cruising World	96.3	99.8	700.1	696.4
Lakeland Boating (11X)	86.5	83.5	592.1	529.4
Motor Boating & Sailing	131.4	147.5	986.8	1,042.2
Sail	98.4	105.0	713.2	648.0
Trailer Boats (11X)	55.8	63.7	497.2	457.9
Western Boatman (6X)	—	—	152.1	165.5
Yachting	139.0	128.0	835.2	893.0
Total Group	**803.5**	**818.3**	**5,795.7**	**5,777.7**
% change	**-1.8%**		**0.3%**	
■ Civic/fraternal				
American Legion	20.6	21.4	199.0	199.6
Elk (10X)	14.3	15.7	90.0	103.3
Kiwanis	18.3	15.7	96.7	82.6
Lion (10X)	7.5	6.3	33.2	62.0
Rotarian	10.0	16.3	74.6	98.8
V.F.W. (11X)	23.0	26.3	147.1	174.6
Total Group	**93.7**	**101.7**	**640.6**	**720.9**
% change	**-7.9%**		**-11.1%**	
■ General				
American Health (10X)	72.8	56.3	392.5	357.0
American Heritage (8X)	—	—	219.6	174.2
American West (6X)	30.3	28.8	104.8	109.3
Art & Antiques (10X)	83.2	75.3	439.6	411.9
ARTnews	99.0	115.3	596.7	649.3
The Atlantic A.	42.8	33.2	315.5	281.6
Bon Appetit A.	85.7	80.2	482.4	467.1
Cable Guide	34.2	24.7	217.6	189.7
Changing Times	32.3	30.0	349.6	396.3
Conde Nast's Traveler	71.5	53.7	460.1	300.3
Connoisseur	71.5	76.6	470.6	513.1
Consumers Digest (6X)	—	—	74.7	68.0
Ebony	106.2	115.2	615.5	624.2
European Travel & Life	44.8	32.8	245.5	219.0
Food & Wine	71.5	48.7	379.5	315.1
Golden Years (6X)	13.0	21.7	125.8	221.4
Gourmet	101.6	99.3	596.8	607.1
Harper's Magazine A.	28.1	27.3	190.4	197.9
Harrowsmith (6X)	44.0	41.5	236.5	217.5
Islands (6X)	—	—	196.9	130.9
Let's Live	43.0	48.0	278.0	311.0
Life	53.1	49.3	409.5	304.0
Modern Maturity (6X)	30.5	31.3	112.3	106.2
Money	113.0	108.9	620.9	705.5
Money Maker (6X)	4.0	9.8	13.2	25.2
Mother Earth News	—	—	251.3	225.8
National Geographic	21.1	25.4	136.3	152.7
National Geographic Traveler (6X)	—	—	108.4	43.0
Natural History	36.5	32.2	259.7	231.1
New Choices	33.9	26.4	213.1	192.4
Prevention	43.6	48.0	328.9	342.6
Psychology Today	32.9	29.3	182.7	152.0
Reader's Digest A.	94.3	100.9	562.3	650.2
Saturday Evening Post (9X)	—	—	177.8	150.5
Smithsonian	90.6	81.9	526.0	540.4
Town & Country	104.3	99.7	746.9	753.0
Travel-Holiday	30.0	32.9	274.9	246.9
Travel & Leisure	92.5	104.5	766.6	692.7
Travelhost	1,319.0	1,228.0	7,556.0	7,299.0
Vanity Fair	86.2	82.6	624.8	491.1
Writer's Digest	25.8	40.0	157.1	186.3
Yankee	51.9	64.2	364.8	467.3
Total Group	**3,338.6**	**3,203.7**	**21,381.9**	**20,699.6**
% change	**4.2%**		**3.3%**	
■ Home				
Americana (6X)	—	—	63.4	51.8
Architectural Digest A.	144.1	148.3	906.6	894.7
Better Homes & Gardens	134.6	113.9	727.7	690.3
Colonial Homes (6X)	—	—	179.3	178.1
Columbus Monthly-Homes (4X)	—	—	60.9	79.5
Cooking Light	—	—	154.1	106.8
Country Home (6X)	—	—	223.5	155.6
Country Living	85.2	85.5	574.5	527.5
Family Handyman (10X) A.	54.3	—	286.6	271.1
Florida Home & Garden	116.3	97.0	556.7	384.2
Flower & Garden (6X)	—	43.1	144.7	145.0
Home	57.5	54.8	357.7	376.6
Home Mechanics	46.3	53.2	316.4	328.4
The Homeowner (10X)	30.4	25.2	176.4	547.6
Horticulture	37.4	38.4	258.4	261.1
House Beautiful	75.5	60.8	407.1	409.8
House & Garden	62.0	98.7	445.0	563.3
Metropolis	54.4	49.6	361.8	321.3
Metropolitan Home	76.5	71.6	592.9	524.3
Midwest Living	52.8	45.3	260.5	209.8
1,001 Home Ideas	62.5	48.5	354.8	335.2
Organic Gardening	37.0	30.8	266.8	313.5
Phoenix Home/Garden	57.8	60.5	429.5	458.8
Practical Homeowner (9X)	—	—	131.0	229.3
San Diego Home/Garden	70.0	75.3	455.7	451.1
Southern Accents (6X)	—	—	335.1	339.0
Southern Living	121.1	131.2	725.8	788.8
Sunset Magazine A.	150.8	120.8	766.6	783.4
Workbench (6X)	—	—	136.7	128.3
Total Group	**1,526.3**	**1,452.3**	**10,656.0**	**10,854.2**
% change	**5.1%**		**-1.8%**	
■ In-flight & other passenger				
Aboard Group (6X)	—	—	108.3	93.6
Alaska Airlines	70.5	54.4	369.1	333.8
America West Airlines	67.7	57.3	393.0	382.1
American Way (24X)	170.6	143.7	871.8	809.8
East/West Network:				
Continental Profiles	62.1	46.3	373.6	312.9
Eastern Review	59.3	49.6	265.9	411.9
Northwest	41.2	31.6	307.4	235.1
Pan Am Clipper	56.3	43.8	290.0	260.0
Southwest Spirit	68.2	58.3	402.6	368.2
TWA Ambassador	47.9	42.5	315.3	278.7
Vis A Vis	88.6	89.0	520.0	446.6
Halsey Publication:				
Delta Sky	77.2	76.3	481.5	485.5
Pace Communications:				
Braniff Magazine	24.4	—	212.1	—
US Air Magazine	51.4	55.0	331.6	381.8
Spirit of Aloha (6X)	24.4	20.6	143.2	122.8
Total Group	**909.7**	**768.4**	**5,385.4**	**4,922.8**
% change	**18.4%**		**9.4%**	
■ Men's				
Esquire A.	112.8	114.6	640.3	543.4
Firehouse Magazine	44.7	46.0	226.8	248.3
Gentlemen's Quarterly A.	139.3	147.0	1,004.3	914.2
M Magazine	49.7	61.5	385.4	405.5
Muscle & Fitness	129.7	125.8	819.9	717.2
Penthouse A.	51.7	44.6	295.0	262.5
Playboy A.	60.4	59.4	378.7	308.1
Salute (10X)	77.2	28.6	186.2	135.6
Total Group	**695.5**	**627.6**	**3,936.7**	**3,534.8**
% change	**10.8%**		**11.4%**	
■ Metropolitan				
Alumni	52.7	25.2	112.5	79.6
Atlanta	54.6	62.2	370.5	396.4
Baltimore	60.0	66.5	402.4	401.1
Boston	128.3	155.9	790.5	875.6
California	60.3	64.3	366.9	379.4
Chicago	105.4	109.9	667.7	616.3
Chicago's North Shore	101.5	91.0	601.9	531.4
Cincinnati	45.7	37.1	277.9	272.9
Cleveland	42.2	61.1	321.0	353.6
Columbus Monthly	58.0	69.6	387.8	414.1
Connecticut	108.0	107.8	621.4	619.3
D/Magazine	74.8	73.7	423.7	497.5
Denver	20.7	36.0	152.3	213.7
Detroit Monthly	57.7	78.2	346.5	476.5
Grand Rapids	53.5	27.3	223.5	207.8
Gulfshore Life (10X)	104.6	71.6	662.0	523.6
Honolulu	46.9	42.9	296.8	355.8
Houston Metropolitan Mag.	51.9	59.3	372.8	375.9
Inside Chicago (6X)	—	—	124.2	261.7
Los Angeles	127.7	149.0	884.2	868.7
Louisiana Life	34.2	42.2	99.7	98.1
Madison	44.0	44.0	252.0	248.0
Memphis	54.0	72.0	380.0	457.0
Mid Atlantic Country	47.3	37.0	238.9	192.7
Milwaukee	40.3	48.7	311.2	325.5
Minneapolis/St. Paul	100.3	104.4	643.4	592.8
Minnesota Monthly Mag.	58.5	36.0	285.7	232.2
Nashville	60.0	41.0	344.0	272.0
New England Monthly	48.0	48.3	303.5	286.0
New Jersey Monthly	104.4	109.3	547.1	592.0
New Mexico	36.2	34.3	258.4	226.7
Ohio	66.8	67.8	319.9	331.1
Orlando	105.0	83.0	582.9	526.8
Palm Beach Life	35.6	27.1	470.4	417.9
Palm Springs Life	62.8	59.4	781.3	717.8
Philadelphia	114.0	135.5	790.5	841.8
Phoenix	44.2	46.5	311.1	305.5
Pittsburgh	117.0	110.0	419.5	445.7
Rhode Island Monthly	78.2	43.2	334.2	88.0
Sacramento Magazine	48.7	60.0	313.0	352.0
St. Louis	42.6	30.1	286.7	276.1
San Diego	142.8	143.0	789.1	895.3
San Francisco Focus	94.0	116.9	613.4	562.9
South Florida Magazine	111.2	74.7	675.1	542.8
Texas Monthly	81.4	90.4	556.5	555.5
Ultra	30.0	26.0	253.2	146.7
The Virginian (6X)	—	—	174.9	179.8
Washington (7X)	—	—	233.0	215.6
The Washingtonian	138.5	134.0	982.7	908.1
Total Group	**3,294.4**	**3,253.2**	**20,957.8**	**20,553.1**
% change	**1.3%**		**2.0%**	
■ Music/entertainment				
Audio	106.4	99.4	562.0	507.6
Dance Magazine	42.8	42.9	346.5	352.1
Playbill	40.9	46.2	295.0	301.8
Total Group	**190.1**	**188.5**	**1,203.5**	**1,161.5**
% change	**0.8%**		**3.6%**	
■ Outdoor & sport				
Alaska	31.3	30.7	244.1	226.1
The American Handgunner (6X)	—	—	155.0	148.0
American Hunter	18.1	18.5	101.6	123.7
American Rifleman	18.6	18.0	125.2	137.6
Backpacker (6X)	30.0	27.3	99.1	92.2
Bass Master (10X) A.	52.1	51.2	516.5	534.3
Bicycling (9X)	135.3	152.6	665.5	671.7
Cross Country Skier	—	—	87.4	97.5
Ducks Unlimited (6X)	—	—	80.7	69.8
Field & Stream	67.6	61.8	498.1	561.5
Fishing World (6X)	—	—	147.1	152.5
Florida Sportsman	107.8	107.8	846.2	868.5
Golf Digest	179.7	149.8	836.3	747.4
Golf Illustrated	65.0	33.2	301.2	175.3
Golf Magazine	96.0	92.5	775.1	687.3
Gun Dog (6X)	—	—	125.5	99.7
Guns	33.0	31.0	212.0	203.0
Guns & Ammo	33.1	45.2	251.3	271.4
In-Fisherman (7X)	34.9	45.8	349.3	411.3
Outdoor Life	61.8	64.5	525.8	503.5
Outside Magazine	58.3	67.7	451.6	361.0
Petersen's Hunting	42.7	38.5	239.2	263.2
Runner's World (12X)	47.2	34.8	235.0	208.7
Salt Water Sportsman	122.6	95.1	834.0	783.7
Shooting Times	28.6	34.8	183.0	194.8
Sierra (6X)	—	—	144.3	135.9
Ski (8X) A.	—	—	341.6	293.4
Skiing (7X) A.	—	—	218.7	263.1
Skin Diver	131.5	133.5	703.1	700.2
Southern Outdoors (9X)	—	—	296.4	343.8
Southern Saltwater (8X)	—	—	288.2	208.9
Sport Magazine	56.8	41.8	229.1	228.5
Sports Afield	60.6	57.7	408.6	493.0
Tennis	59.5	104.2	393.9	503.1
Waterski (9X)	77.8	72.2	431.3	376.2
Western Outdoors (10X)	21.2	23.0	241.3	270.8
Wildfowl (6X)	15.2	13.2	47.5	42.4
WindRider (8X)	55.3	54.0	229.7	218.0
Wing & Shot (6X)	—	—	44.0	41.2
World Tennis	53.3	42.1	299.4	343.0
Total Group	**1,794.8**	**1,742.5**	**13,203.6**	**13,055.0**
% change	**3.0%**		**1.1%**	
■ Photography				
American Photographer	29.2	31.2	193.0	176.7
Petersen's Photographic	26.4	22.2	170.1	148.3
Popular Photography	84.3	72.2	492.1	476.8
Total Group	**139.9**	**125.5**	**855.3**	**801.8**
% change	**11.5%**		**6.7%**	
■ Science/electronic/mech				
Discover	42.4	33.7	245.7	220.0
Home Office Computing	48.8	38.1	278.0	257.7
Omni	58.5	53.6	359.5	363.6
Personal Computing	170.9	173.2	1,029.8	1,209.2
Popular Mechanics	80.4	76.5	522.9	509.1
Popular Science	126.0	70.0	578.4	432.6
Scientific American	38.2	40.8	246.0	231.0
Spectrum	55.9	54.3	366.9	367.3
Total Group	**620.9**	**550.2**	**3,627.1**	**3,590.5**
% change	**12.9%**		**1.0%**	
■ Woman/fashion/service				
Beauty Digest (6X)	33.0	—	73.7	36.7
Bride's Magazine (6X) A.	499.0	429.0	1,729.0	1,504.6
Cosmopolitan A.	188.0	207.8	1,188.2	1,183.4
Elle Magazine	114.8	125.3	1,010.2	1,000.0
Essence	68.9	75.2	452.6	444.2
Family Circle (17X) A.	183.7	182.6	992.4	872.3
Glamour	176.2	166.5	1,017.5	1,011.5
Good Housekeeping A.	152.9	117.2	779.4	745.4
Harper's Bazaar	60.6	65.7	638.4	634.4
Health	40.3	37.3	195.0	235.3
Imagen	117.7	101.1	538.0	458.0
Ladies' Home Journal	128.2	100.3	783.7	628.1
Mademoiselle	126.2	142.6	817.4	848.5
McCall's	93.3	76.3	560.2	458.4
Military Lifestyle (10X)	45.4	29.1	295.7	288.3
Modern Bride (6X)	356.7	300.8	1,343.2	1,153.6
Ms.	31.3	32.1	204.1	188.4
New Woman	78.7	95.5	534.1	525.4
Parents Magazine A.	136.1	111.3	712.2	615.9
Redbook	95.6	91.2	568.2	592.6
Savvy	45.8	42.0	299.0	260.9
Self	91.1	95.3	663.1	615.1
Seventeen	107.5	94.1	668.3	663.3
Shape	70.2	67.3	417.7	370.7
Soap Opera Digest (26X)	39.5	23.2	234.5	141.7
Soap Opera Update	14.8	5.3	61.8	61.5
Teen Magazine	43.3	48.6	263.6	294.4
True Story A.	47.2	45.2	308.1	270.9
Vogue	149.2	170.2	1,585.8	1,453.4
W Magazine	47.2	37.0	673.1	647.1
Weight Watchers	26.7	23.0	199.6	203.9
Woman (10X)	25.0	42.5	174.9	218.6
Woman's Day (15X) A.	101.6	98.9	868.5	770.2
Workbasket	22.2	20.4	145.2	151.7
Working Mother	61.4	64.3	446.5	414.3
Working Woman	92.0	117.9	551.2	575.8
Total Group	**3,712.1**	**3,481.9**	**21,994.1**	**20,540.5**
% change	**6.6%**		**7.1%**	
■ Youth				
Boys' Life	21.8	11.2	120.9	94.7
Campus Life (10X)	—	—	214.0	219.3
Total Group	**21.8**	**11.2**	**334.9**	**314.0**
% change	**94.5%**		**6.7%**	
■ Business/national				
Barron's	180.3	207.9	905.7	1,143.0
Black Enterprise	219.5	224.8	575.2	559.6
Business Month	36.8	37.4	222.4	183.1
Business Week (52X) A.	443.1	335.3	2,229.2	2,070.7
Entrepreneur	136.7	84.8	901.9	590.5
Financial World (26X)	64.3	59.4	360.5	341.4
Forbes (26X)	274.1	252.6	1,671.0	1,562.8
Fortune (26X)	422.8	286.1	1,641.1	1,435.7
Frequent Flyer	32.6	45.6	251.0	304.2
Futures	43.4	59.5	252.5	347.2
Inc. Magazine	95.6	98.5	565.8	518.8
Income Opportunities	71.9	84.1	416.2	480.8
Industry Week (23X) A.	112.7	97.8	546.5	483.7
Nation's Business (12X) A.	38.7	27.5	229.3	227.9
Venture	—	56.6	217.1	262.2
Total Group	**2,172.5**	**1,957.9**	**10,985.5**	**10,511.6**
% change	**11.0%**		**4.5%**	
■ Business/regional				
Advantage-Nashville's Bus. Mo.	68.0	49.0	426.0	426.0
Arizona Bus. Gazette (52X)	76.7	71.2	367.2	337.9
Baltimore Bus. Jrnl.	89.4	67.4	487.0	489.8
Bus. First of Buffalo	80.2	87.0	456.4	408.3
Bus. Jrnl.-Milwaukee	147.6	133.6	887.2	952.9
Bus. Jrnl.-Sacramento	79.4	70.4	474.5	462.8
Bus. North Carolina	54.5	53.3	290.5	252.5
Capital Dist. Bus. Review (52X)	116.4	99.8	468.5	439.6
Caribbean Business	167.3	196.2	751.4	765.2
Corporate Rpt. Minnesota	94.5	103.0	398.8	446.0
Crain's Chicago Bus. (52X)	134.0	169.0	826.7	902.0
Crain's Cleveland Bus. (52X)	70.4	61.4	458.8	399.1
Crain's Detroit Bus. (52X)	77.5	86.9	454.5	471.1
Crain's New York Bus. (52X)	51.0	49.0	329.0	308.0
Florida Trend (13X)	50.6	70.1	366.8	463.8
Georgia Trend	30.5	37.0	273.5	331.1
Grand Rapids Bus. Jrnl.	44.1	53.8	274.6	309.1
Hawaii Business	35.5	45.5	261.9	242.0
Houston Bus. Jrnl. (52X)	64.5	63.3	431.3	327.5
Indianapolis Bus. Jrnl. (52X)	148.4	154.5	896.7	849.2
Manhattan Inc.	52.9	76.6	275.1	378.7
New England Bus. (12X) A.	32.8	58.2	253.4	343.1
New Orleans City Bus.	38.6	41.3	242.0	287.3
Pacific Bus. News (52X)	104.2	108.3	607.9	617.5
Philadelphia Bus. Jrnl.	174.3	110.7	882.7	874.7
Pittsburgh Bus. Times (52X)	21.1	20.0	249.5	237.2
Providence Bus. News	85.9	80.7	533.3	491.6
Regardie's/Washington	173.0	146.0	960.0	887.0
St. Louis Bus. Jrnl. (52X)	94.9	106.8	629.5	678.6
Warfield Monthly Baltimore	52.7	98.8	393.6	432.4
Total Group	**2,510.6**	**2,568.9**	**14,608.3**	**14,811.8**
% change	**-2.3%**		**-1.4%**	
■ National Sunday mags				
Parade (52X)	53.3	52.5	357.0	327.1
USA Weekend (52X)	46.6	45.7	302.2	291.0
Vista Magazine (52X)	17.6	15.3	120.2	94.5
Total Group	**117.5**	**113.5**	**779.3**	**712.5**
% change	**3.5%**		**9.4%**	
■ Newspaper Sunday magazine				
Boston Globe	163.0	166.0	1,409.0	1,431.0
Chicago Tribune	109.0	106.5	397.9	410.1
Cleveland Plain Dealer	67.7	56.7	399.1	396.7
The Dallas Morning News	65.0	60.3	390.0	426.4
Detroit Free Press	42.4	38.9	282.6	313.8
L.A. Times	57.0	78.5	453.8	450.5
Louisville Courier-Jrnl.	24.0	29.0	179.0	202.0
New York Times Mag.	286.6	270.1	1,909.3	1,942.7
Philadelphia Inquirer	83.5	75.1	538.5	505.1
Seattle Times	56.0	67.0	391.0	398.0
St. Louis Post Dispatch	66.5	62.6	482.5	428.7
Toledo Blade Magazine	27.6	30.2	190.6	200.8
Washington Post	121.1	118.5	814.5	739.7
Total Group	**1,169.4**	**1,159.4**	**7,837.8**	**7,845.5**
% change	**0.9%**		**-0.1%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	136.0	148.6	890.2	868.9
Army Times Military Group:				
Air Force Times (52X)	150.2	161.9	945.7	961.2
Army Times (52X)	147.5	149.4	905.9	921.0
Navy Times (52X)	169.8	168.6	1,035.0	1,036.8
Capper's (26X)	24.2	17.4	198.9	138.0
Commonweal (22X)	2.6	8.4	48.7	40.4
Golf World (40X)	133.9	107.3	752.0	657.1
Grit (52X) A.	28.5	22.0	208.5	171.8
National Journal (50X)	66.3	77.3	381.4	417.8
National Review (25X)	33.5	25.9	158.6	212.4
New Republic (48X)	35.8	32.7	259.1	224.6
New York Magazine (50X)	202.3	246.7	1,436.6	1,508.1
New Yorker	140.2	152.1	998.1	1,102.2
Newsweek (52X) A.	147.4	174.3	1,175.3	1,181.9
People (51X)	295.4	271.1	1,882.8	1,717.2
Rolling Stone (25X)	194.4	181.5	958.8	884.7
Sporting News (52X)	49.0	36.5	298.4	288.5
Sports Illustrated (52X) A.	211.6	186.0	1,488.8	1,475.2
Time (52X) A.	203.9	180.9	1,354.1	1,204.4
TV Guide (52X) A.	143.6	157.5	1,606.6	1,738.2
US Magazine (26X)	72.0	55.9	375.5	311.5
U.S. News & World Report (50X) A.	134.1	143.1	930.8	891.8
Total Group	**1,929.6**	**1,921.5**	**13,305.0**	**13,158.6**
% change	**0.4%**		**1.1%**	

NOTES: (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. All figures represented in this table are supplied by the magazines. AD AGE makes no attempt to verify them and therefore is not responsible for inconsistencies or errors. Compiled by Kathy Welyki.

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NEWSPAPER

July 24, 1989

Advertising Age

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Campbell ups budget 15%

By Judann Dagnoli

Campbell Soup Co. will boost its marketing and advertising budget 15% during fiscal 1990, starting in August, said Herb Baum, Campbell USA president.

H. Baum

The company is also reorganizing its soup units and developing new marketing and advertising strategies for several brands, Mr. Baum said.

Promotional and marketing spending will get the bulk of the increase—about 10%—while media spending is expected to rise 5%, he said.

With the increase, Campbell's ad budget will hit $247 million in fiscal 1990, according to *Advertising Age* estimates.

Much of the new support will go behind Campbell's core soup business, with an emphasis on the expanded introductions of four new products. That emphasis will kick off this fall, when soup advertising is traditionally one of the strongest ad spending categories.

The new products include the $13 million national rollout, via BBDO Worldwide, New York, of Souper Combos frozen soup-and-sandwich combinations; the continued expansion of a ramen noodle soup; the Midwest introduction of ready-to-serve Campbell Microwave soup; and the launch of Chunky Microwave soup into Midwestern markets.

The ramen soup will be introduced under one of two brand names: Noodle Nest, which was used in test markets last year, or Campbell Ramen Soup. It will be handled in-house by CSC Advertising, Camden, N.J.

The Campbell Microwave soup, previously assigned to red-and-white soup agency Backer Spielvogel Bates, New York, is now also handled by CSC. Chunky Microwave, first introduced in Milwaukee, is handled by Chunky agency BBDO.

Mr. Baum said Campbell is continuing its "back-to-basics" strategy, begun last year, in which fewer new products were introduced and support swung to older, more-established product lines, such as Swanson frozen dinners and V-8 vegetable juice. The strategy resulted in positive share gains for every company business line this fiscal year, he said.

Campbell is trying to recover from continued flatness in the nearly $2 billion condensed

(Continued on Page 78)

P&G's olestra: fat city for Ayer?

By Laurie Freeman

N W Ayer has the inside track on Procter & Gamble Co.'s olestra business, an ad account that could be huge, industry sources say.

P&G sources say Ayer, brought in on a consulting basis on olestra, will be named agency of record for the fat substitute but not before P&G wins U.S. Food & Drug Administration approval. The FDA's decision is still several years away, observers say.

The company is already working with New York-based Ayer on preliminary marketing plans for olestra.

P&G, Kraft General Foods Group and NutraSweet Co. all have fat substitutes awaiting FDA approval. The market for these substitutes —which would spur the creation of new low-calorie salty snacks, ice cream and other products— is expected to trigger big ad budgets, greater than even sugar substitutes (AA, June 26).

For example, NutraSweet spends $25 million a year promoting the NutraSweet brand name, via Ogilvy & Mather, Chicago. But the P&G olestra account would dwarf that, many say, because it could cover not only olestra itself but products made with olestra.

P&G spokesman Don Tassone said no formal agreement has been made with any P&G agency for the olestra assignment, nor is there any guarantee Ayer would win the account.

But a source close to the company said, "It would be pretty rude [of P&G] to pull the rug out from under them now. It's considered a done deal."

A P&G source noted Ayer is "helping us think through and evaluate potential marketing strategies and opportunities. This is a new ingredient, and it requires wiping the slate clean and thinking about it [without] prejudices and preconceived notions."

Industry observers say they believe P&G will advertise olestra in much the same way that Monsanto Co.'s NutraSweet subsidiary advertises NutraSweet. Monsanto promotes the brand name, and companies that use NutraSweet as an ingredient also include that fact in advertising.

"We expect P&G to launch a consumer ad-

(Continued on Page 78)

Exec shakeup at Kraft GF boosts Mayer

By Julie Liesse Erickson and Judann Dagnoli

Management changes at Kraft General Foods Group appear to be the latest blow to the former General Foods Corp., which has been struggling with a myriad of problems ever since Philip Morris Cos. merged it with Kraft last February.

Following the resignations of two key executives, Kraft General Foods on Friday named former Kentucky Fried Chicken Corp. Chairman-CEO Richard P. Mayer president of its General Foods USA unit and James M. Kilts president of Kraft USA.

Named Kraft senior VP-strategy and development last year, Mr. Kilts, 41, was a member of the transition team responsible for integrating Kraft and General Foods in the wake of Philip Morris' acquisition of Kraft.

James Kilts rises from senior VP-strategy and development to Kraft USA president.

Christina M. Freitag

Richard Mayer leaves Kentucky Fried Chicken to head General Foods USA.

Mr. Mayer, 49, began his career with General Foods in 1962 before joining Heublein in 1973. He joined KFC (then owned by Heublein) in 1977 and was named chairman-ceo in 1982.

Mr. Mayer is succeeding Miles Marsh, 41, who resigned as president of General Foods USA and is moving to Chicago-based Whitman Corp., parent of Pet Inc. and Midas Muffler.

Mr. Kilts is replacing Ervin Shames, 49, who resigned as Kraft USA president. Mr. Shames, a 20-year veteran of General Foods who took over as Kraft's chief after the merger, plans "to pursue career op-

(Continued on Page 80)

LAST MINUTE NEWS

IBM taps Lintas:Coco

ARMONK, N.Y.—IBM named Lintas:Ceco Communications, Warren, Mich., as first agency to develop retail tactical marketing programs. Its estimated capitalized billings could reach $15 million to $20 million. Lintas:New York handles advertising and Lintas:Muir Cornelius Moore, New York, handles direct marketing for IBM's personal computers.

J&J moves sweetener to Lintas

NEW BRUNSWICK, N.J.—Johnson & Johnson moved its new sugar substitute, Sucralose, to Lintas:New York from Lowe Marschalk, New York. Approval for Sucralose's use is pending before the U.S. Food & Drug Administration.

More WPP-Scali talks set

LONDON—Scali, McCabe, Sloves Chairman-CEO Marvin Sloves met here July 20 with WPP Chief Executive Martin Sorrell to discuss Scali's impending buyback from WPP. Another meeting is tentatively scheduled for early next month in New York. But WPP financial executives have already told analysts they expect to get about $53 million for 50% of the agency early next year.

Fed Ex pulls ads on ABC news

MEMPHIS, Tenn.—Federal Express last week canceled indefinitely all its network buys during ABC news programming. The overnight courier company said it objected

(Continued on Page 8)

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Shoe marketer plans to launch new products and an advertising blitz this fall.

Dining with Diller ..... P. 40
Jim Brady gets a closeup look at the man behind Fox TV during a casual lunch.

Marketers ticked off ..... P. 50
Lyme disease fears spur action by tourism officials and bug repellent makers.

Popcorn leaders make light moves

By Bradley Johnson and Julie Liesse Erickson

Orville Redenbacher and Betty Crocker, a couple of heavyweights in microwave popcorn, are lightening up the $420.5 million segment with lower-salt, lower-fat versions.

Beatrice/Hunt-Wesson, the top popcorn marketer, this month introduces nationally Orville Redenbacher's Gourmet Light Microwave Popping Corn.

General Mills, No. 2 in the market, follows the leader in September with the national launch of Betty Crocker Pop Secret Light.

Orville Redenbacher and Pop Secret dominate the microwave popcorn segment, which grew 22.7% to $418 million for the year ended April 21, according to Arbitron Co.'s SAMI report on warehouse shipments.

Microwave popcorn marketers in recent years have emphasized segmentation, including the introduction of butter, non-butter, salt-free and cheese-flavor products.

"With the microwave popcorn market saturated, it's logical that flanker brands are playing a more important role in the category," said Alan Miller, a SAMI consultant.

Beatrice/Hunt-Wesson said its Orville Redenbacher light extension contains one-third less salt, one-third fewer calories and two-thirds less fat than its standard line. The light variety uses less oil in popping.

General Mills said its light has half the fat of original Pop Secret. Although the line extension also contains less sodium, the company isn't promoting that fact on packages or in ads, a spokeswoman said.

Both light brands will come in butter and non-butter versions.

Although Beatrice/Hunt-Wesson is getting the distribution jump, the initial marketing assault may be more of a draw. Both companies plan network and spot TV campaigns this fall, supported by print ads and consumer promotions.

Ketchum Advertising, San Francisco, handles the $16 million Orville Redenbacher account. Agency for the $8 million Pop Secret account is Campbell-Mithun-Esty, Minneapolis.

Separately, Beatrice/Hunt-Wesson in September breaks the first major print effort for Orville Redenbacher in about five years.

The campaign plays off popular movie titles with such headlines as "The Light Stuff" for the light popcorn, "Pop Gun" and "Romancing the Corn." Mr. Redenbacher and his grandson, Gary, appear in garb appropriate to the movies.

Beatrice/Hunt-Wesson is trying to play off a natural association between popcorn and movies.

"It's almost a cultural icon," said John Faville, senior VP-director of account management at Ketchum. "We're just playing on a picture that's already in people's heads."

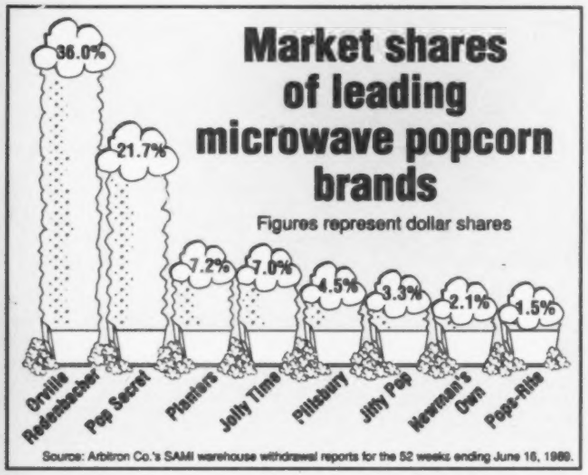
The ads, in stark b&w with a color product shot, will run in such magazines as *Family Circle, People, TV Guide* and *Video Review*.

About 10% of Orville Redenbacher's budget is going into magazine ads, Mr. Faville said.

This magazine effort and the introduction of light popcorn come at a time when both Orville Redenbacher and Pop Secret are seeing share growth in the segment.

Orville Redenbacher's share increased to 36% for the 52 weeks ended June 16 from 35.5% a year earlier, SAMI reported. Pop Secret jumped to 21.7% from 20.6%.

Microwave popcorn accounts for about half, or 142 million pounds, of total popcorn tonnage. Because the microwave products sell at a premium price, they account for three-fourths of dollar volume in the overall popcorn market, which SAMI valued at $560.4 million for the year ended April 21. □



John Hall

Riney bucks rumors that agency is for sale

By Joseph M. Winski

Hal Riney & Partners is not for sale, says Hal Riney.

"We're not trying to sell the agency," he said. "We are not contemplating a sale. I do not plan on selling the agency any time in the near future."

Mr. Riney, chairman-ceo of the San Francisco-based agency, said rumors and media accounts that have him trying to sell the shop are unfounded and "irresponsible."

He characterized the "talks" the agency reportedly has been having with potential buyers as a response to uninvited inquiries from parties assessing the agency's interest in being purchased.

"Yes, we have been contacted," he said. "We have talked to probably half a dozen agencies from London. When I say talked to [I mean] we have received telephone calls from various people in the business."

Mr. Riney said he hasn't had any face-to-face meetings with potential buyers within the industry, though he said James Travis, the agency's New York-based president, has had a couple of such meetings in the past 18 months.

Hal Riney: We're not for sale.

"When I get these things, I either ignore them or I just wait until they call back," Mr. Riney said. "I have three or four letters of what I would consider to be interest on my desk now, and I just simply haven't responded to them."

Only one approach, that of a non-agency investment group with whom he did meet, got as far as mentioning a specific transaction price, Mr. Riney said. "I don't think it was a firm or final offer," he said, but Mr. Riney indicated he and his partners weren't interested in any case.

He declined to name the investment group, saying it was "irrelevant."

The agency has received inquiries about its availability starting from "the day it was announced that we were no longer part of Ogilvy & Mather" in 1986, he said.

If anything, he said, interest has abated following the agency's acquisition of the $80 million General Motors Corp. Saturn account last year because of the conflict that business poses for other agencies with automotive accounts.

"Will we ever sell the agency?" Mr. Riney asked rhetorically. "We could, yes. If somebody wants to offer me and my associates here several billion dollars, why I think we probably would be quite interested." □

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Recruiting shops win respect

By Gary Levin

HELP WANTED: *Medium-size agency specializing in recruitment advertising seeks respectability and awareness for creating classified ads that help companies find employees. Phone calls welcomed.*

That might be an ad from any number of agencies working in a field long regarded as the arcane stepchild of the advertising business: recruitment.

Although they may lack the glamor and excitement of shops handling consumer products, recruitment agencies say they've come a long way in their struggle to be taken seriously as a creative force.

Recruitment, still predominantly a newspaper specialty, represents a $3.07 billion business for that medium as of 1988.

That's more than a threefold increase from the $894 million spent in newspaper recruitment ads 10 years earlier, the Newspaper Advertising Bureau says.

To capture revenue in what essentially has remained a 15% commission business, more than 100 agencies now list themselves as recruitment specialists in industry reference books.

But that segment of the agency business hasn't escaped the acquisition and consolidation trend.

Such agency conglomerates as New York-based Omnicom Group and London-based WPP Group have inherited or purchased major recruitment agencies as part of their broader buying binges.

J. Walter Thompson Co., now part of WPP, bought Worldwide Advertising, Los Angeles, in 1980 and Donahue & Associates, New York, in 1988. Last week, it signed a deal to acquire Anderson Fischel, Dallas, an $18.5 million recruitment agency.

Some of the larger shops also plan expansions into Western Europe as trading and employment barriers are lifted there in 1992.

"The industry is finally coming of age, although it's been around for a long time," said Timothy Robbins, president of Austin Knight Advertising, a London-based agency with a $50 million U.S. operation.

"Recruitment agencies are recognized much more nowadays as part of the professional advertising community," he said.

Historically, that's not been the case. Aside from big-budget TV recruitment advertising for the military—created by general agencies and not the specialists—creativity in this field was a rarity.

Rumors of kickbacks and double-billing—at least at one large recruitment agency—prompted a government investigation in the early 1980s that cast a cloud over the field.

"The industry has traditionally been characterized as a 'take-and-place' volume industry," said Donald Robertson, president-ceo of Thompson Recruitment Advertising, Los Angeles, a unit of JWT.

"The client would phone up, a person would take the ad, . . . not make any changes and get it to the newspaper," he said. "When I came here [in 1984], we had 15 creative people out of a staff of 350."

These days, said Bernard Hodes, president of the New York agency bearing his name, "we take a job description [from a client], and we will determine what should be said, where it should run, the size of the ad and how much money they should spend."

Industry executives say the change has come partly from a drastic labor shortage in several categories, ranging from nursing to high-tech professional jobs to fast-food restaurant help.

Increased competition among companies in those fields—and among agencies vying for their recruitment business—has created an atmosphere more akin to big-league general shops than ever before.

That development has helped recruitment agencies lure better creative talent.

But for all its progress, the recruitment ad business remains a different breed.

Here, corporate recruiters aren't looking for mass reach on a cost-per-thousand basis but rather an efficient "cost per hire," or the amount of advertising, interviewing time and other factors needed to find the right candidate.

For high-tech companies seeking scarce job candidates, the "CPH" can run into thousands of dollars for a single hire.

Unlike general agencies or even their counterparts in related marketing fields, recruitment agencies report to a client other than the ad director, making cross-referrals more difficult.

"Recruitment is outside the mainstream," said Mr. Hodes, whose agency now is part of Omnicom. "It's not like PR or direct marketing, where you share the same ad manager. Our client is the human resources director, so the general agency wouldn't be talking to them."

Still, Mr. Hodes reported that at least three clients—GTE Corp., Mobil Oil Corp. and Clorox Co.—were obtained through its connections to Omnicom.

The high-volume, quick-turnaround nature of the business is staggering. It's not uncommon for the largest agencies to handle 1,500 or more different clients, with each worth anywhere from a few thousand dollars to $10 million a year.

Bernard Hodes Advertising, whose New York nerve center is a frenzy of activity on Thursday evenings as the newspapers' Sunday help-wanted section deadlines approach, said it places 12,000 to 15,000 individual insertion orders each month.

Industry executives also say help-wanted ads are both more local in scope—keyed to areas where employers need help—and more subject to wild fluctuations based on the business health of a company.

As a result, one of an agency's largest accounts may dry up completely within a matter of weeks.

For example, Boston area employment is currently in a slump because of the computer industry shakeout there, while hiring in Texas has rebounded following the oil slump.

Recruitment ads are "a pretty good barometer of the economy," Thompson's Mr. Robertson said. "We tend to use it within JWT. If our business suddenly starts softening due to hiring freezes or cutbacks, three or four months from now we start hearing about client cutbacks or postponed advertising on the consumer side."

Despite the record amount of recruitment ad spending, the *number* of help-wanted ads placed has remained essentially flat during the past few years.

The Conference Board's index of help-wanted ad volume through May 1989 stands at 154, compared with 157 for 1988 and 153 for 1987. (The index, which measures the relative growth in ad volume, is based at 100 using totals from 1967, the year the measuring system began.)

Newspapers still account for 75% to 90% of all recruitment advertising, a fact not lost on publishers of metropolitan dailies, who depend on help-wanted ads for an average 9.8% of their total ad revenues, compared with 7.3% in 1978, Newspaper Advertising Bureau figures show.

"There's no doubt employment advertising has expanded along with other classified advertising and has become a formidable part of a newspaper's [business]," said Ira Gordon, VP-recruitment at NAB.

But direct mail, college campaigns, radio, and even TV and outdoor advertising are fast becoming major alternatives.

Domino's Pizza has enlisted TV to help find delivery workers, while defense contractors are using radio and TV in markets with a high concentration of its workers, such as San Diego.

The acute nursing shortage also has led some hospitals to use broadcast media to help increase their staffs where newspapers haven't proved effective.

Since 1987, McDonald's Corp. has been running TV commercials featuring senior citizens on their "first day" at the giant fast-food chain—a ploy to lure more seniors to its work force. □

Top worldwide recruitment agencies

Agency	Headquarters	1988 billings
Austin Knight Advertising	London	$300 million
Bernard Hodes Group	New York	$218 million
Nationwide Advertising	Cleveland	$185 million*
Thompson Recruitment Advg.	Los Angeles	$115 million
Bentley, Barnes & Lynn	Chicago	$56 million
Deutsch, Shea & Evans	San Francisco	$50 million

*Estimate. Source: *Advertising Age*

The Oregonian has the lowest CPM of any newspaper on the West Coast.*

If you'd like more information on one of the most cost-efficient advertising buys in the West, call John Mannex, General Advertising Manager, at (503)221-8302

The Oregonian

*Based on rates in effect 5/1/89. Sunday CPM #1, Daily CPM #2.

Kodak, Wendy's aid Games

NEW YORK—Eastman Kodak Co. and Wendy's International will be among the worldwide sponsors of the 1990 Goodwill Games in Seattle.

Kodak will sponsor the women's basketball tournament and get category exclusivity for several of its products, including film, film processing, copiers and professional photography.

Wendy's, in its largest-ever sports marketing commitment, will sponsor the women's volleyball competition.

The companies join Pepsi-Cola Co., Gillette Co., Anheuser-Busch's Budweiser, *Sports Illustrated* and Frito-Lay snacks as worldwide sponsors of the event.

The 17-day event will start on July 20, 1990.

Robert Wussler, exec VP at Turner Broadcasting System, organizer of the competition, said he expects the Goodwill Games will lose about $10 million in 1990 but break even or reach profitability by 1994.

The 1986 Games lost $26 million, he said. □

SPECIAL REPORT

Automotive Marketing

Edited by Anita M. Busch

Lap of luxury S-8, S-12
Unending array of top badges and growing number of upscale minivans crowd field.

Big wheels S-16
Wonder what captains of Big Three started driving? Out of Left Field, a new feature.

Pony ride S-18
Mustang: looking back on 25 years of marketing a mystique.

Lookin' for adventure S-22
How Kawasaki's Sunday drive down fantasy lane turns into marketing coup.

An open letter to Roger Smith

What would happen if GM broke its dependence on rebates and adopted policy of 'everyday low prices?'

Mr. Roger Smith
Chairman, General Motors Corp.
Detroit, Michigan

Dear Roger:

Have you been to Sears lately?

Sure, I know you've been busy. George Bush wants you to do more to clean up the air (what was the point of electing a Republican, anyway, you're wondering).

The guys on the shop floor are making noise about wanting the union to be a real adversary again, like in the bad old days.

And just when you thought you had contained the growth of Toyota and Honda, a dollar run-up vs. the yen has them revving again.

It wouldn't surprise me if you've been too preoccupied to get down to your neighborhood Sears for that new lawn mower, or that garage-door opener for the Buick.

So there's a good chance you missed what's going on. Sears is calling it "Everyday low prices," the retailer's attempt to curb its reliance on promotional sales.

There are enough parallels between Sears and General Motors—and enough similarities between department stores' repetitive sales cycles and automakers' rebate madness—for you to consider following Sears' price strategy.

I suggest you call it "GM's everyday *real* prices."

Not too many customers believe your sticker prices are real. At least not any more than those who believe Sears wouldn't have another sale on washers and dryers.

Sears found out that "regular sales" was an oxymoron, as far as the consumer is concerned. There is nothing special—and hence, no genuine consumer lure—about a sale that happens all the time.

Sears' customers had figured it out, and if they missed this week's sale, well, they'd just wait until it came around again.

Roger, we all know you're close enough to start counting down the number of 10-day sales reports until retirement. But, perhaps, you're seeing something else in those reports: the old downward spiral that all your rebates and low-interest loans can't reverse.

As I write this, GM's car sales this year are down more than 9%, and truck sales are down about 3%.

Once, consumer incentives were a smash hit. When you came up with "The Big One" to clear out your 1986 models, you and the rest of the industry set sales records that will stand for a long time. But that happened precisely because 2.9% financing really was different.

Most car buyers soon figured out that you'll keep coming back with low interest rates or cash back to stimulate sales. You figured out that the consumers figured this out, and so you've raised your prices so that you can afford to put on the sale. And now, most car buyers have figured out that you figured out that they figured you out.

Tom Bachtell

Back in 1986, they could get a 1986 Oldsmobile Cutlass Ciera for as low as $10,153. A base 1989 Cutlass Ciera runs $11,695. That's $1,542 more, but you're offering the customer a rebate of $800. Even after the rebate, the price is up 7.3%.

A V-6 Chevrolet Cavalier Z-24 went from $8,878 in 1986 to $11,325 currently, of which you'll rebate $600. You're bending the car's sheet metal differently than in 1986, and the issue gets muddied because you make certain formerly optional equipment standard. But it's still a 20.8% increase, after rebate.

It may be difficult to prove exactly how much your prices went up if the optional/standard equipment argument is factored in, but it's not hard to see that the combination of price increases/price rebates has caused massive buyer cynicism.

Notice, though, that positive things happened when Sears went to "everyday low prices." It created a lot of chatter in the media and with the public, and it brought in a lot of customers to take a new look at the store.

Like Sears, GM is uniquely positioned to pull off a return to realistic pricing. Both companies are No. 1 in their categories.

Ford and Chrysler aren't big enough to pull it off. You're the only one who can lead the way in getting the industry "off the dope" of sales incentives, as Lee Iacocca put it.

Take what you're offering in rebates, knock it off the price and promote it big. "The *Real* Big One," you could call it. Your dealers could still have their occasional sales, but they would be true sales.

Those dealers—who could develop realistic plans for sales and inventory—would be thrilled. Your ad agencies, who would be able to concentrate on building your brand image instead of touting your latest giveback, would be delirious.

Your customers would bless you.

It must seem like forever since that's happened.

Best regards,
Raymond Serafin
Plymouth Voyager owner

BAROMETER

Take a number:

Automaker	Ad spending ($ in millions)	Total car & truck sales (in thousands)
GM	$948.9	5,563
Ford	437.0	3,811
Chrysler	369.7	2,208
Toyota	191.0	936
Honda	177.1	769
Nissan	177.3	642

Source: *Automotive News*, 1989 Market Data Source Book, BAR/LNA, Radio Expenditure Reports

Take the pulse:

Many consumers make their car-buying decisions on price and color. But if it's close, the name often cinches the deal.

Suzuki Samurai . . . A great name for the adventurer, especially in the corners.

Nissan Pulsar NX . . . Is this a watch or a car? Painfully narrow seats may have been designed by 98-pound timekeeper.

Chrysler New Yorker . . . Would anyone west of the Hudson aspire to this?

Yugo . . . Seems to mean ready transportation, but a 35.4% sales slide in 1988 translates more like "You-went."

Mazda MPV . . . Obscure-letter names becoming more popular than obscure-number names. But this one sounds like a Moon-mobile.

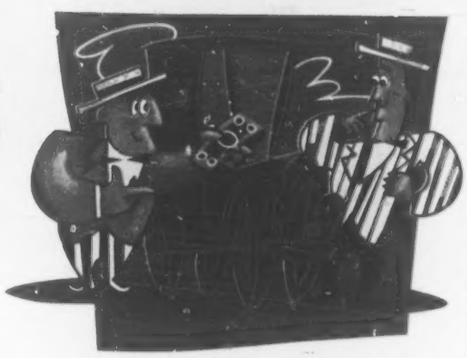
VW Golf . . . Sounds very clubby, but a foursome with their sticks won't fit. Take the Club Cab.

Jeep Wagoneer . . . "Wagon Train's" Ward Bond would have loved it, especially with Jeep Cherokees circling the neighborhood.

Chevy Corvette . . . Now heading into its fifth decade despite a cramped cockpit and negligible trunk space. But it's worth it to be able to say you've got a 'vette.

Veteran of rebate wars lays blame at consumers' feet

Why is it so hard to break the cycle? Car rebates have been used so long they've become self-perpetuating, even infecting the Japanese



"We have 'appliance-ized' the auto industry," claims L.R. Windecker, retiring in July after 42 years in the business.

Ford Motor Co.'s former research and analysis manager/public affairs has seen rebates and incentives come and go over the years. In that time, "We have brought the automobile business to full cycle, much in the same way that the appliance business is conducted," he contends.

Customers have come to see rebates and incentives as a normal way of doing business . . . So the possibilities of the removal of rebates as a marketing tool over the next 10 years is very slim.

The result is a vicious spiral from which automakers have yet to figure an escape route. Advertising Age *talked to Mr. Windecker about the state of rebates and, most important, will rebates ever come to an end?*

By L.R. Windecker

Rebates have been with us since the first time a Roman chariot dealer threw in the canopy top with the special three-horse chariot.

I have no historic proof of that, but I have no doubt it occurred.

Consumer rebates and incentives have been with us for years, but far less consistently than dealer incentives and far more infrequently until a few years ago.

Ford Motor Co. offered rebates in the 1914-1915 era. I can barely remember a day when there was not some form of dealer incentive.

Will rebates ever come totally to an end? No.

It isn't so much a matter of weaning the auto companies away from rebates. It's a matter of weaning the customers away from them.

Customers have come to see rebates and incentives as a normal way of doing business and would be more than slightly irked if they were unilaterally withdrawn. So the possibilities of the complete removal of rebates as a marketing tool over the next 10 years is very, very slim.

Will the Detroit-based manufacturers become more dependent on incentives than they are? Not necessarily, and only marginally.

There's a great belief that the domestic industry and some of the importers and "transplants" are having a very difficult year.

Now the oddity is that in the beginning of the year, everybody said sales would be 15 million to 15.2 million, depending on economic changes.

So far this year, the industry is running at a 15 million rate for combined car and trucks January through May—right where everybody said it would be—but yet, this is considered to be a disaster by some analysts.

Because of the economy, there was no doubt in anyone's mind that automakers' marketing efforts would have to be more active this year to keep sales close to last year's.

Illustrations by Steve Musgrave

The subcompact segment is now prone to rebates, with small car sales suffering in March, April and May.

Ford's subcompact sales are down 6%, from January through May; the industry subcompact sales were down 13% those five months. As a result, the segment is requiring more marketing attention than we expected.

The fact that the mainstream Japanese automakers have come into the incentive business is a recent occurrence. The inclusion of the larger Japanese companies is more a reflection of their maturing as a marketer in the U.S. and the world.

A growth industry that does not have the production capability to keep up with its true demand has no need for incentives, and that's the position the Japanese were in for many years.

Now, as a maturing industry, they are looked upon as just another car manufacturer. Therefore, they will take on the sales tactics, positions, attitudes and actions of the "mature" domestic manufacturers to protect their market share.

People say, "Why don't you just simply cut your production schedules?" Well, parts are ordered months in advance and it is often far less expensive to build and sell the vehicle and pay incentives than it is to pay obsolescence.

If one company cut their prices across the board, let's say $500, everybody would say, "Gee, they're nice people." About three weeks later their customers would be in dealerships asking for rebates and the dealers couldn't give them because the automakers already would have given the money away through price cuts.

No one company unilaterally can bring the change. If *every* auto company said, "Today is our last day for incentives—period," sales would be very low tomorrow. But within four to five months they would be back to normal and would continue at a normal level.

There is no evidence that incentives have increased automotive sales to any significant degree. The rationale is very simple: If somebody is in the market to buy a car, a rebate may make them buy more quickly. But if you're not in the market for a car, incentives and rebates are not going to make you buy one.

Frankly, no one company nor the industry at any one time wants to take the rap—that four-month downturn—that it would take to get rebates and incentives out of the system.

What would it take to end incentives?

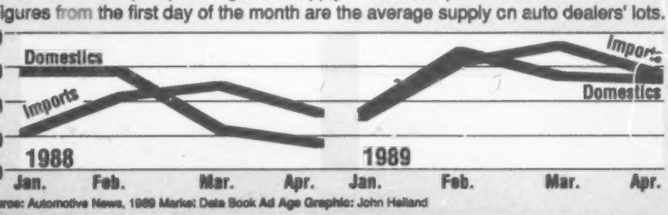
It would take a 17 million-car-and-truck-sales year. In other words, automakers would be stretched to capacity and just not give rebates/incentives.

But you have to be selling about 17 million a year.

With the economy the way it is, I don't see that happening. □

Lost on the lots

Domestic and import passenger car supply for the first quarters of 1988 and 1989. Figures from the first day of the month are the average supply on auto dealers' lots.



Source: Automotive News, 1989 Market Data Book Ad Age Graphic: John Holland

400,000 units or $400 cash back, whatever comes first

Top selling U.S. passenger cars and rebate programs in 1988

Model	Sales	Rebate	Time period*
Ford Escort	$387,815	$400	July-December
Chevrolet Corsica/ Baretta	380,301	400/600-800	January-September; again in December
Ford Taurus	374,627	500	July-December
Honda Accord	362,663	None	
Chevrolet Cavalier	306,267	300-600	January-September; again in December

Source: Automotive News/Ford Motor Co., Chevrolet Motor Division, Honda North America

Senior-slanted media reap auto bounty

Buying power of market wakes up carmakers

By Adrienne Ward

The mature market is coming of age, and automakers—like they did with the women's market several years ago—are slowly recognizing older consumers' potential.

"It took automakers 10 years to wake up to the purchasing power of the women's market," says V. Kevin Ford, national ad director at *Mature Outlook* "I think history will repeat itself. But this won't be as difficult a market for [automakers] to go after," because the media-buying options for magazines in the mature market are fewer and more targeted than in the women's market.

"I have a hunch most major auto corporations are starting to recognize the wealth of the mature market," says Peter Hanson, ad director of *Modern Maturity*. "Either that or our rep in Detroit has done some serious selling."

Modern Maturity's auto ad pages have increased 86.6% so far this year, compared with its overall ad growth of 12.6%.

According to Ina Josephson, national sales manager, the magazine ran only six auto ad pages in August/September 1988 issue. This year *Modern Maturity* is running 11.2 auto pages for the same time period, translating in an 111.8% increase in gross ad dollars in one year. "Last year August/September we were just shy of $1 million, this year for the same time period we're just shy of $2 million," says Ms. Josephson.

Other mature-market publications are on the crest of this trend, too. *Mature Outlook* has run 10 car ads so far this year, all from General Motors Corp., up from none last year. And at *New Choices* in the past year, the number of auto ads has doubled to 24 pages, according to Richard Thorne, associate publisher-ad director. "Next year [auto ad pages] could very well increase by approximately 50%," he says.

Today, automakers can no longer ignore any potential group of buyers, insiders say.

Chevrolet will introduce a 1991 Caprice model in fall 1990 with several options designed specifically for the older consumer. Options available are left and right power seats with improved seat comfort and lumbar support and larger lettering for the radio, instrument and climate control panels. The new model will also feature knobs instead of buttons on the radio, and white lettering on the instrument panel for better night vision. In addition, internal surveys at Chevrolet found that the mature car buyer preferred chrome in the styling, so the new model will have chrome on both the door and instrument panels.

"As the auto market becomes more competitive, you find manufacturers seeking out as many opportunities as possible. One of those now is the mature market," says Chris Cedergren, senior auto analyst at J.D. Power & Associates.

The mature market is definitely one the industry has to reckon with: A *Newsweek* study says that 25% of new car buyers are age 55 and up, while the U.S. Census Bureau reports households headed by adults over age 50 have annual incomes totaling more than $250 billion.

Mature adults are 63 million strong, and by 2025, that number will soar to more than 113 million.

The majority of mature adults buy domestic automobiles today *(see chart at right)*.

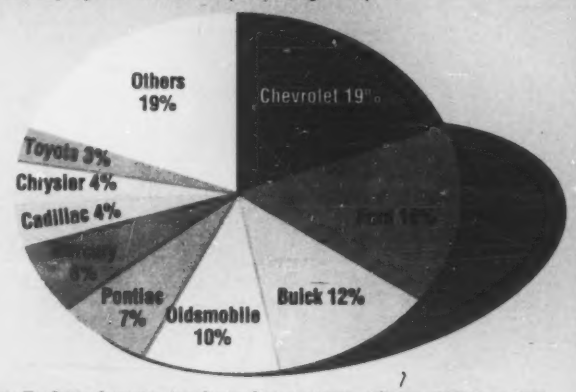
The average age of a large-car buyer is 60, with an average annual income of $42,000, according to Simmons Market Research Bureau.

GM's Oldsmobile division is no stranger to the mature market. Ten percent of mature car owners buy Oldsmobiles; their average age is about 50. But Oldsmobile is driving on rough terrain with its latest advertising effort, "A New Generation of Olds," geared toward attracting

(Continued on Page S-22)

The heartbeat of America's mature market

Ownership by car division of people age 50-plus



Source: The Golden Generation, from Custom Studies, a division of Simmons/MRB Group, 1989
Ad Age Graphic: Jonn Helland

Find out why so many auto advertisers are actually asking to see this presentation.

This new MPA presentation is one of the most talked-about in car marketing history. It's a revealing, fresh look at the concept of "media mix."

Using published data from PIB, LNA and *Automotive News*, this analysis examines passenger car sales and share data for 12 domestic and 12 imported cars during the 1979 to 1988 period. In some years, automakers used television-dominated mixes; other years, a more evenly balanced combination of magazines and TV.

The result: with convincing—you might even say startling—regularity the *combination* media years turned out to be the successful sales years.

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PARTING SHOT

Sunday drive down fantasy lane turns into marketing coup

'Pulling dates out of a hat' for ads, Bozell, Kawasaki end up with big biker events

By Cleveland Horton

It may be a case of life imitating advertising.

What began as an attempt to convey the wholesome enjoyment of Sunday motorcycle outings in print ads inadvertently became a very real cycling event, surprising ad creator Bozell, Los Angeles, and its client Kawasaki Motors Corp. USA.

The first "event" occurred almost spontaneously earlier this year, after the first of a four-ad campaign ran in several cycle enthusiast magazines. The ad focused on Marcus Dairy, a popular biker weekend meeting spot in Danbury, Conn.

The agency, under the direction of Senior VP, Creative Director Scott Young, commissioned Bruce Wolfe, an illustrator and former agency art director, to create watercolor paintings of four popular weekend gathering places for bikers.

Mr. Wolfe traveled to each location and then created a realistic painting, capturing the mood of the setting with only minimal attention to promoting Kawasaki hardware.

"We wanted a very realistic rendition, not a Norman Rockwell," says Parish Wood, VP-management supervisor at Bozell. The paintings represented a risk, he says, "because everyone is selling hardware, chrome and paint. Most [advertisers] like to see their product. But the artwork worked better than a photograph, purely for image."

To lend further realism, each ad mentioned a specific future date of a make-believe gathering. The dates were selected almost at random by the agency, the only criteria being they fall on Sundays and in the traditional motorcycling seasons of late spring to early fall. The first ad used April 16 as the fabricated date.

Meanwhile, the copy of that ad waxed poetically about the pleasures of a Sunday drive: "The big V-twin coughs, grunts like an old bear on a cold morning, kicks over and idles down to a steady rump, rump, rump as it warms up. There's no place on earth colder than a still-dark Sunday morning in a New England spring."

The ad makes only one, somewhat begrudging, reference to a Kawasaki model, the Vulcan.

The unconventional approach apparently struck a responsive chord among the two-wheel set. Bikers, seeing the ad first in February, responded quickly, calling Marcus Dairy and Kawasaki to learn details of a rally planned for April 16.

Seizing the marketing opportunity, Kawasaki got together with some of their local dealers and hastily arranged an event to fit the ad. It drew about 7,500 bikers, including one of the richest bikers in America, media mogul Malcolm Forbes.

According to Michael Vaughan, director of marketing communications at Kawasaki, the company was "stunned" by the response to the initial ad. "It wasn't surprising that the number of people showed up at Marcus Dairy, it was surprising that somebody thought we were doing something," he says. "We just pulled the dates out of a hat."

Skeptics may suggest the turnout at Marcus Dairy was simply a fluke. However, the second ad, featuring Alice's Restaurant in Woodside, Calif., had a similar effect June 8.

This time, Kawasaki was better prepared. Working again with local dealers, Kawasaki managed to create a festive event at the location, including product demos and giveaways. The June meeting attracted about 3,500 bikers, more than 10 times the usual number of motorcyclists who visit the restaurant on any given weekend.

The company plans two more ads to complete the campaign: one features Lake Pepin in Minnesota on Aug. 6; the other focuses on Giuseppe's Depot Restaurant in Colorado Springs, Colo., on Oct. 1.

The Minnesota rally may be the toughest to stage, because there is no single meeting place—the focus of the ad is the Great River Road.

Mr. Vaughan says the company will continue with the campaign for another year. "We got a lot of positive response. We'll spin it one more time." He says the company will try to keep the events going on an annual basis at the current locations, while adding new sites. □

Kawasaki Motors ad by Bozell for a make-believe rally at Alice's Restaurant in California was real enough for 3,500 motorcycle enthusiasts who showed up.

Media

(Continued from Page S-21)

younger consumers.

"We want to hold on to those [older] folks but at same time reach out to people in the under-50 age bracket—bridge the gap with two generations," says Warren Christell, Oldsmobile general marketing manager. "Our products can appeal to both generations. And we are able to target each line within an overall umbrella."

There are skeptics of this plan, however. The GM division faces a "major dilemma" with its "New Generation" effort, Mr. Cedergren says.

"They have to redesign cars in such a way that it's appealing to both age groups. It's going to be real, real difficult. Chances for failure are greater than for success."

Sales figures back Mr. Cedergren's contention. Despite often favorable reviews of "New Generation" and an estimated $120 million in ad support, Oldsmobile division sales were down 13% for the first five months of 1989, compared with the same period last year.

Oldsmobile's dilemma is no different from the one all marketers face as the baby boom grows up: How to lure older consumers without alienating younger buyers.

The auto industry is reluctant to single out the over-50 market in ad efforts—for good reason. As Mr. Cedergren puts it: "No one wants to drive an old-person's car."

American Honda Motor Co. rarely uses people in its ads, says Gerry Rubin, president of Honda agency Rubin Postaer & Associates, but it does include gray-haired passengers in one Honda Accord LX spot.

"But the ads are not ads that say 'This is for the mature market,' " says Mr. Rubin. "The ads say 'This is for you, whoever you may be.' "

He says the concept behind the ad, which features four adults who appear to be in their 50s, was to address the concerns of older car buyers, such as spaciousness, seat control and comfort. "But we're not direct in saying that this car is easy on your back or easy to get in and out of, because [mature adults] don't want to be associated with these characteristics."

Chevrolet takes a different approach in reaching older adults.

In a recent issue of *Modern Maturity*, the GM division touts a "Heartbeat of America" print ad that shows a young man loading piano keyboards into the hatchback of his Corsica. It is the same ad that ran in several mainstream publications.

"We run ads like the Corsica hatchback [in mature-market publications] because it's a good car for carrying things," says Dannielle Colliver, ad manager-passenger cars for Chevrolet.

"Mature adults tend to have more travel time, and they want trunk space," she says.

Most of *Mature Outlook's* auto ads, all from GM, are product shots, with no suggestion of youth or age, Mr. Ford says.

"They're smart in not using models that don't represent the marketplace," he adds.

Mr. Hanson cringes when asked if auto ads should be specially designed to reach older consumers, including larger type and different color schemes. "They're not all blind," he says.

Automakers may be forced to make fundamental changes in ad strategies to keep up with the interests of the baby boom.

"They will have to change," Mr. Cedergren says of auto advertising. "Certainly they will focus more on lifestyles that this new generation will have. But they won't just target old people, they will have to appear generic." □

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JWT leader in Latin America

By Julie Skur Hill

J. Walter Thompson Co., accustomed to Latin America's economic instability, came out on top in *Advertising Age's* first ranking of the region's agencies.

New York-based JWT achieved 1988 gross income of $45.7 million on billings of $286.8 million for Latin America.

The rankings are based on gross incomes of 11 agencies in 22 countries, adjusted, in the case of agency networks, to reflect the percentage of equity that the network owns.

JWT has offices in 19 Latin American cities; its first Latin office opened in 1929 in Buenos Aires. The agency's policy is to own 100% of international offices or as much as permitted by national laws.

It achieved the top spot despite losing Ford Motor Co. business in Brazil and Venezuela two years ago (AA, Dec. 21, 1987). JWT kept Ford business in Mexico and Argentina.

Of the top 11 agencies, seven have roots in the U.S. and one in the U.K. The others—No. 3 MPM Propaganda, No. 4 Salles/Inter-Americana and No. 8 Duailibi, Petit, Zaragoza Propaganda—are based in Brazil.

Although the Brazil-based agencies don't have representation in more than one country, their dominance in Latin America's largest market gave them enough clout to make the ranks. MPM is an affiliate of Grey Advertising, New York.

Latin America represents 1.6% to 8.2% of the multinational agencies' total gross income worldwide—an indication of how tough it is to make money in this region.

Because of the extreme fluctuations in Brazil's currency, *Ad Age* has updated the exchange rate used in the March 29 Foreign Agency Income Issue from 0.00825, based on average rates from November 1987 through October 1988, to 0.0026, from January 1988 through December 1988.

Policies of owning as much of an international office as permitted by local law also helped No. 2 McCann-Erickson Worldwide, No. 5 Ogilvy & Mather, No. 6 Leo Burnett Co., No. 7 Young & Rubicam and No. 9 Lintas:Worldwide rank high.

One exception is at Y&R, which, despite its overall policy, owns only 68% of Fischer, Justus, Young & Rubicam, Sao Paulo, its largest Latin office. The rest remains in the hands of the Brazilian partners. Brazil permits foreigners to own up to 100% of an office.

FCB-Publicis, the international alliance formed earlier this year between Foote, Cone & Belding, Chicago, and Publicis, Paris, ranks No. 10. The groundwork for this network was laid in 1984, when FCB purchased a majority of the Siboney network in Latin America.

At No. 11, Saatchi & Saatchi Advertising, London, closely following FCB-Publicis, is eager to propel itself into Latin America's top 10. The European powerhouse failed in an attempt to buy ALMAP in Brazil and Ferrer Publicidad and Iconic in Mexico, the region's second-largest market. □

Who's on top in Latin America

Rank	Agency	1988 Latin American gross income	1988 Latin American billings	1988 Latin American gross income as % worldwide	1988 Latin American billings as % worldwide	Top Latin American office in '88 billings
1	J. Walter Thompson Co.	45,653	286,796	8.2%	7.4%	J. Walter Thompson Publicidade, Sao Paulo
2	McCann-Erickson Worldwide	42,377	282,662	6.5	6.5	McCann-Erickson Publicidade, Sao Paulo
3	MPM Propaganda	31,852	100,151	100	100	MPM Propaganda, Sao Paulo
4	Salles/Inter-Americana de Publicidade	28,019	137,495	100	100	Salles/Inter-Americana, Sao Paulo
5	Ogilvy & Mather Worldwide	21,170	90,149	3.3	2.2	Standard, Ogilvy & Mather, Sao Paulo
6	Leo Burnett Co.	21,021	140,157	4.9	4.9	Leo Burnett Publicidade, Sao Paulo
7	Young & Rubicam	18,569	123,856	2.5	2.3	Fischer, Justus, Young & Rubicam, Sao Paulo
8	Duailibi, Petit, Zaragoza Propaganda	17,818	71,292	100	100	DPZ, Sao Paulo
9	Lintas:Worldwide	13,989	93,299	2.6	2.6	Lintas:Brasil, Sao Paulo
10	FCB-Publicis	12,723	84,885	1.9	1.9	FCB, Isla Verde, Puerto Rico
11	Saatchi & Saatchi Advertising	12,086	80,594	1.6	1.6	Badillo, Saatchi & Saatchi, San Juan, Puerto Rico

Figures are in thousands. Figures for all Brazilian agencies were restated using a different exchange rate from that in the March 29 issue of *Advertising Age*. The exchange rate used for this chart is 0.0026 (covering January 1988-December 1988).
Percentages of change from 1987 to 1988 are not given for gross income and billings because of the volatility of the Latin American financial situations.
Source: *Advertising Age*

Olivetto moves away from GGK in Brazil

By Rik Turner

SAO PAULO—Brazilian adman Washington Olivetto and two partners have bought out Swiss-based GGK's majority stake in W/GGK for an estimated $1.5 million to $2 million and renamed the agency W/Brasil.

However, Mr. Olivetto, formerly president of W/GGK, isn't breaking all ties with GGK. Peter Erzberger, director of GGK's international board, said the agency has a new joint venture with Mr. Olivetto to operate a new GGK agency here.

Mr. Erzberger said this agency will be controlled by GGK and that Mr. Olivetto will be involved separately from W/Brasil. He declined to reveal the percentages held by the partners.

Mr. Erzberger said the deal developed because W/GGK, as part of a foreign-owned agency, was barred from handling state-owned companies' accounts that go only to local agencies. With W/Brasil, Mr. Olivetto will have more freedom to pursue new business.

Mr. Olivetto, however, said he and his partners, directors Javier Lussa Ciuret and Gabriel Zellmeister, believed all but one of W/GGK's 27 accounts were won on Mr. Olivetto's high reputation and the agency's creative work—not because GGK handled the companies' accounts elsewhere in the world.

"The association with GGK was not bringing us accounts here because they are strong in Europe but not elsewhere, and a number of their clients are either not present in Brazil or are not major presences in the country," Mr. Olivetto said.

W/Brasil will take 26 of W/GGK's accounts, including Grendene female footwear, Valisere lingerie and Bombril household cleaning products. GGK will keep the Swissair account, which it handles in several countries, he said.

Mr. Erzberger denied GGK had brought only Swissair to the agency, but he couldn't list other clients GGK had introduced.

Mr. Olivetto said W/Brasil should finish 1989 with billings of about $50 million and GGK, $1.2 million.

Titles at W/Brasil and the new venture haven't been determined.

Brazil may not be the only stop for W/Brasil, of which Mr. Olivetto is the majority shareholder.

Moves into other countries would be similar to what GGK did in Brazil with Mr. Olivetto—find a renowned local professional in a given country and form a partnership.

In fact, the name W/Brasil was chosen in part because of its adaptability, for instance, W/Espana. Spain is particularly attractive because "the advertising business is developing there, and their kind of ads have much in common with ours," Mr. Olivetto said.

He added that he's not looking for any multinational partners.

GGK, meanwhile, is expected to pick up several Brazilian accounts earlier turned away by W/GGK because they had billings of less than $1.5 million—the minimum the agency would handle, he said.

Mr. Olivetto took W/GGK from No. 18 in 1986 to No. 12 in 1988.

W/GGK has received international recognition by winning two gold and five bronze Lions at last month's International Advertising Film Festival. □

Laurel Wentz in London contributed to this story.

Nestle makes Brussels cooler

BRUSSELS—Nestle this month started testing Tea Cooler, a tea-based beverage mixed with orange and passion fruit juices.

If the test here is successful, Nestle plans a national rollout by yearend, sources say.

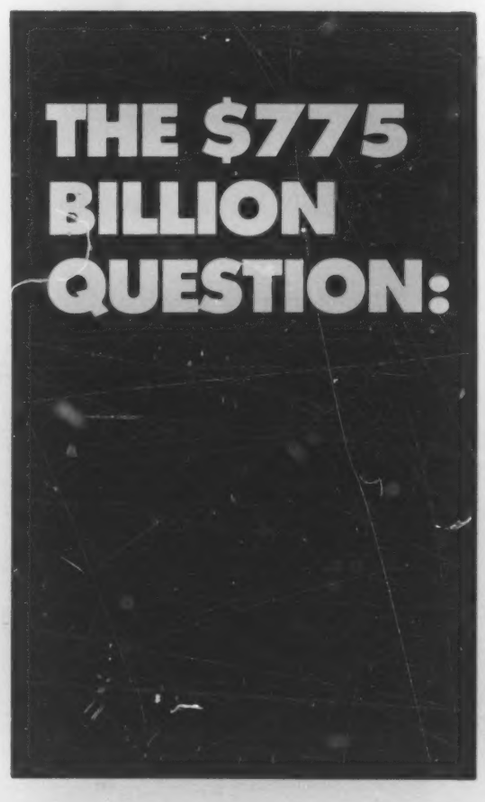
Nestle picked an ideal summer to sell coolers, with May and June temperatures in Belgium ranking among the highest in the century.

A wine cooler introduced by Seagram International two years ago failed miserably. High excise taxes on the beverage forced prices up. Tea Cooler, which is non-alcoholic, won't be subject to these taxes.

Pierre Detry, senior product manager for coffee products, including Tea Cooler, at Nestle Benelux headquarters here refused to comment.

Tea Cooler is sold at supermarkets in 33-centiliter cans. A package of four costs about $2.

Gabarski V/RSCG has developed point-of-purchase displays and plans a TV spot on commercial French-language channel RTL/-TVI. About 85% of Brussels' population is French-speaking. □



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Consumer books end strong 1st half

By Patrick Reilly

Monthly consumer magazines turned in overall strong advertising performances in the first half of 1989, with general-interest titles *Life* and *Vanity Fair*, leading the way.

Life totaled 408 ad pages, a 34.3% increase from a year earlier, while *Vanity Fair* continued its double-digit growth pattern with 628 pages, a 27.4% increase.

The strong performance by several major magazines (AA, July 17), based on figures from Publishers Information Bureau, contradicted earlier predictions from industry forecasters that 1989 would difficult for growth.

Several women's service monthlies were strong performers: *Ladies' Home Journal*, 780 pages, up 25.3%; *McCall's*, 561 pages, up 22.5%; *Family Circle*, 992 pages, up 13.8%; and *Woman's Day*, 879 pages, up 12.8%.

A wide selection of special-interest monthlies also showed large gains.

Conde Nast Traveler continued its growth with 461 pages, a 51.3% increase, as did travel category leader *Travel & Leisure* with 770 pages, up 11.1%. *Bride's* totaled 1,726 pages, up 14.4%, while *Modern Bride* reported 1,324 pages, a 17.2% increase.

Premiere reported 369 pages, a 50.3% increase, while *Lear's* had 319 pages, a 160% increase.

Weeklies' performance was mixed. *Time* was impressive with 1,350 pages, up 12%. *U.S. News & World Report* continued its growth with 925 pages, a 3.8% gain. Falling off the pace was rival *Newsweek* with 1,176 pages, down 0.5%.

Other strong weekly performances came from *People*, up 9.4% to 1,879 pages. *Business Week's* pages rose 7.6% to 2,229. The tabloid *Star* reported a 31% gain to 293 pages. *Sports Illustrated's* advanced 0.9% to 1,489 pages.

Disappointing performances were turned in by *New York Magazine*, with 1,405 pages, a 7% drop, and *The New Yorker*, with 993 pages, down 9.9%.

TV Guide totaled 1,606 ad pages, a 7.6% decrease. Executives there said the descent will probably continue through the year because the magazine has ended its longstanding policy of trading ad space to local TV stations in exchange for commercial airtime to promote weekly newsstand issues.

Magazines published every two weeks also performed well, with no declines for any titles listed by PIB.

Fortune totaled 1,640 pages, up 14.3%, while rival *Forbes* reported 1,666 pages, a 6.5% increase. *Rolling Stone* reported a 8.4% increase to 959 pages, while sister publication *US* totaled 375 pages, a 20.1% increase. *Soap Opera Digest* had 234 pages, a 65% increase.

Among Sunday magazines, *Parade* had 357 pages, a 9.2% increase, while *USA Weekend* totaled 304, up 4.1%. *The New York Times Magazine* logged 1,911 pages, down 1.6%. □

Magazine ad-page leaders

Publishers Information Bureau figures for January through June.

Rank	Magazine	Pages	% chg
1	Business Week	2,229.69	7.6
2	People	1,879.73	9.4
3	Bride's	1,726.12	14.4
4	Forbes	1,665.54	6.5
5	Fortune	1,639.82	14.3
6	TV Guide	1,606.52	(7.6)
7	Vogue	1,510.08	3.3
8	Sports Illustrated	1,488.81	0.9
9	New York Magazine	1,405.11	(7.0)
10	Time	1,349.66	12.0
11	Modern Bride	1,324.00	17.2
12	Cosmopolitan	1,189.72	1.3
13	Newsweek	1,175.92	(0.5)
14	Economist	1,135.63	(0.4)
15	Elle	1,038.07	2.3
16	Glamour	1,011.68	(0.6)
17	GQ	1,005.20	9.4
18	The New Yorker	993.27	(9.9)
19	Family Circle	992.41	13.8
20	Rolling Stone	958.96	8.4
21	U.S. News & World Report	924.93	3.8
22	Architectural Digest	907.93	1.4
23	Entrepreneur	903.77	53.1
24	American Way	896.95	7.0
25	Woman's Day	879.35	12.8
26	Yachting	851.44	(5.5)
27	Sunset	843.12	(1.1)
28	Mademoiselle	819.15	(4.2)
29	Muscle & Fitness	805.07	1.3
30	Ladies' Home Journal	780.14	25.3
31	Good Housekeeping	778.21	4.6
32	Golf	774.07	28.4
33	Travel & Leisure	770.30	11.1
34	Golf Digest	750.72	0.5
35	Town & Country	749.35	(0.8)
36	Better Homes & Gardens	735.11	5.6
37	Parents	730.20	15.1
38	Southern Living	712.71	(8.0)
39	Skin Diver	705.31	0.7
40	W	682.04	5.5
41	Car & Driver	678.52	0.9
42	Bicycling	671.70	(0.9)
43	Seventeen	667.25	0.8
44	Self	662.36	8.2
45	Road & Track	635.37	3.8
46	Money	635.25	(9.8)
47	Harper's Bazaar	633.36	(0.6)
48	Vanity Fair	627.95	27.4
49	Metropolitan Home	616.10	17.1
50	Ebony	615.75	(1.4)
51	Texas Monthly	614.44	(2.4)
52	San Francisco Focus	613.20	8.9
53	Esquire	602.05	15.3
54	Gourmet	593.98	(2.4)
55	Inc.	577.57	9.2
56	Popular Science	577.24	33.9
57	Country Living	575.25	9.3
58	Hot Rod	572.29	(2.0)
59	Jet	572.01	(10.3)
60	McCall's	561.35	22.5
61	Redbook	559.58	(8.2)
62	Reader's Digest	550.97	(14.1)
63	Motor Trend	546.63	3.1
64	Black Enterprise	545.02	0.7
65	Working Woman	537.73	(3.8)
66	New Woman	534.21	1.7
67	Bassmaster	530.78	(4.5)
68	Outdoor Life	526.07	4.4
69	Popular Mechanics	521.46	2.6
70	Smithsonian	520.09	(3.2)
71	Field & Stream	515.22	(6.3)
72	Bon Appetit	490.58	3.9
73	Four Wheeler	490.36	(8.1)
74	Popular Photography	485.00	3.4
75	Connoisseur	470.79	(8.7)
76	Conde Nast Traveler	461.36	51.3
77	Delta Sky	458.61	(5.1)
78	Essence	456.81	0.9
79	House & Garden	444.87	(21.2)
80	Art & Antiques	431.72	4.4
81	Working Mother	427.03	8.0
82	Sports Afield	421.05	(18.6)
83	Life	408.31	34.3
84	House Beautiful	407.35	(0.8)
85	Financial World	400.72	0.0
86	Shape Magazine	396.39	(22.4)
87	American Health	392.49	10.2
88	Tennis	391.74	(22.1)
89	M-The Civilized Man	386.79	(4.0)
90	National Journal	380.71	(12.8)
91	Playboy	375.96	18.8
92	US	375.08	20.1
93	Yankee	374.08	(18.4)
94	Food & Wine	372.55	18.3
95	Premiere	368.64	50.3
96	Omni	360.08	(0.9)
97	Home	357.45	(5.2)
98	California	357.42	(5.3)
99	Spectrum	353.61	(1.4)
100	1001 Home Ideas	347.21	4.6

Notes: Percent change is computed from January through June 1988 pages by PIB.
Source: Publishers Information Bureau

Denis Harvey, Vice-President, English Television, Canadian Broadcasting Corporation, is pleased to announce the appointment of Peter Kretz as General Manager, Marketing and Sales.

Mr. Kretz, who has a BSc from the University of Windsor and an MBA from the University of Western Ontario, joined the corporation in 1976 and has since held management positions in administration, marketing and sales. In his new capacity, he is responsible for the marketing department and 14 sales forces across Canada that handle CBC English Network, Corporate Sponsorship, CBC owned-and-operated stations and CBC Newsworld cable network. He is also responsible for CBC sales generated in the United States by Seltel Inc. This appointment is one of several changes made over the years to better serve the advertising community.

CBC Television

Snack attack

Whitman's relaunches candies

By Julie Liesse Erickson

Whitman's Chocolates is out to get a bigger piece of the snack candy market.

This fall, the company best known for its Whitman's Sampler chocolates is relaunching its snack candy line in Sampler-style yellow boxes, adding two new products to the line and cutting prices 21%.

The new products are fruit-flavored, chocolate-covered Tender Jells and milk chocolate Messenger Boys. Each of the eight varieties will be sold in 5-to-8-ounce boxes for $2.95.

"We recognized the need for high-quality, take-home-and-eat candies —and we wanted to serve those needs," said Rita Birnhak, director-marketing for the division of Pet Inc. "It's a much more competitive category, and we want to not only keep our old customers but grow our market too."

One key competitor in the bagged and boxed candy market, Jacobs Suchard USA's Brach's line, has been repackaged and reformulated (AA, Feb. 13). Suchard also this summer is adding Mint Patties and Mint Pearls to its Andes line of bite-size mints.

Whitman's relaunched line will be introduced in September.

The relaunch will be supported by Whitman's "All-Americana Sweepstakes," a September promotion offering a $10,000 dream vacation to the grand prize winner. Entry forms will be placed on 2 million packages of Whitman's candies; a two-week national TV campaign in mid-September will support.

H.S. Marketing Services, Englewood Cliffs, N.J., handled the promotion; advertising is done in-house. □

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Reynolds to get lean, mean

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Bugs at 50: This gray hare's golden

By Marcy Magiera

Warner Bros., riding high on its licensing program for "Batman," is planning a 50th birthday bash next year for Bugs Bunny that will put the hare's likeness on everything from T-shirts to toothbrushes.

"Bugs is elegant, he's the classic rabbit," said Dan Romanelli, president of worldwide merchandising for Warner and president of Warner's licensing arm, LCA Entertainment. "You can do so much with that creatively."

Warner and its promotional partners could spend more than $100 million on advertising, promotions and publicity for the yearlong celebration, which kicks off with a $300,000 float in the Macy's Thanksgiving Day Parade. That equals what sources say Walt Disney Co. and its partners spent last year on its 60th birthday celebration for Mickey Mouse.

Mr. Romanelli declined to give spending

(Continued on Page 36)

By Judann Dagnoli and Gary Levin

R.J. Reynolds Tobacco Co.'s reassignment of two major cigarette brands to other ad agencies is the first in a series of major changes planned for the company.

The tobacco unit of RJR Nabisco last week confirmed it's in the process of a major restructuring, to be completed by November, that will involve layoffs at the Winston-Salem, N.C.-based company.

The layoffs could include as much as 25% of the company's white-collar work force, including some marketing positions, an informed source said.

Reynolds announced July 27 it was pulling the domestic assignment for Camel and Winston from McCann-Erickson Worldwide, New York. Camel has been at the agency since 1983 and Winston since 1985.

Starting Oct. 30, Camel will be handled by Young & Rubicam, which already handles More, Now and Chelsea vanilla-scented cigarettes.

At the same time, RJR is shifting Winston to FCB/Leber Katz Partners, New York, which already handles Salem and Vantage and now becomes the unit's lead cigarette agency.

Long, Haymes & Carr, Winston-Salem, which handles Doral, Magna and special-events advertising, isn't affected by the move.

Analysts and observers say both the restructuring and agency shifts are being generated by the company's new management

"The theory is, if they are selling 3%-to-5% fewer cigarettes, they can cut back on 3% to 5% of the manufacturing force."

team (AA, March 20) in an effort to make Reynolds leaner and better able to compete with market leader Philip Morris Cos.

As part of the plan, company executives are vowing to reduce trade promotional practices and increase ad spending for its cigarette brands with an emphasis on long-term profitability.

This year, ad support behind Camel and

(Continued on Page 36)

Burger King sets new ad theme

No. 2 chain tries 'Breaking the rules'

By Scott Hume and Gary Levin

Burger King Corp., which bent the rules by splitting its account between two agencies, is said to have chosen "Breaking the rules" as the theme for its fall campaign.

D'Arcy Masius Benton & Bowles, New York, hired to handle "brand identity" work (AA, May 22), created the theme and much of the campaign's strategic planning, sources said.

But Saatchi & Saatchi Advertising, winner of the "brand retailing" or promotional part of the $215 million account, is producing the advertising, expected to break in September.

The campaign will be heavily focused on product—possibly with extra emphasis on specially priced "double" items like double cheeseburgers or double-portion french fries—rather than on image building, sources said.

"Burger King can't afford to just concentrate on its image in this climate," said a source close to the account. "To keep franchisees happy, it has to come out strong with a sales-building effort."

The new theme replaces former agency N W Ayer's "We do it like you'd do it."

A Burger King spokeswoman said the chain "cannot confirm or deny" reports about the campaign "because of the very competitive nature of this industry."

Both agencies also declined comment.

Soft sales have led to heavy promotional and discounting activity in the $60 billion fast-food market, including McDonald's Corp.'s new "Blast Back With Mac" game (AA, July 24). Most prizes in the "everybody wins" game are discounted cheeseburgers, fries and Big Macs.

Burger King's real per-store sales were down 4.2% in this year's first quarter—a bigger hit than McDonald's or Wendy's International were taking in the same period—reported Prudential-Bache Securities.

Immediately after deciding to split the account, Burger King put D'Arcy under the gun

(Continued on Page 34)

LAST MINUTE NEWS

DDB San Francisco loses First Nationwide account

SAN FRANCISCO—First Nationwide Financial Corp. dropped DDB Needham Worldwide and is reviewing its $15 million-to-$20 million account.

Despite DDB Needham's intention to keep the full-service office open, the loss represents about half of its billings here, and layoffs are expected.

The Ford Motor Co.-owned savings institution is looking at existing Ford agencies: Ogilvy & Mather, J. Walter Thompson USA, Young & Rubicam and Wells, Rich, Greene, DDB Needham executives said.

Michele Schott, First Nationwide national advertising manager, would confirm only that the company is considering a number of agencies here and throughout the nation. A decision is expected by the end of October.

DDB Needham has handled the account since 1984, the year before Ford bought the thrift.

Alan Pando, president, DDB Needham West, said he had been expecting the account to shift because DDB Needham handles the Volkswagen of America and Audi of America accounts.

The switch leaves the shop with about $20 million in billings, including those accounts acquired in April when DDB Needham bought D'Arcy Masius Benton & Bowles' office here.

First Nationwide has been running a

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Time Inc. and agencies work overtime to develop new ad synergies with Warner.

The dude didn't show ..... P. 4
Brooks Shoes creates an impromptu TV spot when its star athlete misses the shoot.

New address for Fitzpatrick ..... P. 35
Sean Fitzpatrick leaves Lintas and Chevy behind to join sister agency McCann.

Chrysler hunting for marketing cuts

By Patricia Strnad

DETROIT—Chrysler Corp. is taking a hard look at reducing marketing costs as it strives to cut long-term operating costs by $1 billion within 15 months.

The automaker is considering a centralized media-buying unit at one of its three agencies and is studying different agency compensation systems.

"We're getting input on how we now buy media and whether it should be centralized," said Ben Bidwell, chairman of Chrysler Motors. Chrysler also intends to "look at some media cuts. We'll have to look for agency efficiencies. We're going to look at some of the merchandising support we give in some of the sports programs we're affiliated with."

Chrysler officials last week declined to say how severely ad expenditures would be curbed, saying that details are still being worked out. The company spent $471 million on measured media last year, BAR/LNA Multi-Media Service reported.

The No. 3 domestic automaker said the decision to make cuts was based on the need to stay competitive in the 1990s rather than a knee-jerk reaction to sagging sales.

The program centers primarily on about an 8% reduction in the salaried work force, or 2,300 people. Chrysler officials said no area of spending will be spared, but also said the company's long-range product plan and its warranty and customer satisfaction programs won't be affected.

Mr. Bidwell said Chrysler officials and Laurel Cutler —vice chairwoman of FCB/Leber Katz Partners, New York, who also serves as Chrysler's VP-consumer affairs— have been meeting with Chrysler's three agencies to discuss how Chrysler buys media and where new savings can be found.

B. Bidwell

Currently, each Chrysler agency buys media for the divisions it handles. However, Bozell, Birmingham, Mich., agency for Chrysler corporate and Chrysler-Plymouth, also handles Chrysler print and sports as well as any placements on CBS' "60 Minutes." BBDO Worldwide, Southfield, is Dodge's agency; Campbell-Mithun-Esty, Southfield, handles Jeep/Eagle.

Industry observers say they wouldn't be surprised if Chrysler follows the lead of No. 1 General Motors Corp. GM shuffled its media-buying assignments among its major agencies four years ago and started putting the squeeze on margins for all suppliers, including agencies. Now each GM agency is responsible for buying specific dayparts for all divisions.

"It sounds as though Chrysler is picking up on what GM instituted several years ago," one GM agency executive said. "I'm told that it has produced results for GM. It's probably been the most dramatic in the area of print, where we've had the clout to be able to negotiate off a rate card more and more effectively."

GM also restructured its agency relationships, cutting commission rates from the standard 15% to what industry sources say now average about 12%. Sources said GM's eventual goal is 9% commission on media placement.

Arthur "Bud" Liebler, Chrysler's executive director-corporate communications and marketing services, acknowledged that agency compensations will be studied as part of the cost-cutting procedure, but declined to discuss details.

"We're looking at lots of ways to have our cake and eat it, too," he said. "As for our media buying, we're trying to see if any efficiency can be gained by our having the clout of going in together with up-front buys." □

Study targets slotting

By Laurie Freeman and Judann Dagnoli

The nation's top grocery-retail and manufacturing trade groups are aiming to solve the slotting allowance problem—one of the costliest barriers to new-product introductions.

The Grocery Manufacturers of America and the Food Marketing Institute, along with five other industry groups, are pledging industrywide cooperation for a new study examining current retail trade practices.

Slotting allowances, the fees supermarkets charge package-goods marketers to place new products on store shelves, have become a growing point of contention between marketers and retailers.

Payments to individual retailers of as much as $200,000 are becoming the standard to introduce new, multiproduct lines, industry sources say.

A goal of some food marketers is to set standards for these fees.

The industry study, conducted by Touche, Ross & Co., will cover not only slotting but the nuts and bolts of bringing a product to market and the costs associated with removing the four out of five new-product introductions that fail, sources say.

"If you open your mouth to protest, you're dead in the food business. They [retailers] shut you out."

Preliminary findings could be ready by January.

Other groups funding the study include the National Association of Chain Drug Stores, the National Association of Convenience Stores, the National-American Wholesale Grocers' Association, the National Food Brokers Association and the National Grocers' Association.

"Slotting, because it's gotten a lot of headlines, has diverted everyone's attention away from selling," said Tim Hammonds, senior VP-research and education at the Food Marketing Institute.

The driving force behind the study, Mr. Hammonds said, is the "explosion of new products."

As many as 15,000 new products are brought to market annually, he estimates, a number the trade finds increasingly hard to handle.

But of all the issues, it's slotting that has food marketers most concerned. "It's even worse," an executive at a midsize food company said. "If you open your mouth to protest, you're dead in the food business. They [retailers] shut you out."

The Federal Trade Commission last year conducted a study on slotting allowances and by yearend is expected to propose revising its advertising allowance guidelines to address the issue of slotting.

But the issue is so contentious that even before the GMA-FMI study gets under way, industry insiders are doubtful it will yield a solution to the slotting fee problem.

"It's hard to believe that [the study] will have a legitimate accomplishment," said Spencer Hapoienu, executive director of Sage Worldwide, New York.

Mr. Hapoienu said he doubts any manufacturer would welcome a uniform fee. "If I were a manufacturer, I wouldn't want to be told I had to pay this or do this," he said. "I'd rather take my chances."

What could complicate matters further is that slotting allowance are often disguised as other things, such as failure fees, said Jim Huget Jr., president of NEO Inc., a consultancy.

Mr. Huget thinks the study may be a waste of time. "There are few things that have been standardized in this industry other than UPC codes." □

Saatchi stresses pan-Europe plans

By Dagmar Mussey and Laurel Wentz

Saatchi & Saatchi Advertising, London, is naming client service directors to oversee work for marketers taking a pan-European approach—starting with Procter & Gamble Co.

A major problem holding back agencies servicing pan-European accounts has been the not-invented-here syndrome. That's where agency officials in different markets object to creative strategies and executions being imposed on them.

To avoid that for P&G, Saatchi is naming Werner Goerke, chairman-ceo of Saatchi & Saatchi Advertising, Frankfurt, as its first European director for international client service.

Mr. Goerke will have direct responsibility for P&G's brands across Europe. A new ceo will be named to run the West German agency on a day-to-day basis, but Mr. Goerke keeps his title and role as chairman.

P&G confirmed Mr. Goerke is working for the consumer goods

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Agencies await Time ad bargains

By Patrick Reilly

Ad agencies are already planning to take advantage of opportunities expected to emerge from the combined media properties of Time Inc. and Warner Communications.

Although Time Warner has yet to formulate such a package, executives there acknowledge that creating the much talked about synergies are now a top priority.

"We'll be offering marketing opportunities and price opportunities that span our asset base," said Donald Elliman, exec VP-marketing at Time Inc. Magazine Co. "Whether it's a share-based discount program, like Max-Plan, or something new remains to be seen."

Changes in Time Inc.'s Max-Plan, the company's discount plan for major advertisers, are in store, he said.

For now, though, any requests from advertisers will have to be handled on an ad hoc basis, Mr. Elliman said.

"A formal plan will have to be worked out later," he said. "I don't know exactly what assets would be included in a plan right now."

■ How the Time Warner deal will affect brand building—P. 33

Even so, some agencies are working on media buys that would pull together properties from each unit.

"We are developing some multimedia concepts right now for individual clients," said Michael Drexler, exec VP-director, media programming, at Bozell, New York.

"What we are working on involves both Warner and Time properties," he said. "We think there are opportunities here that offer real benefits for [clients'] specific categories of business."

Industry observers and agency media executives say as a multifaceted international media company, Time Warner will need to rewrite the rules and incentives it lays down for advertisers.

"They have created a new environment for the industry," Mr. Drexler said. "In the beginning, I think it will be very clumsy to deal with. There are so many different business relationships created by all these divisions."

For advertisers, the possible combinations are enticing.

Time Inc.'s top properties include such mass-market consumer magazines as *Time*, *Sports Illustrated* and *People*, along with pay TV services Home Box Office and Cinemax.

Also, Time Inc. owns cable operator American Television & Communications Corp., as well as Time-

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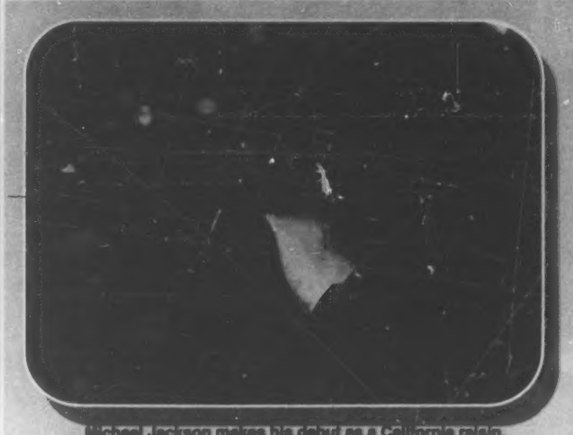


Michael Jackson makes his debut as a California raisin.

M. Jackson stars in $1M raisin spot

By Bradley Johnson

Superstar Michael Jackson, recast in clay animation in the latest California raisins campaign, doesn't come cheap even when he's giving away his talents.

Though Mr. Jackson, a fan of the Claymation raisin ads, volunteered his services to the California Raisin Advisory Board, the spot still ended up costing $1 million—more than double what the board spent on last year's TV commercial featuring Ray Charles.

In part, the spending reflects higher production standards needed for the campaign's movie theater debut.

The 67-second spot broke July 28 in 5,700 movie theaters nationally. The campaign moves to network TV in mid-September with 30- and 60-second versions to run through next spring.

Mr. Jackson worked on the spot's music, story line and choreography. However, he won't be getting any richer off the raisins. His contract with Pepsi-Cola Co. precludes him from getting paid for or singing in other commercials. The voice on the spot's rap version of "Heard It Through the Grapevine" is that of a soundalike, not Mr. Jackson.

The Michael Jackson spot is the seventh in a series of Claymation animated spots the California Raisin Advisory Board began in 1986. Ad budget for the next year remains at $10 million.

Foote, Cone & Belding, San Francisco, is the board's agency; production was handled by Will Vinton Productions, Portland, Ore.

The commercial stars Claymation versions of Mr. Jackson and a sequin-gloved raisin along with a cast of animated raisins.

The Jackson raisin struts on stage "in front of a crowd of fruits and vegetables and other assorted snacks," said Veronica Kludjian, VP-management supervisor at FCB.

In the end, the Claymated Mr. Jackson discovers it all was a fantasy taking place in a fruit bowl.

The spot grew out of a March phone conversation between Mr. Jackson and Mr. Vinton, who produced a Claymation sequence for the singer's "Moonwalker" video last year.

Robert Phinney, raisin board director, said the spot is "beyond 'Bad,'" which he thinks is good. □

Vitamin feeding frenzy

Sesame Street, raisins challenge Flintstones

By Patricia Winters

A brontosaurus of a battle is evolving in the children's multivitamin segment as Big Bird, Cookie Monster and the California raisins go after the Flintstones.

Johnson & Johnson's McNeil Consumer Products Co. unit is rolling out a Sesame Street kids vitamin line named after Children's Television Workshop's popular characters, said Jeanette Neff, Children's Television Workshop's VP-marketing.

The all-natural multivitamins are in the shapes of characters including Big Bird, Cookie Monster, Bert and Ernie, and Grover. The age-specific multivitamin and multivitamin plus mineral Sesame Street products are offered for kids under 4 and for those 4 to 8.

TV spots are scheduled to break in August, but Ms. Neff said the licensing contract doesn't allow the characters to endorse or play a role in the commercials. The vitamins are character-shaped, though, and the box features Big Bird. Cadwell Davis Partners, New York, has the account.

Also this fall, American Health Plus Corp. plans to introduce California raisins chewable vitamins on a market-by-market basis, starting in the East and Midwest.

American Health won the license for the vitamins from Applause Marketing, Woodland Hills, Calif., the offical licenser of the raisins, said Bruce L. Wolff, marketing consultant to American Health.

American Health has distribution in health food stores and is seeking broader distribution in drug chains and supermarkets, Mr. Wolff said.

With a small ad budget and an in-house ad staff, Mr. Wolff said, American Health will use cable TV, newspapers and regional editions of women's magazines to introduce the fruit juice-sweetened, chewable vitamins. The Claymation figures can't be used in ads, but the raisins will appear on the boxes that will be shown in the ads.

The introduction coincides with the September launch of a Saturday morning cartoon show featuring the raisins.

The raisins have great appeal among the 4-to-8-year-olds, American Health's target group. But Mr. Wolff said adults and seniors also love the hip, blues-singing grapes, and the company is considering in-

(Continued on Page 38)

WORLD NEWS ROUNDUP

■ **Amsterdam—Post Telegraph Telephone,** the Netherlands' postal service, split its $10 million account between Ogilvy & Mather (Nederland) for business matters and FHV/BBDO, Amstelveen, for the consumer side. PMSvW/Young & Rubicam handled both previously.

■ **Toronto—Subaru Auto Canada,** in moving here from Vancouver, is looking for a Toronto-based agency for its $8.4 million account. That agency would replace Baird Advertising, Vancouver. Seven agencies are pitching.

■ **London—Mazda (U.K.)** moved its $7.5 million account to FCO from Gold Greenlees Trott. Wood Burden Smith & Bergin and Deighton & Mullen also pitched.

■ **Frankfurt—Nike** is increasing its West German ad budget 50% to $4.5 million. Also, Nike spends $2.5 million for sales promotion, sports sponsorship and point of purchase. Grey Duesseldorf handles.

■ **Sydney—Australian Consolidated Press,** owned by media mogul Kerry Packer, and French publishing group Hachette are forming a joint venture to launch an Australian edition of *Elle* next January. Circulation of 100,000 is planned.

Promotion plans sprout

By Janet Meyers

WASHINGTON—Soybean, mushroom, pecan and lime producers are asking Congress to approve more than $40 million for new generic promotions patterned after the dairy industry's highly successful effort.

The federal government already oversees some $300 million in budgets for various commodity boards promoting their goods. About half the budgets are spent on advertising.

Bills would convert the voluntary cotton, potatoes and honey programs into programs with mandatory producer assessments. The proposed new programs for soybeans, mushrooms, pecans and limes also would be mandatory.

This beehive of activity comes after the success that dairy and other commodity groups had after launching their own generic ad campaigns.

The National Dairy Promotion & Research Board has enjoyed a 5% per capita increase in consumption since its annual $63 million ad campaign began five years ago.

"We're creating a climate where all these producers feel compelled to promote," said Perry Letson, a marketing specialist with the U.S. Department of Agriculture.

The largest single ad budget increase under consideration would go to Cotton Inc., the marketing arm of the cotton industry, which would realize about $20 million more.

Cotton Inc. now spends about $10 million a year—nearly half its operating budget—on advertising, via Ogilvy & Mather, New York.

"The vast majority of the money would go to advertising and promotion," said J. Nicholas Hahn, Cotton Inc. president-ceo. "Our basic budget hasn't changed since the mid-'70s. That means we have been slipping backwards."

The increase comes as cotton in 1988 claimed a 49% share of the apparel and home furnishings market (excluding carpet). In 1976, cotton hit a low share of 31%.

The Potato Board, which says per capita consumption has been stable this decade, hopes to collect another $1.5 million from mandatory assessments on domestic producers and importers. About $1 million would go directly into advertising, said Bob Mercer, president of the Potato Board, which spends $3 million via Ketchum Advertising, San Francisco.

The move to mandatory assessments would increase honey pro-

(Continued on Page 38)

Low prices, but high ad recall

Sears' ad blitz pushes retailer into top 10 list

By Scott Hume

Sears, Roebuck & Co. is finally getting its money's worth and a whole lot more from its new strategy.

On March 1, the nation's largest retailer launched a monthlong TV, radio and print ad blitz, renouncing its past reliance on periodic sales in favor of what it calls "everyday low prices" (AA, Feb. 27). But at the time, it wasn't enough to make the retailer's advertising among the best recalled.

In months since that initial blitz, Sears has kept its advertising "voice" loud with a heavy rotation of TV and radio commercials touting not only its low prices but the expanded availability of brand name merchandise in its mainline Sears stores and Brand Central electronics outlets.

Reconfirming the value of brand names, Sears' pitch has taken hold in many consumers' minds.

Sears' advertising was among the 10 best-recalled for June, according to *Advertising Age's* exclusive adWatch survey, conducted monthly by the Gallup Organization.

Sears tied for seventh on the list of advertisers that came to mind first for last month's sample. That tied it with ads for two of the best-known brands in the U.S.: McDonald's Corp. restaurants and Procter & Gamble Co.'s Tide laundry detergent.

The demographics of Sears' recall are the kind a mass merchandiser looks for: a good balance between men and women (60% of those who named Sears first were female) and among age groups (40%, the largest single group, were ages 35 to 44).

Pepsi-Cola's "A generation ahead" campaign was the best-recalled advertising during June, its fourth consecutive month on top.

But the generation behind seems to remember brand Coca-Cola's advertising better. Among respondents ages 18 to 24, Pepsi ranked behind Coca-Cola in recall (though Coca-Cola finished No. 2 overall). What helped Pepsi keep the top spot was its stronger showing among people ages 25 to 34.

AdWatch is a joint project of *Ad Age* and Gallup. Awareness is measured by asking a nationally projectable sample to name the first advertising that comes to mind from all seen, heard or read in the previous 30 days. Last month, 1,000 adults were polled randomly by phone. The margin of error is plus or minus 3.1%.

In other significant changes in the June survey:

■ Earlier this summer, IBM Corp. launched a new campaign for its PS/2 personal computers themed "How're you going to do it? PS/2 it!" (AA, July 3). That comes as aided recall of IBM's ads is lower than it has been in more than a year.

When respondents were asked which **computer** advertising came to mind first, IBM was named by 20.3% last month, down from 23.1%.

Apple Computer was named first by 32.9% in June, up 3.9 points. Radio Shack was third with 1.6% of first mentions, down from 2.5%.

■ In the **fast-food** category, Wendy's International hung on to the No. 2 spot but lost some of the dramatic gain it had made in the previous two months. In June, its advertising featuring founder R. David Thomas came to mind first for 11.4% of the sample, down 2.8 points.

McDonald's share of first mentions was up 2.2 points to 48.6%, keeping it quite comfortably in first place. Burger King Corp. again was third with 10%, down 1.7 points.

■ Frank Bartles and Ed Jaymes are back and still popular. Two years ago, the fictitious spokesmen for E&J Gallo Winery's Bartles & Jaymes wine cooler captured as much as 16% of first mentions and the top spot in the **wine and coolers** category.

The cyclical nature of that industry and some uneven creative since Hal Riney & Partners, San Francisco, dropped the account have eroded awareness of the brand's ads. In April, the brand captured only 3.4% of first mentions.

This summer, Gallo has launched new commercials featuring the duo, and the brand's recall is rising. In May it jumped 5 points to an 8.4% share; last month it rose another 3.8 points to 12.2% of first mentions.

That put it in second place behind Gallo's varietal wines, which garnered 14.3%, down 3.8 points. □

For more information, contact the Gallup Organization, 301 S. 6th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

AdWatch survey of advertising awareness top 10 in June

Last month, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Source: Gallup Organization, Lincoln, Neb.

Rank 6/89	5/89	Advertiser	Agency
1	1	Pepsi-Cola	BBDO Worldwide
2	4	Coca-Cola	McCann-Erickson Worldwide
3	3	Ford	J. Walter Thompson USA
4	6	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham Worldwide
5	7	Miller	Backer Spielvogel Bates/Leo Burnett USA
6	2	Chevrolet	Lintas:Campbell-Ewald
7*	—	Sears, Roebuck & Co.	Ogilvy & Mather
7*	5	McDonald's	Leo Burnett USA
7*	8*	Tide	Saatchi & Saatchi Advertising
10	8*	Toyota	Saatchi & Saatchi DFS

*Indicates tie.

'Sun-Times' jabs 'Trib'

By Ira Teinowitz

The *Chicago Sun-Times* hopes to use its suburban newspaper clout to win Chicago area advertising from the dominant *Chicago Tribune*.

In a move likely to be closely watched in the newspaper industry, Sun-Times Co. plans to jointly sell ads in the daily *Sun-Times* and its 61 suburban papers (AA, July 24).

With the move, the company hopes to capitalize on its January purchase of the suburban Pioneer Press papers from Field Corp.

Advertisers that run the same national, retail or classified ad in the 554,670 circulation *Sun-Times*, the 185,891 circulation Pioneer Press papers and the 89,992 circulation Star Publications will get one bill and qualify for discounts of as much as 46%.

The ads don't have to run on the same day but do have to run within a week to qualify for the discount. The tabloid Pioneer Press papers are published Wednesdays or Thursdays and the broadsheet Star Publications on Thursdays and Sundays.

The *Sun-Times* will try to sell the network package both locally and nationally, and has already begun a print and radio campaign to push the package. Foote, Cone & Belding's Impact promotion unit handles.

Mark Dacey, *Sun-Times* senior VP-advertising, said the paper may offer zones and partial purchases as the program develops. A rate card for free standing inserts is being developed.

The tabloid *Sun-Times*, on its own, ranks second behind the *Tribune* in overall circulation in Chicago. The Audit Bureau of Circulations reported the *Sun-Times* had an average daily circulation of 554,670 for the six months ended March 31, compared with the *Tribune's* 740,154.

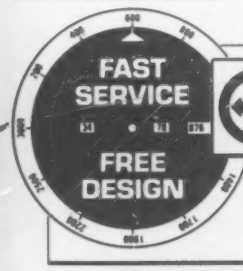
However, the *Sun-Times* contends the ad network will have a circulation of 758,942.

Advertisers had mixed reaction to the program, with most saying they will have to see how it applies to their particular needs.

"It's clearly a great move for them," said William Motsinger, director of advertising for Montgomery Ward & Co. But he wouldn't say whether the move would increase Ward's advertising with the paper.

Neil Wilson, a media planner at N W Ayer on the Citicorp Savings account, said the plan could alter CitiCorp's advertising because Citicorp runs identical advertising in city and suburban papers. However, he said the decision will depend on the overall cost.

John Novak, associate media director at Ayer, said the plan may give the *Sun-Times* "a lot more flexibility" but he doubted advertisers would replace their *Tribune* buys. □



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AD REVIEW

New Aetna ads claim diligence but only insure viewer yawns

(Rating: ★ ★ ½)

Garfield

WARNING: The following analysis of the new Aetna campaign is probably wrong.

It's probably wrong because clearly your reviewer is ill-equipped to evaluate insurance advertising—a fact made apparent elsewhere in these pages last week. The evidence was a quotation from a marketing consultant, who referred to the "Peanuts" campaign from Metropolitan Life Insurance Co. as "one of the great advertising success stories of the decade."

Good grief, Charlie Brown, could that be possible?

With all due respect to Lucy, Woodstock and a certain highly regarded anthropomorphic beagle, the effectiveness of that campaign defies all reason. Sure, the cartoonishness is somewhat refreshing amid the stark reality inherent in the insurance trade. And, true, Charles Schulz's beloved characters do lend a humanizing quality to the money-machine colossus.

Risk management may have been an arcane enterprise for Aetna to focus on, but the process of making it more accessible to the viewer undermines the premise.

But if a Big Advertising Idea consists of buying borrowed interest from a comic strip—a strip that itself ceased being interesting 15 years ago—that raises disturbing questions:

1. If consumers respond to patently ordinary advertising, is the advertising really ordinary? 2. If not, does ingenuity become anathema and mediocrity a goal? 3. *Is advertising criticism therefore a pointless exercise, slightly amusing but basically unnecessary, sort of journalistic Gymboree?* Answers below.

While you're wringing your hands over those posers, you might consider one question further: If Met Life can prosper from an idea that isn't worth peanuts, what does one make of a campaign that's well-conceived, strategically sound and reasonably diverting—yet not particularly impressive overall?

This would describe the new Aetna Life & Casualty advertising, the tagline of which speaks volumes: "We give new meaning to the word diligent."

That the theme is somehow both lackluster and overstated is only part of the problem. The real problem is the rhythm of it. If ever a slogan failed to roll off the tongue, this is it. Ditto for the commercials themselves, which are full of promise but oddly out of sync.

In one spot, a new check-printing machine arrives at Aetna, shrouded in plastic and mystery. In another, strangely equipped Aetna air sample collectors skitter around corporate policyholder offices trying to detect environmental hazards. And, in a third, Aetna arson investigator John Barracato purchases 10 used cars . . . for the purpose of pyromania.

That commercial is the best of the lot, yet still unsatisfying. Here's a spot that has all the elements—humor, surprise, strategic smarts, exploding Plymouths—and yet still comes off as flat and listless.

You can't fault Ammirati & Puris, New York, on concept. The agency, which has done uniformly brilliant work lately for such clients as United Parcel Service of America, BMW of North America and Club Med, looked at the insurance-ad landscape and saw a good opportunity.

Because insurance is basically a commodity, advertising has historically hinged on intangible benefits such as Rock of Gibraltar stability, firemanlike attention, umbrella coverage and neighborly agents. To a public that regards insurers as conniving, avaricious, bureaucratic, heartless harborers of suspicion and bad faith, those appeals can sound like meaningless puffery.

Ammirati saw a chance to portray concrete ways in which Aetna works painstakingly to reduce premiums and serve customers. (Did I say "painstakingly"? I meant *diligently*.) Hence the notion of collecting office air samples. Aetna doesn't pretend to care deeply about airborne carcinogens—except to the extent that insured employees begin keeling over, which results in an unsatisfactory outlay of benefits, which drives up premiums, which Aetna does care deeply about.

The free market at work! And what a marvelous, unusually candid principle for an insurance carrier to communicate. The puzzling thing is the choice to communicate these thoughts whimsically.

Maybe the concept of risk management seemed too arcane, so that it had to be spiced up with humor. Or maybe the real-life action was too unfocused to film, while, say, a shuffling cadre of bow-tied nerds wielding space age vacuum cleaners made air sample collection instantly understandable. Or maybe the light touch was deemed to better humanize the company, without having to sign up Mary Worth or the Flintstones.

But the upshot is it doesn't quite click. The whimsy isn't whimsical enough to be funny; it's all too dark, awkwardly written and poorly timed. Also out of place. The diligence claim, weak as it is, is undermined further by a campaign that doesn't seem to take itself very seriously.

Humanizing the business of cold hard numbers is one thing. Trivializing it is quite another.

(Answers from above: 1. Perhaps not, but it's best not to dwell on it. 2. Let's hope not. 3. *Of course not. Enough of that foolish talk.*) □

The rating system uses four stars to represent excellent, three for notable, two for mediocre and one for pathetic.

Pizza Hut stops ABC promo deal

By Marcy Magiera

ABC-TV, which last month scrambled to announce a cross-promotion with PepsiCo's Pizza Hut, now finds itself the only Big 3 network without a promotional partner to hype the fall "premiere week."

It became apparent last week the ABC/Pizza Hut deal wouldn't go through. In fact, Pizza Hut denies it ever had an agreement with ABC.

Roger Rydell, Pizza Hut director of public affairs, said ABC VP-Marketing Mark Zakarin last month announced the cross-promotion to the network affiliates prematurely.

At that time, "it was still an open book," Mr. Rydell said.

"Nobody had given it the kabosh. . . . but the idea never got to the point that it was thought of as a viable program for us," he said.

Mr. Zakarin disagreed. "I have a signed agreement with a company that represented itself as agent of Pizza Hut," he said.

"It was a situation where a promotion company was representing itself as having authority, and apparently they did until Pizza Hut got wind of it in the newspapers. Then they tried to change the rules at halftime," he said.

Mr. Zakarin said he believed Riverside Marketing Group, the company that put the promotion together, was authorized to work on regional promotions for Pizza Hut.

Riverside President Eric Douglas failed to return repeated phone calls.

The development could put the No. 2 network at a further disadvantage. ABC has already failed to line up a major cross-promotion with a retailer in time for the fall season. NBC and CBS will promote their fall seasons with $15 million-to-$20 million cross-promotions with Sears, Roebuck & Co. and K mart Corp., respectively.

M. Zakarin

But observers note the networks' retail promotions could backfire and end up driving viewers away.

"No one really knows if these things will mean anything," Mr. Zakarin said. "It all depends on the execution. . . . If it's irritating, pandering and condescending, it won't work."

ABC continues to talk to potential promotional partners, including "the five or six major retailers in the country," about cross-promotions later this year.

Sources say McDonald's Corp. is still talking to ABC, as well as the other networks, about a possible cross-promotion. □

Vitamins

(Continued from Page 3)

troducing separate lines specifically for adults.

The new characters are the first major cartoon competition in years for Miles Inc., marketer of the Flintstones vitamins.

Miles introduced Flintstones in 1968 and last year led the children's multivitamin segment with a 26% share of unit sales in food and drug outlets for the year ended Feb. 28, industry audits show. Miles' other cartoon character vitamin, Bugs Bunny, with a 10% share, ranked second in unit sales.

The company, which claims it was the first in 1960 to market a chewable children's vitamin, supports Flintstones with more than $13 million a year and spends about $1 million for Bugs Bunny sugar-free vitamins. Tatham-Laird & Kudner, Chicago, handles both brands.

No. 3 Sunkist Vitamins for Kids, marketed by Ciba Consumer Pharmaceuticals, broke spot and network TV commercials in April themed "Great vitamins plus a great fruit taste only from Sunkist" via Ketchum Advertising, New York.

Other companies in the market include American Cyanamid Co.'s Centrum Jr.; Bristol-Myers Co.'s Vi-Sol line; Squibb Corp.'s Theragran Jr.; and Scooby-Doo, marketed by Vitafresh.

In 1988, the kids multivitamin market grew 11% in manufacturers' sales to $163 million, according to Kline & Co. In comparison, the total $1.75 billion vitamin market grew 6% in manufacturers' sales, Kline said.

"The market has been flat, falling and slow since the late 1970s when people were into natural foods and megadoses of vitamins," said Jim Callandrillo, project manager at Kline. "It's doing a bit better. . . . and we're hearing a lot about an uptick in the birthrate."

Analysts are a bit mystified by the new competition. Mr. Callandrillo said the market is small and "highly segmented, with a lot of private label."

But American Health's Mr. Wolff interprets market growth to "a wave of nutrition-consciousness in America." He noted that 75% of all adults who take vitamins give vitamins to their children. □

Laurie Freeman in Washington contributed to this story.

Promotion

(Continued from Page 3)

ducers' operating budget about $1 million to a total of more than $3 million.

Soybeans, which dominate the U.S. oil market, would be the subject of the largest new ad program. The proposed legislation would raise $60 million for an operating budget, $15 million of which would be used to advertise a soybean "trademark" (AA, April 10).

Another new generic advertiser could be mushroom growers, who'd have up to $10 million to spend on promotion and research programs if their legislation is passed. About $4 million would go for advertising.

But Campbell Soup Co.'s Camsco Produce Co., a top producer of fresh mushrooms, opposes the bill, arguing instead for branded ads.

Separately, a mushroom industry group now spends about $400,000 a year on tie-in promotions via Ketchum Public Relations, San Francisco. Industry representatives are unsure whether their efforts will include consumer ads.

Pecan farmers have increased their sales in recent years but still lag behind almonds and walnuts, both of which have aggressive marketing campaigns.

Federated Pecan Growers of the U.S. President Fred Beshears said the marketing group would spend about $1 million of its estimated $5 million operating budget on advertising.

The lime growers' legislation would raise more than $2 million annually, with about half going for ads. The industry's board would conduct research before hiring an agency, said Jerry Hill, counsel to the lime producers. □

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Advertising Age

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GM tightens grip on dealers

By Jon Lafayette and Patricia Strnad

General Motors Corp. is exercising new control over dealer-groups' advertising and their agencies, indicating the automaker might try to consolidate some local business at its national shops.

Such a change could move portions of an estimated $400 million-plus in billings from numerous local agencies to GM shops.

The automaker's major agencies are Lintas:Campbell-Ewald (Chevrolet), D'Arcy Masius Benton & Bowles (Pontiac and Cadillac), McCann-Erickson Worldwide (Buick and GMC Truck); and Leo Burnett USA (Oldsmobile).

GM's insistence that Oldsmobile dealer ads conform with its national campaign apparently led to the departure last week of Margeotes Fertitta & Weiss, New York, as agency on the $8 million Oldsmobile Dealer TV Communications Inc. dealer account for the New York metropolitan area.

Margeotes, which won the business just six months ago, said the parting was over "creative differences" caused by "constraints and limitations" imposed by Detroit.

The dealer group, known as "The Good Olds Guys," replaced Margeotes with Partners & Shevack, a midsize New York agency that was a finalist in the earlier review.

Other automakers, including Chrysler Motors and Nissan Motor Corp. USA, have consolidated their dealer accounts at national agencies over the past two years.

Historically, only Buick agency McCann-Erickson has handled any dealer advertising. It handles about 5% of Buick dealer accounts, but is barred from actively pursuing such business.

GM's new Saturn subsidiary is overtly encouraging dealers to use its national agency, Hal Riney & Partners, San Francisco, and so far, dealers appear interested.

Buick, Oldsmobile and Chevrolet have

(Continued on Page 61)

LAST MINUTE NEWS

Thrifts review accounts

LOS ANGELES—Four of the nation's top 10 savings & loans are shopping for agencies, as California Federal Bank and American Savings Bank put their accounts up for review. California Federal said Bozell, its agency of record, and Ogilvy & Mather, which handles residential-lending ads for the thrift, are "leading contenders" for its consolidated $20 million business, but DDB Needham Worldwide is also believed to be a competitor. DDB Needham's San Francisco office was recently dropped by First Nationwide Financial Corp. (AA, July 31), which will choose among J. Walter Thompson USA and Young & Rubicam, both San Francisco, and Wells, Rich, Greene, New York, for its $15 million-to-$20 million account. American Savings, Irvine, Calif., is expected to decide within a week among incumbent Asher/Gould; BBDO Worldwide; Hill, Holliday, Connors, Cosmopulos; and Lintas:Campbell-Ewald for its $10 million account. Glendale Federal Bank named as finalists in its $10 million account review incumbent Davis, Ball & Colombatto; BBDO; JWT; Saatchi & Saatchi DFS, Torrance, Calif.; and an unidentified shop.

Coke mulls Hispanic ads

ATLANTA—Coca-Cola Co. confirmed last week that its Hispanic consumer ad account, now at Castor GS&B Advertising, New York, is under review. The company recently assigned its major TV, print and radio Columbus quincentenary program to

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INSIDE

New Boy Scout campaign ... **P. 3**
Boys Scouts of America want to dispel the image that scouts are nerds.

Plaque attack ... **P. 4**
Article in *Consumer Reports* causes Plax mouthwash marketer to fight back.

Fed Ex gets serious ... **P. 58**
Federal Express has lost its sense of humor in a new domestic ad campaign from Fallon McElligott.

Leona Helmsley penny-pinches another agency

By Joseph M. Winski

"Learn from me, darling. If you pay the asking price for anything, you're being robbed."—Leona Helmsley, quoted in "Adventures of an Advertising Woman" by Jane Maas

• • • •

Before ushering Ms. Helmsley into the tough-client gallery now presided over by Ernest Gallo, the ad industry ought to note an important distinction: Nobody accused Mr. Gallo of stiffing his agencies.

Taylor-Gordon, Aarons & Co., New York, agency for Helmsley Hotels, resigned the account last week after charging that Ms. Hemsley unilaterally slashed the agency's compensation.

"It was totally unexpected," said Elaine Taylor-Gordon, agency president. "We were shocked. We thought she was kidding."

Shocked though the agency might have been, cutting Taylor-Gordon Aarons' pay would fit the pattern of behavior alleged in Ms. Helmsley's federal tax-fraud trial in New York and in some of her previous agency dealings.

Joyce Beber, president of Beber Silverstein & Partners, Miami, said she had to sue Helmsley Hotels to recover media payments it owed the agency after Ms. Helmsley fired Beber Silverstein several years ago.

Ms. Beber said the case eventually was settled out of court

(Continued on Page 60)

Douglas Kirkland/SYGMA

Helmsley: lavish with hotels, niggardly with agencies.

No more CME 'superstar'

Dunlap to seek 'solid' image following O'Donnell exit

By Jon Lafayette

Campbell-Mithun-Esty CEO Bill Dunlap will bring the agency's New York office more into line with the shop's Midwestern culture following last week's departure of Chairman Joe O'Donnell.

With Mr. Dunlap fully in control, an agency source said, the Saatchi & Saatchi Co. shop "will become much closer to Campbell-Mithun. Dunlap will run it his way. Joe did things in his own style."

Mr. O'Donnell, 47, stepped down, citing "mounting conjecture" about his tenure, which was "getting in the way of moving forward agencywide."

J. O'Donnell

Campbell-Mithun-Esty's other offices are in Minneapolis, where Mr. Dunlap is based, Chicago and Southfield, Mich.

Sources say Mr. O'Donnell wasn't fitting in with Mr. Dunlap's attempt to build a single culture across the agency's offices.

Saatchi merged Campbell-Mithun and William Esty Co. a year ago to create a large domestic agency with roots in the Midwest.

Mr. O'Donnell came from the Esty side, where he was ceo and had been trying to build a creative reputation at a shop long-considered creatively stodgy by industry observers.

In contrast, management at Campbell-Mithun-Esty's Minneapolis office has been collaborative and inconspicuous, while the New York agency was in the spotlight, with Mr. O'Donnell clearly leading the effort.

"Now we're not going to have a superstar," the agency source said of Mr. O'Donnell's departure. "It's just going to be a very good, very competent agency."

Working with Mr. Dunlap in running the New York office will be Chairman-Chief

(Continued on Page 61)

Crain names Cappo Ad Age publisher

NEW YORK—Joseph Cappo has been named publisher of *Advertising Age*, effective immediately.

Mr. Cappo, 53, will keep the title of group publisher at parent Crain Communications Inc.

Crain Communications President Rance Crain made the announcement last week following the departure of *Ad Age* Publisher David Persson and Associate Publisher Lawrence Oliver, who accepted offers from Act III Publishing *(see story on Page 57)*.

Mr. Persson, 46, becomes senior VP-group publisher of Act III's media and TV groups, a new post, and Mr. Oliver, 39, succeeds David Bentley as publisher of *Marketing & Media Decisions*.

Mr. Bentley, 50, has moved to *Adweek* as VP-publishing director, a new title, as both Act III Publishing and *Adweek* install the "group publisher" office at their publishing companies.

Mr. Crain, who's also *Ad Age* editor in chief, said he will take on the additional title of publishing director. Mr. Cappo will still report to Mr. Crain.

John R. Brice, promoted to Eastern sales manager with Mr. Oliver's departure, will also continue as sales manager of *Creativity*, the monthly *AA* supplement.

R. Crain

J. Cappo

Mr. Cappo "has become increasingly involved in the workings of *Advertising Age*" as group publisher, Mr. Crain said.

"I'm certain that Joe's dynamic and creative leadership, first as publisher of our enormously successful *Crain's Chicago Business*, then as group publisher of six of our publications, will effectively serve *Ad Age's* growing readership now and in the future," he said.

Mr. Cappo joined Crain Communications as a columnist for *CCB* in 1978 after 15 years covering general and business news for the *Chicago Daily News*. Named publisher of *CCB* in 1979 and a VP in 1981, he was named group publisher earlier this year.

He's the sixth publisher in *AA's* 59-year history.

Mr. Brice, 33, joined the *AA* sales staff here in 1987 after sales posts with the *Chicago Sun-Times* and the *Chicago Tribune*. He was named *Creativity* sales manager last November.

Of Messrs. Persson and Oliver, Mr. Crain said, "I wish them both well and appreciate the fine job they have done for us."

He described their departure as "part of the ongoing talent tug of war in media. More companies are noticing the great work that's being done at *Advertising Age*, both on the editorial side and the sales side. We take this as recognition of our company's ability to develop the best talent in the publishing business."

Act III, formed by TV producer Norman Lear, also publishes *BME, Channels, Channels Market Shares, Corporate Video Decisions, Electronic Musician, Mix, Television Business International, Television Programming Source Books* and *World Broadcast News*. □

DMB&B buys into Sosa

By Christy Fisher and Jon Lafayette

D'Arcy Masius Benton & Bowles USA last week bought a share of a Hispanic agency, and that shop promptly won Burger King Corp.'s $6 million-to-$7 million Hispanic ad account.

The deal with Sosa & Associates, San Antonio, Texas, gives D'Arcy another bit of one-upmanship in its unusual relationship with Saatchi & Saatchi Advertising, New York. The agencies share the $215 million general-market Burger King account.

In the agreement, D'Arcy purchases a 49% interest in the Sosa agency. Ogilvy Group also had been interested in the hot shop, which does work for Anheuser-Busch and Coca-Cola USA.

The deal was announced Aug. 3, and later the same day Burger King said it had awarded its Hispanic account to Sosa. Conill Advertising, New York, a Saatchi & Saatchi Co. unit, also pitched.

Castor GS&B Advertising, Coral Gables, Fla., had handled Burger King.

D'Arcy had been looking to acquire an equity interest in a Hispanic shop, and the Sosa deal had been rumored for some time.

Lionel Sosa, Sosa's president and executive creative director, agreed the D'Arcy affiliation was "instrumental" in the Burger King win.

"They introduced us to Burger King," he said. But it was Sosa's work in Hispanic marketing that cinched the account, Mr. Sosa added.

Conill executives also saw the D'Arcy affiliation as a weighty factor.

"It all makes sense," said Carlos

(Continued on Page 61)

Bush hires adman Rogich

By Steven W. Colford

WASHINGTON—Sig Rogich, the Las Vegas, Nev., adman who helped forge a winning image for George Bush during the 1988 presidential campaign, will join the White House staff this week, sources said.

The hiring of Mr. Rogich, the No. 2 man on the Bush ad team last year, is expected to be announced this week by White House Chief of Staff John Sununu. He will get the title of assistant to the president for initiatives and special activities.

In that role, Mr. Rogich will be "events czar," a White House spokesman said.

"He will be helping decide what 'events' the president will do," he said. "There will be a message that we want to put out, and he will come up with the appropriate forum. He also will have input" into the message.

Mr. Rogich, 45, is president of R&R Advertising, which bills about $40 million through offices in Las Vegas; Reno, Nev.; and Salt Lake City. In his new post, he will lead the president's advance team, making sure the setting and environment for President Bush's speeches and statements are conducive to the message.

S. Rogich

A White House source said Mr. Rogich, a native of Iceland, will serve President Bush in somewhat the same fashion that White House aide Michael Deaver worked for Ronald Reagan.

He will succeed Stephen Studdert, who's returning to the private sector.

"Sig is well-suited to this type of work because of his media background," the source said. "[He] has a very good eye for pictures, for image and for problem control."

Mr. Rogich was solicited for his new job barely a week ago and agreed to the position after a conversation with the president aboard Air Force One.

As the top lieutenant to Roger Ailes, the Bush campaign's media guru, Mr. Rogich created commercials and supervised the work of the people who turned out such memorable TV spots as "Boston Harbor" and "Revolving Door."

Mr. Rogich's personal commercial contributions to the powerful Bush ad arsenal included a b&w montage of gasoline lines from the Carter administration, played to the tune of "I Remember You."

To make the shift from adman to public servant, Mr. Rogich will have to separate himself from his agency, most likely by putting it into a trust. The agency likely will be operated by Exec VP Billy Vassiliadis and VP Ed Rogich, Sig Rogich's brother. □

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Maccabee Israeli beer uses foolish antics of beer bottles involved in dancing, sex and even a funeral to prove life really is like beer.

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Pfizer fights bad press about Plax

Mouthwash claims questioned

By Patricia Winters and Laurie Freeman

Pfizer, whose Plax mouthwash has been labeled ineffective by *Consumer Reports*, is planning to fight back.

The marketer said it's looking at consumer advertising, public relations and possible legal options to counter the article that said Plax doesn't contain any known chemical plaque fighters.

Plax is advertised as an anti-plaque mouthwash in network TV spots from Ally & Gargano, New York.

"We will not allow it to go unchallenged," said Pfizer spokesman Tony Biesada, who said the *Consumer Reports* story "egregiously harmed Plax."

He declined to elaborate on Pfizer's plan of attack, maintaining that "for competitive reasons we are not going to say anymore."

The controversy erupted as sales of Plax and all anti-plaque mouthwashes are skyrocketing, despite a crackdown on plaque-fighting ad and labeling claims by the Food & Drug Administration.

Plaque-fighting mouthwashes now account for about half of the estimated $720 million market.

In its August cover story, the magazine also said the claim that Plax removes "300% more plaque than brushing alone" is based on a study involving panelists who brushed for 15 seconds and didn't use toothpaste.

Pfizer removed the 300% ad claim in May, after the Council of Better Business Bureaus' National Advertising Division found the claim lacked adequate substantiation (AA, May 15).

Marnie Goodman, *Consumer Reports*' media liaison, said the magazine stands by its story and noted that the article found some products do provide anti-plaque benefits with proper brushing and flossing.

Those brands include, in descending order of effectiveness, Procter & Gamble Co.'s Peridex prescription mouthwash, Warner-Lambert Co.'s Listerine and Merrell Dow Pharmaceuticals' Cepacol.

Pfizer charged the study on which the story was based was financed by a competitor and wasn't conducted according to clinical practice. The company said seven other clinical studies have proved Plax's effectiveness.

Warner-Lambert, the marketer of Listerine, acknowledged it financed the independent study but said medical research is typically sponsored by corporations.

Spokesman Peter Wolfe said the company commissioned the study more than a year ago when it was evaluating Plax for potential purchase from Oral Research Laboratories. Pfizer bought Plax from Oral Research last year.

Institutional Services Co., which conducted the study for Warner-Lambert, said it used proper procedures and noted the study was published in the *Journal of Preventive Clinical Dentistry*.

"Pfizer is trying to denigrate this study, but they are ignoring the fact that it [was published in] a peer-review journal. In no way can [the researcher] skew the results to a marketer's needs, not in a peer-review journal," Ms. Goodman said.

The story could take the steam out of the fast-growing Plax brand, which last year grew 171% in food-store sales as Pfizer rolled it national. Industry sources estimated Plax sales last year at $100 million.

Top 10 mouthwashes

Mouthwash sales jumped 12% to $363.3 million in 1988.

Company/Brand	1988 share
Warner-Lambert/Listerine	26.0%
Procter & Gamble/Scope	23.0
Pfizer/Plax	14.5
Warner-Lambert/Listermint	6.7
Merrell Dow/Cepacol	4.5
Colgate/Colgate Tartar-Control	4.3
Lever Bros./Signal	3.4
Colgate/Fluorigard	1.3
Vipont/Viadent	1.2
Dep Corp./Lavoris	1.0

Source: Industry audits

All anti-plaque mouthwashes witnessed share increases last year, while nearly all the rest saw share declines.

The market grew 12% in food-store sales last year to $363 million. Food-store sales represent roughly half of the total market.

Industry audits showed plaque-fighter Listerine, the leader, grew 7% to a 26% share in food stores, followed by P&G's Scope, a breath freshener. Plax, with a 14.5% share, followed.

Merrell Dow's Cepacol, positioned as the rinse with the "plaque-fighter formula," posted a 16% sales gain in 1988 and now has a 4.5% share. Vipont Pharmaceutical's Viadent, which has just rolled national, garnered about a 1.2% share.

Of the cosmetic breath fresheners, only Warner-Lambert's Listermint showed a share gain, up 4% to a 6.7% share. Scope declined 11% to a 23% share. Other mouth rinses positioned as breath fresheners include Lever Bros.' Signal, with 3.4%, down 16%; Colgate-Palmolive Co.'s Fluorigard, with 1.3%, down 32%; and Dep Corp.'s Lavoris, with 1%, down 26%. Colgate Tartar-Control Rinse rolled national last year and had a 4.3% share.

The gains of plaque-fighting mouthwashes came as the FDA investigated anti-plaque claims on the grounds that such claims haven't been approved for over-the-counter products. The FDA will review the issue in the fall.

The FDA contends plaque is a disease that needs prescription-drug treatment.

Nearly all the companies marketing anti-plaque mouthwashes are fighting the FDA's resistance, and continuing to advertise their effectiveness against plaque buildup.

Warner-Lambert, for instance, said it has 20 studies showing Listerine's effectiveness against plaque, and the brand is the only mouthwash with American Dental Association acceptance seal.

The company recently launched a national direct-mail effort in addition to its TV and print campaign via J. Walter Thompson USA, New York. The targeted effort to consumers offers $1-off coupons for Listerine in envelopes marked, "Attention: Viadent and Plax users."

And Vipont recently asked the FDA to reopen its review of oral-care products in hopes of resolving its dispute over Viadent anti-plaque products.

The company told the FDA earlier this summer that products making limited anti-plaque claims should be classified as cosmetic products. □

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New Products/Brand Leveraging Consultants

RC Cola's largest bottler rejects image campaign

By Ira Teinowitz

Royal Crown Cola Co.'s largest bottler just said "no" to a new image campaign that's already running in most of the country.

And that decision has RC rethinking its strategy and considering more retail or promotional advertising in the future, instead of image advertising.

RC Cola Bottling Co., whose distribution of RC in Chicago, Virginia, Florida, Alabama, Georgia and Hawaii accounts for 25% of the cola company's business nationally, last month substituted its own advertising for that created by Hill, Holliday, Connors, Cosmopulos, Boston.

The bottler's advertising, produced in-house, shows the new, more colorful RC can and suggests that, despite a new package, RC has the "same great taste."

"We felt there was a need to explain to consumers the package change," said Linda Rutkowski, VP-marketing for the bottler. "We can't jeopardize our volume."

By contrast, Hill Holliday's RC campaign, themed "C'mon, say yes to the great taste of RC," uses humor, with one set of commercials featuring a witch doctor and another using jousting knights.

RC President Alfred Burke had promoted the campaign—replacing one themed "Decide for yourself"—as a major change, with commercials targeting an older segment of consumers compared with cola rivals' targeting of teenagers.

The bottler, which spends about $3 million annually on advertising, also decided not to use Hill Holliday's campaign for RC's Diet Rite cola. Those TV spots feature men and women growing fat at the slightest taste of a non-diet product.

Instead, the bottler substituted a campaign promoting the flavored versions of Diet Rite.

It's not unusual for a bottler to opt out of a company campaign, said Carey Keane, RC's VP-marketing, adding that the move wouldn't affect RC's relationship with its ad agency.

He said RC worked with the Chicago bottler in developing the package-oriented advertising.

Hill Holliday's campaigns are being used by other bottlers and in national advertising by the soft-drink company. □

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Europe remains mixed bag

By David Murrow

LONDON—Although sales promotion activity in Europe is expanding across borders, a maze of national regulations is stunting the growth of pan-European promotions.

"The actual application of a single technique across Europe is limiting because of these differences," said John Ferrell, joint ceo of International Marketing & Promotions, a unit of D'Arcy Masius Benton & Bowles. The $90 million sales promotion agency will play a key role in coordinating the sales promotion network D'Arcy is planning (AA, July 17).

Citicorp Scrimgeour Vickers values the EC sales promotion market at about $32.4 billion, the same size as the advertising market.

The market for pan-European promotions "should double by this time next year," said Ian Sanderson, director for European coordination at FKB-owned Network Marketing International.

Short-term growth depends mainly on spending of U.S. and European multinationals, an area where Mr. Sanderson expects big activity. Another factor that could affect the growth of sales promotion is 1992, the year the European Community's trade barriers fall. Mr. Ferrell said, "I anticipate change, but I don't know which way the change will go."

Mr. Ferrell, also vice chairman of the U.K.'s Institute of Sales Promotion, is lobbying EC legislators for more consistent and lenient promotion-related legislation. While there is no specific EC directive regarding sales promotion, there are directives for specific industries, such as drugs or toys, that could affect sales promotion regulations.

"Rather than fighting the different laws in each country, it's easier to create adaptable promotions for use in each market," said Marcus Postlethwaite, KLP's senior account manager-Europe.

IMP has published a European Promotional Legislative Guide to give its clients—including Eastman Kodak Co., NV Philips and United Biscuits—an overview of permitted and banned promotional techniques in specific European markets.

For example, free mail-in offers are allowed in the U.K., Ireland and Spain, where rules are more liberal. However, the same promotion may not be permitted in France, Belgium and Luxembourg, and would definitely be out in West Germany.

Denmark, Finland, Sweden and Germany have the most stringent sales promotion regulations in Europe, top industry executives in London say.

Roger Swann, exec VP at KLP International, said the situation in Germany is particularly frustrating for sales promotion and advertising.

"The country has a population of about 65 million people, but there is only 20 minutes of advertising time allowed on daily television there," he said.

The limitations extend to sales promotion. For example, Germany doesn't allow free premiums on products, a standard practice in some countries. Contests are allowed as "attention getters," but not if they're judged "overinducement to buy," IMP's handbook states.

Because of these restrictions, KLP's work during the past year for United Distillers Group's Johnnie Walker Scotch whisky had to be modified.

United Distillers offered a free glass with the product and an offer to buy a set of six glasses. This tactic wasn't allowed in some countries, including Germany.

Even with the laundry list of national regulations, pan-European promotions are possible.

By not using an actual inducement to buy or requiring a proof of purchase, KLP this summer launched Polaroid Corp.'s "Sunglasses Adventure" promotion throughout Europe.

Participants were asked to answer a series of questions to win adventure vacations.

But one answer could only be seen on a special screen at point-of-purchase displays through a pair of filter-lens Polaroid sunglasses. This encouraged trying the glasses on without any actual inducement to buy. □

Which European countries allow these promotions?

Promotion	U.K.	Spain	West Germany	France	Italy
In-pack premiums	●	●	○	▲	●
Multiple-purchase offers	●	●	▲	●	●
Extra product	●	●	▲	●	●
Free product	●	●	●	●	●
Mail-in offers	●	●	○	●	●
Purchase-with-purchase	●	●	○	●	●
Cross-promotions	●	●	○	●	●
Contests	●	●	▲	●	●
Self-liquidating premiums	●	●	●	●	●
Sweepstakes	▲	▲	○	▲	▲
Money-off coupons	●	●	○	●	▲
Next-purchase coupons	●	●	○	●	▲
Cash rebates	●	●	▲	●	○
In-store demos	●	●	●	●	●

● Permitted ○ Not permitted ▲ May be permitted

Source: International Marketing & Promotions, London

PROMOTION & ACCOUNT ACTIVITY

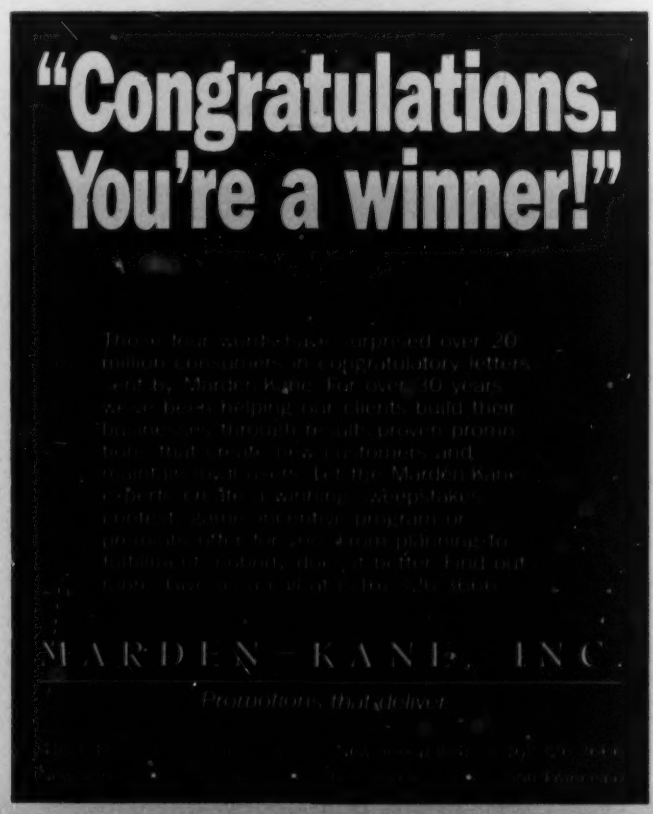
Trendy new board game: "It's Only Money," a board game modeled after a shopping mall, is being sold with coupons for more than $250 off merchandise of brand-name products that appear on the board. Developer ESM Marketing Group is also running the "It's Only Money" national championship: Four contestants who best describe their fantasy shopping spree in 100 words or less will be chosen to play the game in New York next May; the winner will get $300,000, a two-bedroom condo in Miami and a $100,000 shopping spree in New York, the latter courtesy of MasterCard Travelers Cheques. Retailers that sell the game, including Venture Stores and Ames/Zayre, also are running separate contests. Comart, New York, is in charge of ESM Marketing's promotion; Kepke/Fink handles the $2 million TV and radio campaign that supports. Twenty-five companies including Continental Airlines, Home Box Office, Jockey International and Nissan Motor Corp. USA paid $30,000 apiece to get their names on the game, which sells for $24.

Yoplait goes undercover: Yoplait USA on Sept. 11 launches the "Undercover Sweepstakes," its fourth and largest on-pack, instant-win consumer game. Game pieces will appear on the underside of foil lids of 80 million yogurt cups. Prizes include a grand prize of $50,000, trips for two to London, $1,000 cash, 1,500 Clue board games and 3 million paperback mystery novels. The game is scheduled to end Nov. 6. National spot TV and print advertising and couponing support, with radio in selected markets. DDB Needham Worldwide, Chicago, handles advertising; the promotion was developed in-house.

Football promotions kick off: The American Dairy Association on Sept. 18 breaks a $3.7 million "Kick Off the Season with Real Cheese" football promotion. Network TV and spot radio commercials star weatherman Willard Scott. Point-of-purchase materials and trade promotions support the two-month campaign. Flair Communications, Chicago, handles; D'Arcy Masius Benton & Bowles handles advertising.

Separately, Miller Brewing Co. will offer Miller Lite/NFL handbooks as giveaways as part of a "Miller/NFL Football Party Zone" promotion. The promotion, which also mentions Miller High Life and Miller Genuine Draft, will be backed with national TV from Miller agency Louis London Advertising, St. Louis. The agency also handles point of purchase.

Kodak subscribes: Eastman Kodak Co. will give away a six-month subscription to one of six photography magazines with proofs of purchase from a special bonus pack of Kodachrome 200 transparency film and two additional rolls of selected film. The national promotion will run from late summer through yearend, supported by page ads in the magazines. G.M. DuBois Co., Rochester, N.Y., handles the promotion and ad support.



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MEDIAWORKS

LAUNCHING PAD

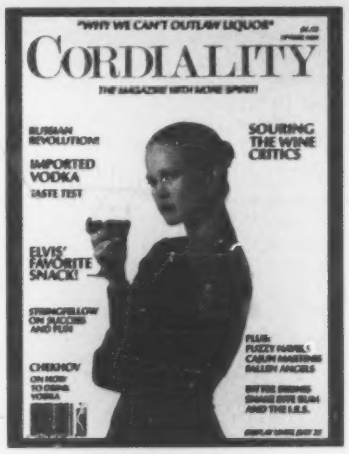
New publication launches.

'Cordiality'

Cordiality Inc. will introduce *Cordiality*, a quarterly, with a September/October issue. A spring test issue was aimed at consumers of alcoholic beverages, but Publisher Joe Finora said the magazine will position itself as a home entertainment-lifestyle publication for 21-to-39-year-olds. Controlled circulation is 100,000. A b&w page is $4,000, and a color page is $5,620. Offices are at 234 5th Ave., New York 10001. Phone: (212) 547-7023.

'Movieline'

Movieline Inc. will introduce *Movieline*, a national film magazine, with a September issue. The company now publishes a similar 4½-year-old controlled-circulation regional magazine in southern California. The monthly national edition will be revamped and redesigned, with newsstand and subscription sales added. Associate Publisher John Molinari said the magazine will be aimed at a more upscale audience with broader interests than existing film publications. "In addition to interesting interviews, we'll go one step further. We'll have celebrities modeling fashions, we'll go to their homes, talk about their dining habits, all in a non-tabloid format," he said. Initial rate base is 100,000. Charter ad rates are $2,385 for a b&w page, and $3,101 for a color page. Anne Volokh is publisher. Offices are at 1141 S. Beverly Drive, Los Angeles 90035. Phone: (213) 282-0711.



'Rollergames'

G.C. London Publishing Associates will introduce *Rollergames*, aimed at viewers of the new nationally syndicated TV game show, in January. The every-other-monthly will have a rate base of 200,000. A b&w page is $2,350, and a color page is $4,245. Kenneth Gudaitis is publisher; Stuart Saks is editor; and Craig Peters is ad director. Offices are at 55 Maple Ave., Rockville Centre, N.Y. 11570. Phone: (516) 764-0300. □

BROADCAST-INC.

Programming and business-side developments in broadcasting.

The American Association of Advertising Agencies has put a yardstick to the ever-increasing cost of TV commercial production.

The second round of data from its computerized system—designed to report and analyze TV production costs—is based on information from 24 agencies covering production of 2,624 spots in 1988 (AA, July 31).

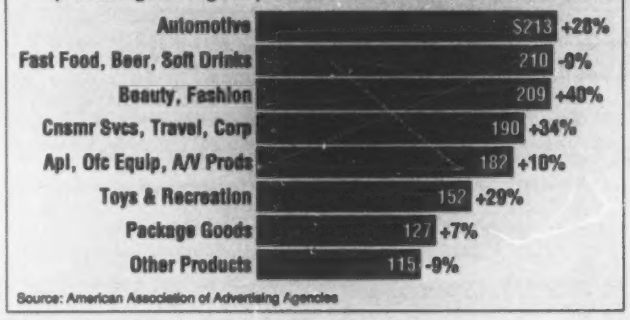
Certain categories, such as automotive, fast food/beer/soft-drinks, beauty/fashion and consumer services/travel/corporate, spend the most for elaborate commercials *(see chart)*. Package-goods spots are among the least expensive, averaging $127,000.

The findings of the Four A's Broadcast Production Committee include average costs, but the recently released executive summary emphasizes that the actual costs can vary widely.

For example, the "average" cost for commercials produced in 1988, as surveyed by the Four A's, was $168,000. But the least expensive spot cost $3,900, while the most expensive cost $1.6 million. □

TV commercial production cost trends

Double-digit increases in production costs hit most TV ad categories in 1988, a new survey reports. Figures show average commercial cost in thousands of dollars for 1988 and percentage change in production costs from 1987 to 1988.


Automotive $213 +28%
Fast Food, Beer, Soft Drinks 210 -9%
Beauty, Fashion 209 +40%
Cnsmr Svcs, Travel, Corp 190 +34%
Apl, Ofc Equip, A/V Prods 182 +10%
Toys & Recreation 152 +29%
Package Goods 127 +7%
Other Products 115 -9%

Source: American Association of Advertising Agencies

John Hall

NEWSSTAND

Print advertising opportunities.

Inside Sports, New York, "The World Series" special editorial section, November issue; ad close: Aug. 8. B&w page: $9,715; color page: $14,500.

Mature Health, New York, "Sex and self-image" special editorial section, November issue; ad close: Aug. 8. B&w page: $6,002; color page: $8,800.

Wood, Des Moines, Iowa, "Product buymanship" special annual editorial guide, on sale Oct. 10; ad close: Aug. 8. B&w page: $6,300; color page: $9,000.

Discover, New York, "A decade in science: the eight biggest ideas of the '80s" special editorial issue, October issue; ad close: Aug. 10. B&w page: $17,745; color page: $25,740.

Entrepreneur, Irvine, Calif., "Business travel for small business" special editorial feature, October issue; ad close: Aug. 10. B&w page: $10,500; color page: $14,000.

The "underwriting sweepstakes" is the focus of *Institutional Investor's* September issue.

Runner's World, Emmaus, Pa., "The New York City Marathon: 20 years young" special advertorial section, November issue; ad close: Aug. 11. B&w page: $14,865; color page: $22,190.

The Sporting News, St. Louis, "Tailgate" special editorial/advertising insert, Sept. 4 issue; ad close: Aug. 11. B&w page: $15,520; color page: $19,500.

The Washington Post Magazine, Washington, "Fall fashion" special editorial issue, Sept. 10 issue; ad close: Aug. 11. B&w page: $15,700; color page: $19,900.

Fortune, New York, "Advanced strategies: a guide to insuring your future" special advertising section, Oct. 16 issue; ad close: Aug. 14. B&w page: $36,230; color page: $55,440.

Institutional Investor, New York, "Underwriting sweepstakes" special editorial feature, September issue; ad close: Aug. 17. B&w page: $14,675; color page: $20,700. □

COVER STORY

Cher making cover comeback

"Cover Story" is a monthly ranking of celebrities' popularity as reflected by their appearances on the covers of more than 30 of the nation's leading publications.

She's baaaaaaaaack!

Cover editors were tripping over themselves last year in a race to see who could put **Cher's** face on their magazine fronts most often. The Uninhibited One won the "Cover Story" top monthly prize three times and breezed to first place in the second annual yearend survey.

Then came 1989 and **Roseanne Barr.** Gone was the plastic-surgery-sculpted goddess, replaced by a hefty blue-collar comic, an Everywoman whose surname, like Cher's (and Lucy's and Di's), is now excess baggage, no longer necessary in her identification. Roseanne.

A broken romance, a new boyfriend, a bout with chicken pox, and Cher wins July's "Cover Story" crown. She is already popping up on August covers (above).

But wait! Just when we thought it was safe to climb off the stationary bike and plop down on the couch, Roseanne-style, with a bag of chips and a beer, we looked up and there was Cher, back on the newsstands, peering down from the covers, reminding us our health club membership renewal fee is due.

In this summer of movie sequels, "Cher II" was almost inevitable. The actress-singer scored 10 points in July to capture first place in the "Cover Story" survey, which awards point values to cover appearances based on such factors as prominence of the photo and frequency of the publication. It was her first monthly win since last September.

Most of Cher's publicity stemmed from her breakup with Rob, a recent bout with chicken pox and a fling with Bon Jovi band member Richie Sambora, who just broke up with Brat-Packer Ally Sheedy. Rumor is Cher will wed the musician. Similar rumors turned the media spotlight on Cher last year, so look for her to stay hot for a while. She's already got at least one August cover under her studded belt.

Second place for July went to **Michael Keaton**, a.k.a. "Batman," star of the summer's hottest, most over-hyped movie. Celebrity magazines focused on the Batfan rejection of Mr. Keaton in the role of their hero, but—holy box office!—he can now laugh all the way to the Batbank. He scored 8 points.

Third-place honors, with 6 points, went to **Mel Gibson**, star of what's likely to end up as the summer's second-hottest movie and most popular sequel, "Lethal Weapon 2." **Michael J. Fox**, with 5.5 points, earned fourth-place honors as magazines speculated on his post-"Family Ties" career moves.

Fifth place saw a tie between **Jackie Onassis**, subject of yet another unauthorized biography, and Ms. Barr, who, with five months to go, seems certain to break the yearend survey point record of 67.5 set by Princess Di in '87. With the 5 points she earned in July, Ms. Barr's year-to-date total rose to 53.5.

Honorable mention: Dead celebrities. **Elvis Presley** scored 3 points; **Lucille Ball** earned 2. □

Written by Scott Donaton.

RECORDBREAKERS

Advertising records set by print media.

American Heritage, New York, record July/August issue, 45.8 ad pages, up 46%.

Bon Appetit, New York, record July issue, 75.7 ad pages, up 25%.

Cooking Light, Birmingham, Ala., record July/August issue, 46.4 ad pages, up 52%.

Country Home, New York, record first half, 225 ad pages, up 43.3%. Also, record revenue, $6.8 million up 39.9%.

Country Inns Bed & Breakfast, South Orange, N.J., record July/August issue, 47 ad pages, up 168%.

Country Living, New York, record first half, 574.4 ad pages, up 8.9%. Also, record revenue, $22.4 million, up 29.5%.

Good Housekeeping, New York, record first half, 778.1 ad pages, up 4.6%. Also, record revenue, $67.1 million, up 11.8%.

Ladies' Home Journal, New York, record first three quarters, 1,126 ad pages, up 18%.

Parents, New York, record first seven months, 819.6 ad pages, 15%.

Rolling Stone, New York, record first half, 983.3 ad pages, up 11%. Also, record revenue, $30.8 million, up 26%.

US, New York, record first half, 375 ad pages, up 20.5%. Also, record revenue, $11 million, up 49.5%. □

NEWSPAPER

Advertising Age

August 14, 1989

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RJR trying brand 'teams'

By Judann Dagnoli

A massive reorganization at R.J. Reynolds Tobacco Co. could significantly dilute the responsibility of brand managers.

The sweeping changes will reverberate throughout the company's marketing department, where a new team approach is in the works.

RJR last week disclosed its plans to eliminate 1,640 jobs in a move designed to make the tobacco company leaner, meaner and better able to compete with market leader Philip Morris Cos.

The company's marketing department will be revamped with "new brand team assignments [that] will integrate the efforts of brand marketing with support departments," Chairman-CEO James Johnston said in a letter to employees.

A company spokeswoman said that in addition to senior brand managers and brand managers, one employee from each of six previously separate departments will comprise a team for each company brand.

Those disciplines include a marketing-information specialist, a finance manager, a sales planning manager, a research and development professional, a manufacturing specialist and an engineering specialist.

The spokeswoman said the team arrangement means brand managers "will be supplemented" by the other members.

RJR wouldn't comment on whether the new teams will report to brand managers.

The crucial factor will be who's assigned overall responsibility for each of the "mini-companies" the new system creates, said Stephen A. Greyser, professor of consumer marketing at Harvard Business School.

"Will it be marketing-driven or run by some other function, such as finance?" he asked. "Until it's determined where the marketing component fits into the management team, you don't know what the new system really implies."

Other wild cards—the creative, media and promotion departments—traditionally act with brand managers, functioning as generalists in tobacco companies.

RJR said it "has not yet been announced"

(Continued on Page 46)

Y&R jumps back into programming

By Jon Lafayette

NEW YORK—Young & Rubicam, going back to the future in search of new revenues, is creating a new unit that will develop and produce TV programs.

TV production is potentially more profitable for an agency than advertising, said Paul Isacsson, exec VP-broadcast programming and purchasing at the agency.

"Agencies have never really figured a way to capture more than a straight commission. This is a way to do that to some extent."

"In terms of the future, we perceive that software is going to be important, particularly on a worldwide basis," he said. "We're a worldwide agency, and [production is] an area where we think the agency should be in business."

Heading Y&R's return to TV programming will be Nina Rosenthal, who joins the agency as VP-programming, production and distribution, from ABC Entertainment, where she was executive producer of programming-East Coast.

"She's a professional who has a long background in television and who has strong ties and network experience," Mr. Isacsson said.

A programming powerhouse in the early days of TV, when ad agencies produced many of the top-rated shows for clients, Y&R joins other agencies that have decided to invest more time and resources in the potentially lucrative business of creating programming.

Several agencies already have TV program units, including D'Arcy Masius Benton & Bowles; Grey Advertising; and Foote, Cone & Belding Communications, Chicago, plus Omnicom Group, a holding company

(Continued on Page 48)

HOT STUFF

Bill Cosby came up with the concept for this new Coca-Cola Classic spot and recruited jazz singer Betty Carter to sing her rendition of "Can't Beat the Feeling." The spot, from Burrell Advertising, Chicago, starts airing nationally Aug. 15.

Southwest Airlines' new humorous "Fun Fares" price campaign features a couple getting excited about jetting to other cities on the carrier's low fares. It starts airing next week, via GSD&M, Austin, Texas.

LAST MINUTE NEWS

RJR mulls auto race links

WINSTON-SALEM, N.C.—R.J. Reynolds Tobacco Co. is reviewing its auto racing sponsorships, prompting speculation the company will withdraw its support of the sport as part of its streamlining efforts *(see story above)*. T. Wayne Robertson, senior VP of Sports Marketing Enterprises, RJR's sports division, discounted the speculation. "RJR constantly reviews its sponsorship activities to determine if they are productive for the sponsoring brands," he said. Parent RJR Nabisco spends an estimated $60 million annually on sports sponsorships. RJR's Winston and Camel cigarette brands are involved in the auto racing sponsorships.

Wisk goes to JWT

NEW YORK—Lever Bros., perhaps signaling the end of its decades-long "Ring around the collar" campaign for Wisk detergent, switched the $13 million account to J. Walter Thompson USA from BBDO Worldwide.

Polaroid splits up Europe

CAMBRIDGE, Mass.—Polaroid will pull its $20 million pan-European account from Ogilvy & Mather, London, by month's end and reassign the business to local agencies on a country-by-country basis, said John Heinritz, divisional VP-international marketing for

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Unilever's acquisition of Faberge brings bad news to Bozell.

What's up at Kellogg ..... P. 3
Ad Age goes one-on-one with Horst Schroeder, Kellogg's president and coo.

Turn off the ads ..... P. 4
Adults like "Channel One" in the classroom; it's the ads they're against.

Ralston lures Barbie to breakfast table

By Julie Liesse Erickson and Kate Fitzgerald

Come September, girls may be having Breakfast with Barbie.

That's the name of Ralston Purina Co.'s newest ready-to-eat cereal, to be marketed under a licensing agreement with Barbie's parent, Mattel Inc.

Breakfast with Barbie marks the first time Mattel has licensed Barbie's name to a package-goods marketer.

The first cereal targeted specifically to girls since Ralston's own Rainbow Brite in 1985, Breakfast with Barbie milks the 30-year-old Barbie franchise for a host of marketing gimmicks.

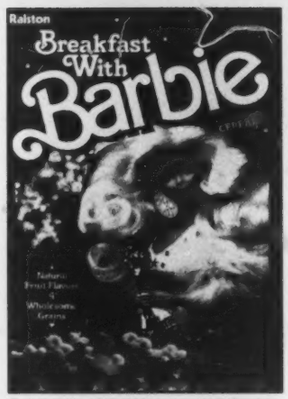
The lightly sweetened, fruit-flavored cereal, made from four grains and fortified with vitamins and iron, comes in five shapes "associated with the exciting and glamorous world of Barbie," Ralston said: hearts, bows, stars, cars and the initial B.

The cereal's primary color? Barbie's signature hot pink, of course.

A cardboard cut-out vanity table will be featured on the backs of first-run packages.

The cereal will begin arriving at supermarkets nationwide Sept. 18.

An estimated $10 million network and spot TV and print campaign will support the introduction, via Ralston agency Avrett, Free & Ginsberg, New York. Three coupon events and an in-pack diamond giveaway will support.



Ralston's Breakfast with Barbie makes girls' fantasies come true.

In its continuing effort to move its licensed cereal business into longer-lasting brand names—Nintendo Cereal System and Teenage Mutant Ninja Turtles are its most recent entries—Ralston is taking advantage of one of the toy world's strongest franchises.

Mattel now claims 80% to 90% of the fashion doll category worldwide; fashion doll sales for the company last year totaled $450 million.

Company research shows 90% of all girls between the ages of 3 and 11 now own at least one. The average Barbie owner has five dolls.

Toy Manufacturers of America estimated that U.S. sales of fashion dolls last year totaled $535 million.

Candace Irving, manager of marketing and public relations for the toymaker, said Mattel is expanding its licensing programs and may even launch more package-goods tie-ins—if they offer "the perfect fit," like the cereal did.

"The cereal theme was perfect, because it lets little girls continue the play pattern they have with the doll. They fantasize that they're actually sitting down to eat breakfast with Barbie," she said.

The company is talking with other package-goods marketers, but Ms. Irving wouldn't reveal further details.

The Ralston cereal caps off an extremely successful year for Barbie, who celebrated her 30th anniversary this year.

Sales of Barbie dolls began surging in 1985, a phenomenon Mattel attributes to the "second generation" factor: Mothers who played with Barbie are now buying the doll for their own daughters.

Barbie sales were 25% higher in 1988 than the previous year, and are expected to be ahead by at least another 30% this year, Ms. Irving said.

Mattel is winding down its 30th anniversary celebration for Barbie in the fourth quarter, continuing the $25 million ad and promotional blitz launched last year. TV spots from Ogilvy & Mather, Los Angeles, are themed: "I'm into Barbie." □

Bozell's Faberge woes

$27M account likely to go to Unilever shop

By Gary Levin

NEW YORK—Unilever's acquisition of Faberge has brought expected bad news to Bozell, agency for Faberge's $27 million account.

Unilever is ending a five-year relationship with Bozell by exercising a six-month cancellation clause in their contract. Unilever, the Anglo-Dutch consumer-products giant, bought Faberge from Riklis Family Corp. for $1.55 billion last month (AA, July 17).

Faberge will be absorbed into Unilever's Chesebrough-Pond's unit. A spokesman there said the company doesn't comment on internal business.

Unilever will almost surely assign the business to one of its four core agencies: WPP Group's Ogilvy & Mather and J. Walter Thompson Co. and Interpublic Group of Cos.' McCann-Erickson Worldwide and Lintas:Worldwide units.

The company already has moved Faberge's Power Stick antiperspirant to Lintas from Lois/GGK.

At press time, neither Lintas nor other Unilever agencies had been informed of the company's plans.

The Faberge business includes the Aqua-Net, Brut and Sea & Ski brands as well as Elizabeth Arden Inc., also acquired in the deal and a more recent Bozell client.

Unilever historically has "very strong loyalties and commitments to their present agencies, and we understand and respect that."

Chuck Peebler, ceo, Bozell

Together, these brands were supported by about $35 million in measured media last year, according to LNA/Arbitron Multi-Media Service, and represent the bulk of Faberge's business.

Among the brands receiving the largest support were Brut cologne and antiperspirant, Faberge Organics shampoo, Fendi and McGregor colognes, and Cut Guard, a new shaving cream.

Agency officials said their work for Aqua-Net and Brut has helped rejuvenate the aging brands.

Bozell had exited the Unilever stable just late last year when the agency lost its portion of the Thomas J. Lipton Inc. food account, which had dwindled to $1 million in billings (AA, Dec. 26, *et seq.*).

"My impression is, historically they have very strong loyalties and commitments to their present agencies, and we understand and respect that," said Chuck Peebler, Bozell's ceo.

But, he said he hasn't written off the account just yet.

"We do not anticipate that [the cancellation notification] means we won't be considered . . . or given an opportunity to work on and serve the business," he said.

But if that's not possible, Mr. Peebler was confident about replacing the business.

Cosmetics "is a category we've been in for a number of years and we anticipate we will continue to be active in it," he said. Bozell was once a Revlon agency. □

Special Advertising Supplement: ATLANTA a market profile
Starts after Page 26

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'Channel One' ads bug adults, survey shows

News programs backed

By Scott Hume

Keep the news; scrap the commercials.

That's the verdict on Whittle Communications' controversial "Channel One" ad-supported news program for classrooms, according to an exclusive nationwide survey conducted for *Advertising Age* by the Gallup Organization.

Support is strong for the basic concept of a specially prepared news program on current events being broadcast into public school classrooms. Of the 1,000 adults queried for the survey, 85% approved of the idea.

But if advertising is part of such broadcasts, support is cut by more than half. Only 37% favored an ad-supported program.

That suggests Whittle may encounter elsewhere the resistance "Channel One" has already met in California and New York.

In California, state Superintendent of Public Instruction Bill Honig has said "Channel One" represents "forced viewing of commercials," in violation of state law. He vowed the state would cut funding to any school district that allows ad-supported programming to be broadcast into its classrooms (AA, May 29).

Cerritos, Calif., was one of six markets in which "Channel One"—a mix of 10 minutes of news and feature programming and 2 minutes of commercials—was tested for five weeks ending in April.

The New York State Board of Regents in June unanimously voted to keep any commercial-supported TV shows out of the state's classrooms.

Nonetheless, company Chairman Christopher Whittle has said the $200 million national rollout of "Channel One" will start March 5 in 1,000 schools (AA, June 5, *et seq.*).

The phone survey was conducted in June and has a margin of error of plus or minus 3.1%.

The results are encouraging news for Turner Broadcasting System, which announced plans for its Cable News Network to produce a similar, though ad-free, news program (AA, May 1).

Besides opposing commercials in programming targeted to students in the classroom, a majority (58%) of those surveyed said there are certain product categories that shouldn't be advertised during such programming.

Those who said some categories should be off-limits most frequently mentioned alcoholic beverages (75%), tobacco products (49%), feminine hygiene products (15%), contraceptives (11%), "anything with a sexual content" (8%) and guns (4%).

None of those categories was represented during Whittle's six-market test. Advertisers included Gillette Co., M&M/Mars, Procter & Gamble, Warner-Lambert Co. and Wm. Wrigley Jr. Co.

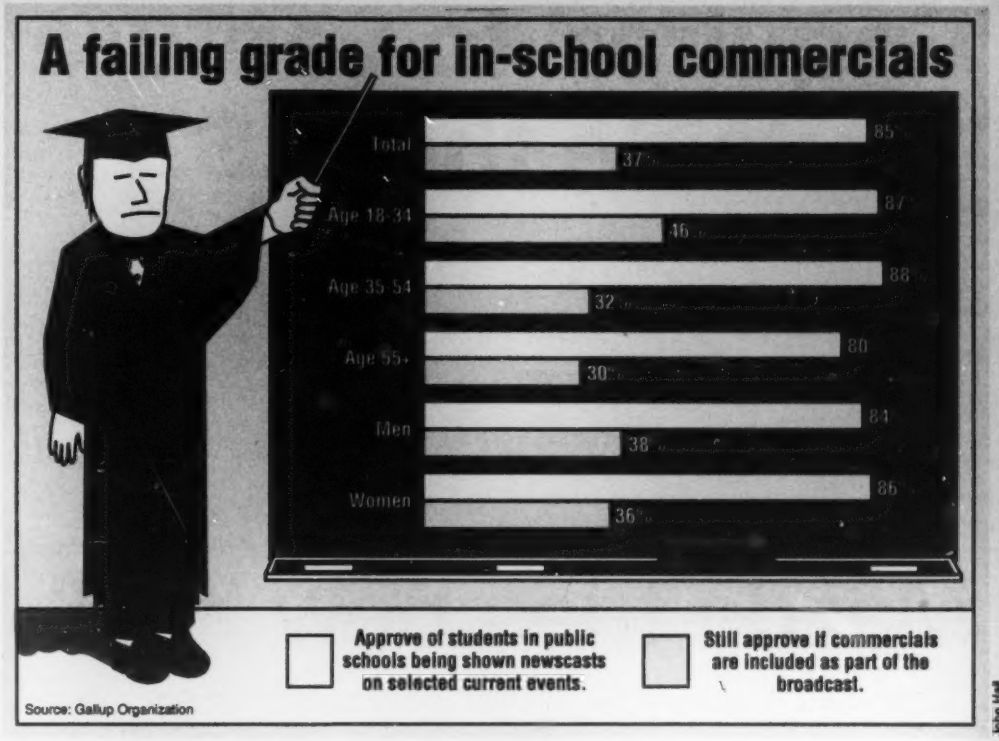
The wide discrepancy in support for ad-supported programming between younger and older adults is worth noting.

Among respondents ages 18 to 34, 46% supported classroom broadcasts with commercials.

Ad-supported newscasts got the support of only 32% of those ages 35 to 54 and 30% of those ages 55 or older.

Those in the youngest age group also were fairly evenly divided over the question of banning certain product categories from in-school advertising: 49% said there are taboo categories, 51% said there are not.

Older respondents were less divided: 61% of those ages 35 to 54 and 75% of those 55 and older said certain products should be proscribed. □



Fast-food chains do menu shuffle

By Scott Hume

McDonald's is testing pizza and packaged celery sticks. Roast beef king Arby's is adding chicken sandwiches. Kentucky Fried Chicken has salads. White Castle, home of the "slider," is trying fried clams in some units.

Anything and everything is taking a turn on menus as the $60 billion-a-year fast-food industry battles slow sales and a changing consumer base.

Menus at fast-food chains have always been subject to change without notice, but now the pace is picking up.

The expanded variety of food choices has blurred market positionings and consumer identities for many chains, which in turn have made food rather than image the dominant focus of restaurant marketing.

Ad spending by the 10 largest restaurant chains rose 10.4% to $297.6 million during this year's first quarter, compared with the same quarter last year.

The reasons for the menu explosion include not only the sluggish economy but also the industry's expansion in excess of demand and its need to recast itself to meet the consumer of the 1990s and beyond.

Generally, soft sales are the short-term spur. First-quarter sales in the industry were off 1% to 2% compared with the same period last year, analysts say. Second-quarter sales didn't improve.

A common response has been to increase price promotions. Once a staple of restaurant marketing during the slow winter months, discounting has become a year-round addiction. Twenty percent of meal transactions last year involved a "deal," compared with 18% in 1987 (AA, July 31).

New products provide an alternative marketing focus.

"Sales are soft, and the chains can discount or they can be more experimental" with the menu, said Ron Paul, president of Technomic Consultants.

Many chains are doing both. McDonald's Corp. followed its national marketing blitz introducing its McChicken sandwich with a second wave of advertising promoting a limited-time price reduction on the product.

Other products, such as Chicken McNuggets Fiesta or the Cheddar Melt sandwich, are limited-time menu additions that provide the chain with some "news" in the marketplace before the items disappear.

Wendy's International is offering hot dogs in some markets, but in most others, it's spotlighting its Express Pak, a specially priced, drive-through-only combination of standard items.

Arby's has been one of the most active menu manipulators in the past year, adding several chicken sandwiches (Roast Chicken Club, Chicken Cordon Bleu), a submarine sandwich and others. Those additions have been successful enough for it to stick to the same path.

"We have added several, but they've been in line with our marketing plan and not just for the sake of newness," said Larry Krueger, senior VP-marketing.

"We're looking at new-product additions in the fall, one in winter and one next spring," he said. "We think they'll be good products and good-margin products that franchisees can discount" if market conditions warrant.

The fall additions, going on menus next month, will be the Country Fried Steak Deluxe and Country Fried Steak 'n Cheddar sandwiches.

In 11 markets where the items have been tested, they represented 14% of sandwich sales. Spot TV, radio and couponed inserts by W.B. Doner & Co., Baltimore, will support.

Sales may improve and discounting may diminish, but the industry would still face a serious supply/demand problem.

In 1988 alone, McDonald's, Burger King Corp., Kentucky Fried Chicken Corp. and Hardee's Food Systems added a total of 1,400 new units. Some of those are overseas, but most are in the U.S., and it's difficult for consumer demand to keep pace.

"It's the same old scramble," Mr. Paul said. "There is just so much capacity in the market right now."

The problem isn't only the level of consumer demand but the changing nature of that demand.

"The fast-food market is soft and intensely competitive, but it is experiencing some actual customer-traffic declines," said Steve Rockwell, analyst at Alex. Brown & Sons.

"The economy is not hurting sales: Many full-service restaurants are doing quite well. What you have are a lot of [fast-food] customers trading up," he said.

Menu expansion is aimed at heading off such shifts. But identifying and meeting changing consumer needs may be the industry's toughest challenge.

"The new products are more than a response to competition; they are a response to consumer desires," said Howard Hansen, an analyst at Kidder, Peabody & Co. "The chains clearly need to broaden their menus to appeal to more sophisticated consumers with higher expectations."

"We know we're in a share battle, and the only way to gain share is to give consumers what they want," said Arby's Exec VP-Marketing Frank Belatti. "That means we have to be more innovative and creative with our menu." □

Fast-food's menu explosion

Sales are stagnant, the industry is overbuilt and consumers' tastes are changing. That has spurred fast-food chains to look at a wide variety of new or possible menu additions. An * indicates the item has limited availability at present. (S) indicates a limited-time offer.

Chain	Menu item
■ McDonald's	McDonald's Pizza* McRib sandwich* Breakfast Burritos* Western Omelet Biscuit* Cinnamon rolls* Packaged celery and carrot sticks*
■ Burger King	Chicken International (S)
■ Wendy's	Hot Dogs*
■ Hardee's	Grilled Chicken sandwich Pizza Pockets*
■ Kentucky Fried Chicken	Chicken sandwich* Packaged salads* Spicy Extra Crispy Chicken
■ Arby's	Roast Chicken Club Chicken Cordon Bleu Sub Deluxe
■ White Castle	Fried clams*
■ Popeyes	Butterflied shrimp

Source: Advertising Age

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Advertising Age

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Jim Knowles/Picture Group

Sam Walton is leading Wal-Mart into environmentally safer products.

Wal-Mart throws 'green' gauntlet

By Christy Fisher and Judith Graham

Sam Walton's Wal-Mart Stores jumped on the environmental bandwagon last week, and its moves may have big repercussions for consumer product marketers and competing retailers.

As the so-called "green revolution" sweeps the U.S., the innovative retail giant announced it will "highlight" product improvements of marketers that try to "help prevent lasting environmental problems."

A page ad in *The Wall Street Journal* and *USA Today*—headlined "We're looking for quality products that are guaranteed not to last"—said the chain would feature "the improvements you [marketers] make with special signing in our stores alongside your products. . . . We're convinced that we can begin to make a difference." GSD&M, Austin, Texas, created the ad.

"With typical [founder] Sam Walton bravado, Wal-Mart has laid down the gauntlet," said Morris Saffer, chairman of Saffer Advertising, Toronto, and chairman of the Retail Advertising Conference.

"What [Mr. Walton] is doing is very much what the world is moving toward. In a very short time, environmental positionings [by marketers] will be an absolute part of consumers' everyday decision-making process," Mr. Saffer said.

"Our customers are concerned about the quality of our land, air and water, and want the opportunity to do something positive."

"We're all linked to our environment by the products we manufacture, sell and consume. This program is a positive first step to improving our environment," said Bill Fields, Wal-Mart's exec VP-merchandising sales.

"Our customers are concerned about the quality of our land, air and water, and want the opportunity to do something positive. We believe it is our responsibility to step up to their challenge," Mr. Fields said.

Through that ad and in letters sent to existing vendors, Wal-Mart is pushing its manufacturing partners to improve their products to help prevent lasting environmental problems.

It's encouraging manufacturers to look for ways to provide Wal-Mart and its customers with more merchandise and packaging that's better for the environment in three areas: manufacturing, use and disposal.

Wal-Mart is asking manufacturers, employees and customers to pool their ideas to develop this program further.

By highlighting the product im-

(Continued on Page 66)

'First' shock wave

Strong start has some rival titles reeling

By Ira Teinowitz

Bauer Publishing's *First for Women* has jolted some of the best-selling magazines at supermarket checkouts since its debut in February.

Two veterans of the so-called Seven Sisters women's service books, Diamandis Communications Inc.'s *Woman's Day* and New York Times Co.'s *Family Circle*, have shown double-digit circulation declines as *First's* $14 million ad campaign and its 25¢ first-issue price caught many shoppers' eyes.

Starting in March, *First* assumed a $1 cover price.

"*First for Women* is about the same price and has the same feel" as some of the other magazines, said Diane Metzler, associate media director at Backer Spielvogel Bates, New York. "There are an awful lot of choices for people who want a service magazine, and the [Seven Sisters] are feeling the crunch of sharing the same bodies."

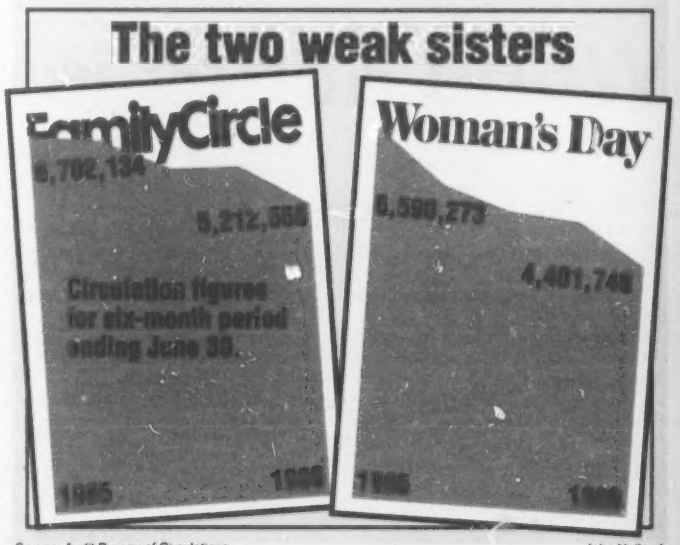
Ms. Metzler and other agency executives suggested it's too early to tell whether the *Woman's Day* and *Family Circle* drops represent buyer trial of the new magazine or long-term change.

But at least one magazine industry analyst suggested the losses, along with lesser drops for Meredith Corp.'s *Better Homes & Gardens* and Hearst Corp.'s *Redbook*, show the Seven Sisters may be in trouble.

"I wouldn't buy one of these magazines as a dowry for my 14-year-old daughter," said Martin S. Walker, president of the Periodical Studies Service, a magazine consultancy.

"The world is changing. These

(Continued on Page 66)



Source: Audit Bureau of Circulations

John Heiland

LAST MINUTE NEWS

Castor eyes 2nd merger

NEW YORK—Castor GS&B Advertising is in the final stages of negotiating another merger (AA, July 3), this time with Unimar, a Chicago-based Hispanic shop. Separately, Castor is widely seen as the leading contender to win McDonald's Corp.'s estimated $7 million Hispanic account, previously at Conill Advertising, New York.

L.A. Gear to double up

LOS ANGELES—L.A. Gear will double its ad budget to $50 million next year. The increase will fund the No. 3 athletic shoe marketer's entry into network TV. L.A. Gear handles creative in-house; Vitt Media, New York, buys media.

GM juggles Geo shops

WARREN, Mich.—General Motors' Chevrolet division consolidated national advertising for its Geo brand at Lintas:Campbell-Ewald here, after that agency and Vic Olesen & Partners, Culver City, Calif., shared the assignment during 1989 model-year regional rollouts. The new theme line will be "Getting to know Geo." Olesen will still work on West Coast "tactical" Chevrolet and Geo campaigns. Chevrolet spent an estimated $30 million to $40 million on Geo during 1989, but the carmaker is expected to increase its budget substantially when 1990 model ads break in

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Cat on call ..... **P. 3**
Alpo will use Garfield the cat and $70 million to introduce its first cat food.

O&M on top again ..... **P. 12**
AA's Agency Watch survey gives Ogilvy & Mather its best score in two years.

Phone fight ..... **P. 64**
Advertising by the top three long-distance telephone carriers is getting nastier.

Lintas layoffs tied to ad 'slippage'

By Jon Lafayette

NEW YORK—After losing a gamble that bankrupt Eastern Airlines would boost ad spending this year, Lintas:New York laid off 40 staffers last week.

In addition to the dismissals, 40 open posts won't be filled at the agency, which has a staff of 900.

Losing the gamble is likely to put some Lintas executives in the doghouse with parent Interpublic Group of Cos.

Interpublic, whose agencies usually budget conservatively, would have preferred the layoffs to have begun earlier and have been implemented more gradually, sources say.

Lintas:New York Chairman-CEO Spencer Plavoukos said the agency had tried to avoid layoffs in the face of the unsettled situation at Eastern, a client that spent $48 million on advertising in 1988 but has spent much less this year.

Although Eastern is starting to increase ad spending, the move had been anticipated much earlier by Lintas.

"We had [Eastern] budgeted at a level that anticipated a return to normal operations long before now," said Mr. Plavoukos, adding that even if Eastern didn't return to normal, the agency had hoped added revenue from other clients would have allowed it to retain staffers.

But, as the year progresses, he said, "We're seeing budget slippage on several accounts [rather than budget gains]. Nothing major; not on all accounts, but on some accounts. We had to make a midcourse correction."

Spencer Plavoukos calls the layoffs "a midcourse correction."

Some of the layoffs also resulted from the end of a joint venture with Hakuhodo Advertising of Japan, he said.

Mr. Plavoukos wouldn't identify other Lintas clients that were letting their budgets slip, but agency sources say they included Unilever, Johnson & Johnson, RJR Nabisco and Carnation Co.

Some of the shortfall resulted from delayed new-product launches, sources say.

Most agency clients contacted also wouldn't admit to changing spending plans, and other big agencies reported that while their clients were remaining conservative, they hadn't slashed spending.

A spokesman for Unilever's Thomas J. Lipton Inc. unit, a Lintas client, said: "Even if there had been cutbacks in our media expenditures, which I haven't seen anything to suggest there have been, that's not necessarily a reason to lay off staff."

Eastern discounted the talk of its role in Lintas' layoffs.

Michael Henderson, director of marketing communications at Eastern, said the carrier's original budget was revised in April to reflect the airline's scaled-down operations. But Eastern has made a more rapid comeback than anticipated then, so spending levels are increasing rapidly, he said.

"We're spending more aggressively as we build back, and it wouldn't surprise me that if by the end of 1989 we come close to the 1988 level," Mr. Henderson said. "By Sept. 7, we'll be back in every U.S. and Latin American destination as before the [Chapter 11] filing."

He also noted that there had been "no agency layoffs on the Eastern account."

A spokeswoman at Noxell Corp., a Lintas client, said the agency layoffs won't affect its account. She said the action "was represented to us as an Interpublic corporate move, as an across-the-board cut to increase Lintas' profitability."

McCann-Erickson Worldwide, another Interpublic agency, also plans some layoffs in the fourth quarter because of the loss of R.J. Reynolds Tobacco Co.'s Winston and Salem cigarette accounts last month, sources say. □

Jennifer Lawrence in Houston and Laurie Freeman in Washington contributed to this story.

World Series is early hit

By Scott Donaton

NEW YORK—ABC, in its swan song to baseball, is close to selling out ad time in the World Series nearly two months before it starts.

Automotive and beer companies helped drive the network's sales effort as did a hot sports marketplace and fourth quarter, agency executives say.

"There's been a real strong demand for sports in the fourth quarter," said Steve Grubbs, senior VP-national broadcast buying at BBDO Worldwide. "Advertisers are going after the big events in a bigger way. They're not just buying one or two spots anymore."

A source at ABC said more than 95% of the network's commercial inventory in the games, starting Oct. 14, has been sold. By comparison, NBC's telecast of the World Series last year and ABC's 1987 broadcast didn't approach sellout levels until a month before the games.

ABC sold units in the Series for an average $330,000 per 30-second prime-time spot, an 18% increase from NBC's average. There are an average 60 :30 units per three-hour game.

This year's World Series marks the last time ABC or NBC will air Major League Baseball games until at least 1994. CBS outbid them last year, paying a landmark $1.1 billion for the exclusive network rights for 12 regular-season games, the All-Star game, the League Championship Series games and the World Series (AA, Dec. 19).

For many marketers, the World Series remains one of the best vehicles to launch new spots or showcase existing campaigns.

Among the major advertisers this year:

- AT&T Co. will break a campaign touting its long-distance service. N W Ayer handles.
- Shearson Lehman Hutton will unveil its long-awaited new corporate campaign. It will be the first Shearson work by Ally & Gargano, succeeding McCann-Erickson Worldwide.
- Toyota Motor Sales USA is the exclusive import car advertiser and General Motors Corp. the exclusive domestic car advertiser.

"We'll split this year with Lexus," Toyota's new upscale division, said George Borst, Toyota VP-marketing.

Team One, El Segundo, Calif., is the Lexus agency; Toyota is handled by Saatchi & Saatchi DFS/-Pacific, Torrance, Calif.

GM's Chevrolet and Oldsmobile divisions will use their parent's time, with most Chevrolet time going for the new Geo brand. Lintas:Campbell-Ewald, Warren, Mich., handles Chevrolet; Leo Burnett USA, Chicago, is Oldsmobile's agency.

- The Beef Industry Council has bought time on the World Series and in mid-October will break new executions in its "Real food for real people" campaign (AA, Aug. 14). Ketchum Advertising, San Francisco, handles.
- Nike will continue the "Bolympics" campaign starring superathlete Bo Jackson, via Wieden & Kennedy, Portland, Ore.
- Apple Computer, which traditionally breaks its new campaign during the World Series, has bought time again this year, but "we haven't decided how to use it," said Bruce Mowery, director of marketing communications. BBDO, Los Angeles, handles Apple.
- Gillette Co. will tout its Atra Plus blade-and-razor system via BBDO here.

Also advertising in the telecast are Miller Brewing Co., Pepsi-Cola Co., Coca-Cola Co., Michelin Tire Corp. and IBM Corp.; their specific ad plans are unknown. □

Written from bureau reports.

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Ogilvy maintains grip on 'best' slot in poll

By Joseph M. Winski

WPP Group's willingness to pay a record $864 million for Ogilvy Group apparently served as a fresh reminder of the strengths of Ogilvy's best-known unit, ad agency Ogilvy & Mather.

In *Advertising Age's* latest Agency Watch survey, conducted while WPP was making its successful bid for Ogilvy in the second quarter, O&M achieved its highest "best agency" score in two years.

It was named best overall agency by 6.8% of client ad executives questioned, its best showing since a 7.7% score in the second quarter of 1987.

It was O&M's second straight quarter as No. 1 in the rankings, following three straight second-place showings. Leo Burnett Co., which cracked the top two for the first time in the first quarter, finished second again in the latest survey with a score of 3.4%.

For the second straight quarter, WPP's J. Walter Thompson Co. was third, tying Young & Rubicam with a score of 2.9%. Before this year, JWT had never finished lower than second in the "best agency" category. Agency Watch began in 1984.

Perhaps boosted by the attention focused on WPP's expanding empire during the Ogilvy takeover, O&M and JWT both surged in top-of-mind awareness in the latest survey.

JWT, which has ranked first in awareness in every Agency Watch poll, was named the agency that first came to mind by 21% of those surveyed, up from 12%—a JWT low—in the previous quarter.

And 17% said O&M first came to mind, up from 9% and the most ever to name O&M.

Saatchi & Saatchi was third in awareness, with a score of 14%, its highest ever.

JWT, O&M and Saatchi dominate in top-of-mind awareness; the next highest score is BBDO Worldwide's 7.7%.

Agency Watch is conducted for *AA* by the Gallup Organization, which surveys by phone a random sample of ad executives from companies in the 20 largest markets and with at least $25 million in annual sales. Gallup interviewed 207 people for the latest survey, which has a margin of error of no more than 6.9 percentage points.

Chiat/Day (now Chiat/Day/Mojo) and Hal Riney & Partners tied for fifth in best-agency polling, each named by 2.4% of the respondents. Chiat/Day has ranked this high before, but Riney's showing was its best yet, in both the number of mentions and rank.

For the second straight quarter, Chiat/Day ranked as the hottest agency, identified as that by 6.8% of those surveyed. Riney again was second with a score of 4.9%.

Chiat/Day also ranked first in creativity, with a score of 6.8%, matching its Agency Watch high. But O&M bounced back from a 1.7% score in creativity—its lowest—in the first quarter and was named most creative agency by 5.9% of respondents, good for second place in this attribute. Riney was third with 4.9%.

O&M ranked first in three of the five other specific attributes monitored by Agency Watch: top management, account executives and research.

Given the criticism leveled at it during the takeover saga, Ogilvy's top management was named best by a surprisingly high 7.3% of respondents, up from just 2% in the first quarter and Ogilvy's highest score yet for that attribute.

JWT finished first in marketing and media. □

For more information, contact the Gallup Organization, 300 S. 68th St., Lincoln, Neb. 68510. Phone: (402) 489-8700.

Which agency is best overall?
Percentage of 207 company advertising executives who named agencies below best in second quarter.
Ogilvy & Mather 6.8%
Leo Burnett 3.4%
J. Walter Thompson 2.9%
Young & Rubicam 2.9%
Chiat/Day 2.4%
Hal Riney & Partners 2.4%
Source: The Gallup Organization
John Hall

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AmericanWay
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East Europe bloc party

Western marketers invited to jump in and spend

An Advertising Age roundup

As *perestroika* spreads beyond the Soviet Union, Eastern European countries are trying to attract Western marketers and their TV ad budgets.

Of the emerging economies, Hungary is attracting the most Western interest. For example, Young & Rubicam recently bought 40% of Skala Reklam Studio, Budapest (AA, July 17).

Among marketers, United Parcel Service plans to open a Budapest office in September to provide document and package deliveries from the U.S. within two business days.

Estee Lauder Inc. will start selling its own products—imported from Switzerland—in Hungary in October through a new, wholly owned subsidiary. Estee Lauder (Budapest) will also promote the export of Hungarian goods to Western Europe and own 80% of a joint venture company with Budapest retailer Aranypok.

Remington Products plans to assemble packaging for its electric shavers in Hungary while a Remington affiliate is part of a joint venture negotiated with Skala Co-op, Hungary's largest department store chain with 69 stores.

That joint venture, awaiting government approval, will manage stores and operate the stores' import/export activities, applying Western retail know-how.

"Hungary could become the Taiwan of Europe," said Josef Antos, managing director of Y&R Austria, who handled Y&R's deal with Skala in Hungary.

The country's first non-government-funded TV station, the Balaton Channel, is also off to a good start. The month-old channel has many local advertisers but is working through West German and Austrian agencies to try to find multinational clients.

Unlike Hungary's two state-owned channels that air about 25 minutes a day of advertising in 5-minute blocks, the Balaton Channel will rely on advertising to cover operating costs.

Balaton's programming opens with a morning prayer and includes a mix of other shows, such as sports, medical advice, news and feature films. The channel attracts audiences of 800,000 to 900,000 on weekdays and more than 1 million on weekends. A 30-second spot costs from $166 to $183.

"Besides consumer advertising, there are other potential businesses [in Eastern Europe] like sports sponsorship, public relations and exhibitions."

In Eastern Europe outside Hungary, consumer goods are scarce and there's little incentive to advertise.

For example, Pepsi-Cola Co. has sold products in Bulgaria for about 15 years. But Andres Lomkai, Pepsi's marketing manager for Eastern Europe, said the company only recently was approached to advertise regularly on TV by Telerimpex, the Bulgarian government trade organization that oversees radio and TV.

No regular commitment has been signed, he said, mainly because "once it is in the stores, it sells out."

Telerimpex and Lewis Broadbent Advertising, London, have a cooperative agreement to attract Western marketers to Bulgaria and bring Western marketing expertise to Bulgarian enterprises through newly formed Euro-Bul-

(Continued on Page 60)

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SPECIAL REPORT

Sports Marketing

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Hammering out lucrative deal critical for the incoming commissioner.

Campus crisis S-6, S-7
College football scraps for new revenues . . . Where sponsorships and playoffs stand.

After the lights dim S-8
Former All-Pro Gary Fencik prepared for post-game life but fears for those who didn't.

Hey, wait a minute! S-8
How much more can viewers take from John Madden and Mike Ditka?

Gridlock on the gridiron

Team owner Robbie builds a football fiefdom but fears NFL sells itself short by not doing more to market itself

By Ed Fitch

Miami Dolphins owner Joe Robbie has one bit of advice for the next commissioner of the National Football League: Pay more attention to marketing.

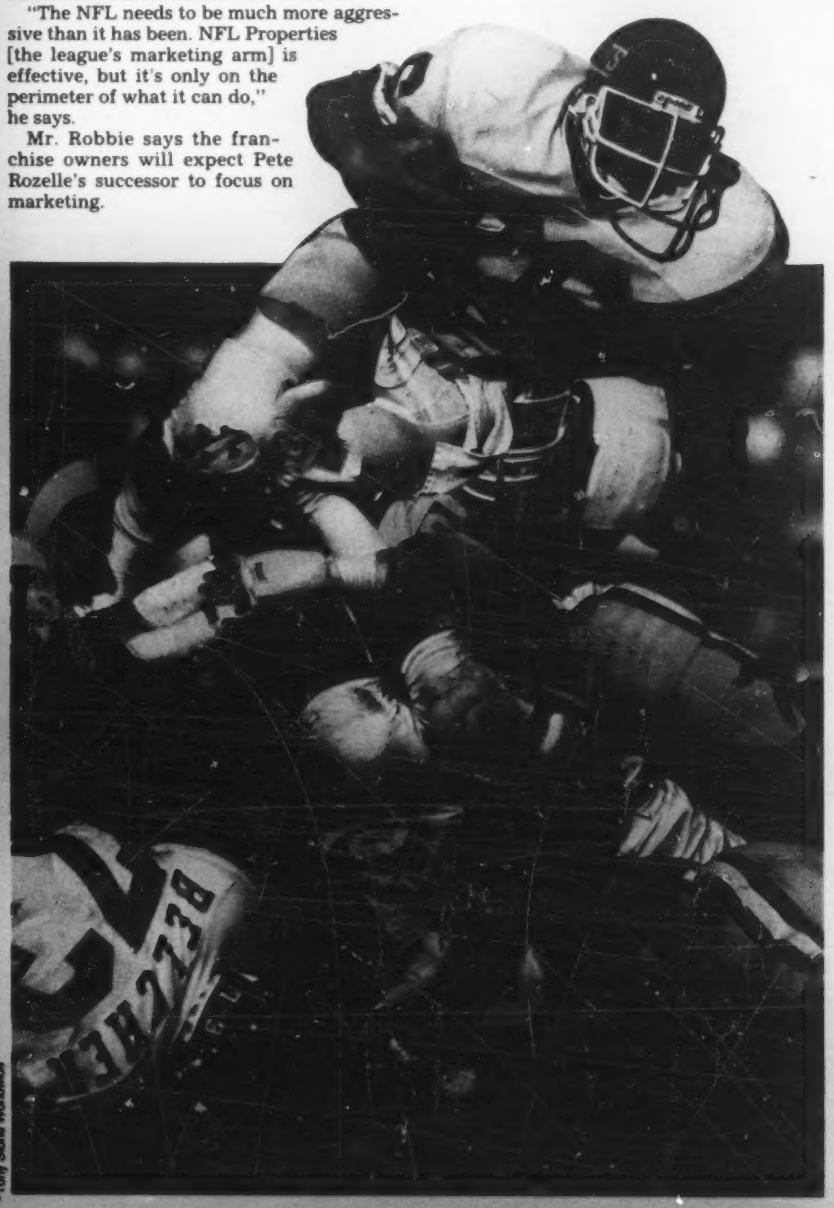
Joe Robbie Stadium, the House that Robbie built, is a testament to the man's marketing acuity. Hardly an inch of the place isn't sponsored.

"We like to sell our sponsors a little bit of everything: skybox, club seats, ads, signage, scoreboard announcements," he says.

It's no wonder Mr. Robbie feels the NFL and most NFL teams are behind the times.

"The NFL needs to be much more aggressive than it has been. NFL Properties [the league's marketing arm] is effective, but it's only on the perimeter of what it can do," he says.

Mr. Robbie says the franchise owners will expect Pete Rozelle's successor to focus on marketing.



©Tony Stone Worldwide

"There is a new group of men with great marketing and business skills making great investments to buy franchises. They will push," he predicts.

Rick Dudley, senior VP-marketing & sales of NFL Properties, claims the league is very aggressive and successful in pursuing corporate sponsors.

"In the past few years we've been taking a very proactive approach to finding and procuring corporate sponsors," he says.

Jim Irsay, general manager of the Indianapolis Colts, stands squarely in NFL Properties' corner.

"In the beginning it was like Ma and Pa's store, a small operation, to something very big," he says. "They've done a tremendous job. I can't tell how many thousand per cent it has multiplied in the last few years."

The league actually experienced a 30% increase in sponsorship revenue from 1988 to 1989, Mr. Dudley says. It has 60 national sponsors, more than 100 regional and local sponsors and an 85% to 90% renewal rate among sponsors from year-to-year, he says.

Sponsors pay from $200,000 to several million dollars, Mr. Dudley says, depending on variables such as the product category, nature and geographic scope of the promotion, and whether "official NFL sponsor" designation, use of NFL Films or the league's creative and marketing services are involved.

The league attempts to sell category exclusivity, similar to the plan that has netted Major League Baseball eight corporate sponsors at $1 million each in licensing fees plus an estimated additional $4 million per sponsor.

NFL Properties' exclusive category sponsors reads like an All-Pro lineup: Coca-Cola is the official soft drink; American Airlines the official airline; Hertz Corp. the official rental car company.

"Generally the sponsor gets more out of it when they can have it on an exclusive basis," Mr. Dudley says.

Mr. Robbie questions whether individual teams get as much out of it, however. The league's increasing focus on league-wide sponsorship can complicate existing contracts between clubs and corporations.

"Gatorade is a good example," he says. "We have a five-year deal with Crystal Water, but the league signs Gatorade and then tells everyone to honor the contract. We have to honor our contract with Crystal Water."

While the Gatorade/Crystal Water scenario points out the drawbacks of category exclusivity, some owners question the wisdom of intensifying sponsorship efforts.

"It's not the NFL sponsored by anyone," says Dan Rooney, owner of the Pittsburgh Steelers. "The European influence that's creeping into U.S. sports of adding signage might add to the game, but anything like the McDonald's Super Bowl would be a big mistake," he says.

It's also all for one and one for all with each team taking an even 1/28th cut from league-wide sponsorship activity, a revenue-sharing plan most owners applaud.

"It's a way of evening out the vagaries of success and failure on the field," says Victor Kiam, owner of the New England Patriots and Remington Products, whose electric razors he personally pitches on TV during NFL games.

But because NFL Properties handles all corporate sponsorship arrangements—unlike baseball where each club can cut its own sponsorship deals—the vagaries of marketing success and failure also are evened out—much to Mr. Robbie's chagrin.

"A lot of clubs don't even know how to market season tickets," he says. "There are

(Continued on Page S-2)

BAROMETER

Take a number:

Monsters of the merchandise:

Bars represent the sale of team-related merchandise from April 1987 through March 1988 in millions of dollars. NFL 28-team total hit $575 million.

Source: The Sporting News
Advertising Age Graphic: Holly Seguine

Take the pulse

With preseason football camps over, it's time to take a look at who will play well in the endorsement arena.

Bo Jackson...You *do* know Diddley; just do it, Bo.

Troy Aikman...Redefines the meaning of the man with the golden arm.

Mike Ditka...Okay, he's overused. But Michael Jordan is only Chicagoan who could challenge him in mayoral race.

Tony Mandarich...Stuck in the NFL's smallest market. Won't matter if he whups Mike Tyson.

Jim McMahon...Ought to limp into joint ownership of headband company with Pete Rozelle.

Joe Montana...Golden boy could sell ocean-side vistas in Nevada.

Boomer Esiason...Win a Super Bowl and change your last name to Burton or Hudson.

Jerry Rice...Super Bowl MVP had the audacity to claim he didn't get enough press—or endorsements. Gee, we wonder why.

CONSUMER MAGAZINE AD LINAGE

	July 1989	July 1988	Year-to-date 1989	Year-to-date 1988
■ Auto/cycle/rec. vehicles				
AutoWeek (52X)	174.4	152.9	1,122.1	1,158.4
Car & Driver	97.6	85.1	793.4	758.4
Car Collector & Car Classics	14.8	17.7	116.7	115.5
Car Craft	80.8	85.1	549.7	599.2
Circle Track	78.8	81.6	616.1	591.1
Cycle	39.8	43.8	310.9	333.4
Cycle World	38.2	40.7	306.5	352.6
Dirt Rider	33.5	39.3	237.8	283.3
Dune Buggies & Hot VWs	70.3	83.1	479.6	526.8
Family Motor Coaching	166.4	202.5	1,287.4	1,247.5
4 Wheel & Off-Road	95.9	97.3	581.4	603.2
Four Wheeler	94.6	94.0	586.2	626.0
Hot Rod	88.4	80.4	653.9	652.2
Motorcyclist	39.8	47.0	322.4	352.1
Motor Trend	68.9	59.0	614.0	587.5
Motorhome	96.9	94.2	639.2	631.4
Rider	32.2	40.1	261.0	295.7
Road & Track	109.7	96.1	776.7	745.8
Trailblazer	51.0	50.5	401.0	363.2
Trailer Life	81.0	103.0	662.3	668.3
Total Group	**1,553.0**	**1,593.3**	**11,318.4**	**11,491.5**
% change	**-2.5%**		**-1.5%**	
■ Boating & yachting				
Boating	108.9	116.4	1,104.4	1,161.0
Chesapeake Bay	53.3	48.3	376.8	349.1
Cruising World	85.3	105.2	785.3	801.5
Lakeland Boating (11X)	66.5	62.0	658.6	591.4
Motor Boating & Sailing	86.9	106.6	1,185.6	1,273.7
Sail	80.1	87.5	793.3	735.5
Small Boat Journal (6X)	37.4	48.5	167.6	195.7
Trailer Boats (11X)	50.5	44.9	547.7	502.8
Western Boatman (6X)	37.7	44.2	189.8	209.7
Yachting	115.8	108.9	950.9	1,001.9
Total Group	**722.2**	**772.5**	**6,760.0**	**6,822.4**
% change	**-6.5%**		**-0.9%**	
■ Civic/fraternal				
American Legion	22.8	28.0	221.8	227.7
Elk (10X)	—	—	90.0	103.3
Kiwanis	—	—	96.7	82.6
Lion (10X)	6.2	5.0	41.6	43.1
Rotarian	8.0	12.4	82.6	111.2
V.F.W. (11X)	—	—	147.1	174.6
Total Group	**37.0**	**45.4**	**679.8**	**742.5**
% change	**-18.5%**		**-8.4%**	
■ General				
American Health (10X)	75.0	80.0	467.4	437.0
American Heritage (8X)	45.8	31.4	220.6	174.2
American West (6X)	21.3	22.2	126.2	121.8
Art & Antiques (10X)	—	—	439.6	411.9
ARTnews	—	—	596.7	629.3
The Atlantic A.	28.0	22.6	343.5	304.1
Bon Appetit A.	77.7	61.1	560.1	528.2
Cable Guide	31.4	23.7	249.0	213.4
Changing Times	34.4	30.0	351.6	396.3
Conde Nast's Traveler	35.0	29.4	495.1	329.7
Connoisseur	26.9	40.6	497.5	553.8
Consumers Digest (6X)	14.8	17.3	89.6	85.3
Ebony	79.1	83.9	694.6	708.1
European Travel & Life	40.4	22.8	285.9	241.8
Food & Wine	41.1	34.1	420.5	349.2
Games (6X)	10.1	15.3	50.8	50.8
Golden Years (6X)	—	—	125.8	221.4
Gourmet	62.4	59.7	659.1	666.8
Harper's Magazine A.	27.1	23.8	217.4	221.7
Harrowsmith (6X)	44.0	41.5	236.5	217.5
Islands (6X)	50.8	48.4	247.7	179.3
Let's Live	41.0	42.0	319.0	353.0
Life	38.0	53.2	447.5	357.2
Modern Maturity (6X)	—	—	112.3	106.2
Money	75.4	84.5	695.5	789.5
Money Maker (6X)	—	—	13.2	25.2
Mother Earth News	63.4	47.6	314.7	273.3
National Geographic	20.5	14.7	156.8	167.4
National Geographic Traveler (6X)	12.7	—	121.1	83.8
Natural History	25.6	29.2	289.3	260.3
New Choices	26.2	21.7	239.3	213.0
Prevention	40.1	52.2	369.0	394.8
Psychology Today	37.2	29.9	219.9	181.9
Reader's Digest A.	69.1	66.2	631.4	716.4
Saturday Evening Post (9X)	38.5	28.0	216.3	178.5
Smithsonian	43.3	56.8	568.3	597.1
Town & Country	59.6	57.9	806.5	810.9
Travel-Holiday	22.3	19.6	297.2	266.5
Travel & Leisure	67.6	61.9	837.8	754.6
Travelhost	1,381.0	1,313.0	8,937.0	8,612.0
Vanity Fair	52.5	44.3	677.2	535.4
Writer's Digest	23.9	25.4	181.0	211.7
Yankee	41.1	48.0	405.9	515.2
Total Group	**2,924.1**	**2,783.2**	**24,227.3**	**23,445.5**
% change	**5.1%**		**3.3%**	
■ Home				
Americana (6X)	10.2	14.0	73.5	65.8
Architectural Digest A.	101.7	98.6	1,008.3	993.3
Better Homes & Gardens	89.9	98.3	818.5	788.6
Colonial Homes (6X)	46.8	48.9	226.1	227.0
Columbus Monthly-Homes (4X)	35.6	35.4	96.5	114.9
Cooking Light	46.4	30.5	200.5	137.6
Country Home (6X)	41.5	41.3	264.9	196.9
Country Living	65.7	76.0	640.2	603.4
Family Handyman (10X) A.	39.0	40.9	324.5	312.5
Florida Home & Garden	66.1	73.8	622.8	458.0
Flower & Garden (6X)	21.7	—	166.3	145.0
Home	52.6	44.8	410.3	421.4
Home Mechanix	37.1	34.5	353.5	362.8
The Homeowner (10X)	—	—	176.4	547.6
Horticulture	27.2	27.9	285.6	289.0
House Beautiful	44.0	42.6	451.0	452.4
House & Garden	55.0	52.0	500.0	615.3
Metropolis	66.7	57.4	428.5	378.7
Metropolitan Home	66.2	56.3	681.3	580.6
Midwest Living	52.8	45.3	260.5	209.8
1,001 Home Ideas	63.1	44.7	417.9	379.9
Organic Gardening (11X)	36.2	27.3	303.0	340.8
Phoenix Home/Garden	54.7	60.3	481.1	494.1
Practical Homeowner (9X)	41.9	32.8	172.9	262.1
San Diego Home/Garden	58.4	65.1	514.1	516.3
Southern Accents (6X)	69.7	74.1	404.8	413.1
Southern Living	93.4	84.8	819.2	873.6
Sunset Magazine A.	89.8	110.6	856.4	894.0
Workbench (6X)	29.6	25.4	183.3	153.7
Total Group	**1,502.5**	**1,443.6**	**12,141.9**	**12,228.2**
% change	**4.1%**		**-0.7%**	
■ In-flight & other passenger				
Aboard Group (6X)	43.7	43.6	152.0	137.3
Alaska Airlines	59.8	54.4	428.9	388.2
America West Airlines	69.3	49.6	462.3	431.7
American Way (24X)	116.5	126.1	1,013.4	964.6
East/West Network:				
Continental Profiles	45.8	55.6	419.4	328.8
Eastern Review	55.3	56.5	321.2	468.4
Northwest	42.0	42.1	349.4	277.3
Pan Am Clipper	62.3	42.7	352.3	302.9
Southwest Spirit	56.3	59.7	458.9	427.9
TWA Ambassador	49.5	36.2	364.8	314.9
Vis `A Vis	77.1	64.3	597.1	386.6
Halsey Publication:				
Delta Sky	63.2	75.0	544.7	560.5
Pace Communications:				
Braniff Magazine	47.5	—	259.5	—
US Air Magazine	57.6	43.2	389.2	425.0
Spirit of Aloha (6X)	22.6	20.0	165.8	142.8
Total Group	**868.4**	**769.1**	**6,279.0**	**5,556.9**
% change	**12.9%**		**13.0%**	
■ Men's				
Esquire A.	67.3	48.7	707.7	592.0
Firehouse Magazine	33.8	42.8	260.1	291.2
Gentlemen's Quarterly A.	82.0	91.7	1,086.1	1,005.9
M Magazine	45.0	51.3	430.4	456.8
Muscle & Fitness	130.9	129.8	950.8	847.0
Penthouse A.	49.2	49.8	344.2	312.3
Playboy A.	67.6	66.6	446.3	374.7
Salute (10X)	28.6	30.1	213.6	165.7
Total Group	**504.4**	**510.9**	**4,439.2**	**4,045.6**
% change	**-1.3%**		**9.7%**	
■ Metropolitan				
Aloha	47.9	26.8	160.4	106.4
Atlanta	61.5	74.6	431.5	471.0
Baltimore	65.7	64.2	468.0	465.4
Boston	124.6	142.7	915.0	1,018.2
California	41.6	38.3	408.5	417.8
Chicago	66.1	68.5	733.9	684.8
Chicago's North Shore	89.6	79.3	691.5	610.7
Cincinnati	52.5	45.3	330.3	318.1
Cleveland	45.8	54.5	367.8	408.0
Columbus Monthly	82.3	80.5	470.1	494.5
Connecticut	69.1	73.8	690.5	693.1
D/Magazine	60.6	67.6	484.3	565.1
Denver	24.8	27.7	177.2	241.3
Detroit Monthly	33.5	54.8	380.1	531.2
Grand Rapids	55.7	56.0	279.2	263.8
Gulfshore Life (10X)	—	—	662.0	523.6
Honolulu	40.6	51.8	337.4	387.6
Houston Metropolitan Magazine	45.9	39.7	418.8	415.6
Inside Chicago (6X)	39.1	47.0	163.8	308.7
Los Angeles	109.8	111.3	994.0	979.9
Louisiana Life	36.0	32.1	135.7	130.2
Madison	32.0	38.0	284.0	242.0
Memphis	44.0	67.0	424.0	524.0
Mid Atlantic Country	32.6	29.3	271.5	222.0
Milwaukee	38.0	37.8	348.9	363.4
Minneapolis/St. Paul	92.4	79.3	735.7	672.1
Minnesota Monthly Mag.	47.3	30.9	333.0	263.1
Nashville	52.0	50.0	396.0	322.0
New England Monthly	32.6	41.9	336.1	328.0
New Jersey Monthly	71.8	80.5	618.9	672.5
New Mexico	42.0	36.7	300.4	263.4
Ohio	31.0	42.0	350.9	373.4
Orlando	97.5	89.8	680.4	616.6
Palm Beach Life	29.3	25.6	499.7	443.5
Palm Springs Life	68.1	46.2	849.4	763.0
Philadelphia	120.1	132.8	910.6	974.6
Phoenix	30.0	39.8	341.1	345.3
Pittsburgh	43.5	50.6	463.0	496.3
Rhode Island Monthly	54.9	37.2	389.1	125.2
Sacramento Magazine	71.6	91.0	379.4	443.0
St. Louis	46.9	31.7	335.1	311.4
San Diego	128.2	135.9	917.3	1,031.2
San Francisco Focus	75.1	55.0	688.5	617.9
Sarasota	66.0	74.0	609.0	520.0
South Florida Magazine	93.1	119.6	768.2	662.4
Texas Monthly	74.1	76.2	630.7	631.7
Ultra	34.0	23.0	287.2	169.7
The Virginian (6X)	104.0	112.0	229.4	241.8
Washington (7X)	44.8	75.0	349.8	355.7
The Washingtonian	115.7	103.8	1,098.4	1,011.8
Total Group	**3,005.2**	**3,088.8**	**24,525.5**	**24,042.1**
% change	**-2.7%**		**2.0%**	
■ Music/entertainment				
Audio	74.4	59.3	636.4	566.8
Dance Magazine	38.2	37.0	384.7	389.1
Playbill	36.3	44.5	331.3	346.3
Video Magazine	61.0	55.0	426.0	415.0
Total Group	**209.8**	**195.8**	**1,778.4**	**1,717.2**
% change	**7.2%**		**3.6%**	
■ Outdoor & sport				
Alaska	30.4	25.0	274.5	251.1
The American Handgunner (6X)	51.0	54.0	206.0	202.0
American Hunter	16.7	20.3	118.3	143.9
American Rifleman	21.0	27.3	146.2	165.0
Backpacker (6X)	28.4	—	127.5	92.2
Bass Master (10X) A.	51.9	46.8	568.4	581.1
Bicycling (9X)	121.1	105.3	786.6	777.0
Cross Country Skier	—	—	87.4	97.5
Ducks Unlimited (6X)	32.3	35.8	113.0	105.6
Field & Stream	40.9	43.0	539.0	604.6
Fishing World (6X)	14.5	16.1	161.6	168.6
Florida Sportsman	106.6	88.3	952.8	956.8
Golf Digest	121.8	96.5	958.1	843.9
Golf Illustrated	49.0	33.9	350.2	209.2
Golf Magazine	96.5	76.9	764.2	871.6
Gun Dog (6X)	43.3	36.5	168.8	136.2
Guns	39.0	38.0	251.0	241.0
Guns & Ammo	39.5	47.9	290.9	319.4
In-Fisherman (7X)	35.4	53.9	410.2	348.8
Outdoor Life	58.2	41.6	585.0	545.2
Outside Magazine	58.3	55.0	451.6	409.3
Petersen's Hunting	33.2	42.2	272.4	305.3
Runner's World (12X)	37.9	31.2	272.9	239.9
Salt Water Sportsman	115.5	134.8	949.5	918.5
Shooting Times	34.2	27.1	217.1	222.0
Sierra (6X)	32.9	26.8	177.1	162.7
Ski (8X) A.	—	—	341.6	293.4
Skiing (7X) A.	—	—	218.7	263.1
Skin Diver	132.3	127.0	835.3	827.3
Southern Outdoors (9X)	35.9	30.4	332.3	374.2
Southern Saltwater (8X)	60.1	28.2	348.3	237.1
Sport Magazine	24.3	29.7	253.3	258.2
Sports Afield	42.7	42.1	451.3	535.1
Surfing	127.1	122.2	437.5	405.2
Tennis	71.6	62.4	465.5	565.5
Waterski (9X)	61.6	66.6	492.9	442.8
Western Outdoors (10X)	—	—	241.3	270.8
Wildfowl (6X)	—	—	47.5	42.4
WindRider (8X)	52.2	50.7	281.9	268.7
Wing & Shot (6X)	13.5	16.4	57.5	57.6
World Tennis	49.4	46.0	358.8	390.0
Total Group	**1,980.1**	**1,825.9**	**15,363.8**	**15,149.4**
% change	**8.4%**		**1.4%**	
■ Photography				
American Photographer	25.2	28.7	218.2	205.4
Petersen's Photographic	18.5	28.3	188.6	176.6
Popular Photography	81.8	74.6	573.9	551.4
Total Group	**125.5**	**131.6**	**980.7**	**933.4**
% change	**-4.7%**		**5.1%**	
■ Science/electronic/mech				
Discover	42.3	27.6	271.5	231.2
Home Office Computing	31.0	31.6	278.0	289.4
Omni	41.3	56.4	400.8	420.0
Personal Computing	157.5	176.5	1,202.0	1,576.3
Popular Mechanics	53.7	57.7	560.9	566.1
Popular Science	56.2	53.7	486.3	634.6
Scientific American	32.0	48.7	278.1	279.8
Spectrum	42.4	45.5	409.3	412.8
Total Group	**456.4**	**497.8**	**3,886.9**	**4,410.1**
% change	**-8.3%**		**-11.9%**	
■ Woman/fashion/service				
Beauty Digest (6X)	—	—	73.7	36.7
Bride's Magazine (6X) A.	—	—	1,729.0	1,504.6
Cosmopolitan A.	150.0	140.5	1,338.2	1,323.9
Elle Magazine	73.3	66.5	1,110.7	1,066.5
Essence	55.7	80.1	508.3	524.3
Family Circle (17X) A.	105.9	99.4	1,098.3	971.7
Glamour	87.9	100.8	1,105.4	1,112.3
Good Housekeeping A.	103.1	104.6	882.6	850.0
Harper's Bazaar	39.4	55.1	677.9	689.5
Health	30.3	30.2	225.3	265.7
Imagen	69.1	61.0	607.1	519.0
Ladies' Home Journal	95.8	92.1	879.5	720.2
Mademoiselle	96.1	84.6	913.5	933.1
McCall's	81.5	62.0	641.7	520.4
Military Lifestyle (10X)	55.4	44.6	351.1	333.0
Modern Bride (6X)	356.7	300.8	1,343.2	1,153.6
Ms.	31.2	29.8	235.3	218.2
New Woman	66.9	61.6	601.0	586.9
Parents Magazine A.	107.4	95.2	819.6	711.0
Redbook	83.7	78.2	652.0	670.8
Savvy	31.5	26.7	330.5	287.6
Self	82.7	71.2	745.8	686.3
Seventeen	49.0	52.8	717.3	716.1
Shape	63.7	61.1	481.3	431.8
Soap Opera Digest (26X)	31.0	16.7	265.4	158.4
Soap Opera Update	5.0	10.5	66.8	72.5
Teen Magazine	30.5	36.9	294.1	333.4
True Story A.	55.2	49.9	363.3	320.8
Vogue	101.1	113.3	1,604.7	1,566.7
W Magazine	75.5	76.1	748.6	723.2
Weight Watchers	30.7	30.4	230.7	234.2
Woman (10X)	21.3	—	197.5	218.6
Woman's Day (15X) A.	104.3	91.9	973.8	862.2
Workbasket	—	—	145.2	151.7
Working Mother	52.2	60.1	498.7	474.3
Working Woman	68.3	67.6	619.4	643.4
Total Group	**2,491.3**	**2,352.0**	**24,076.2**	**22,592.6**
% change	**5.9%**		**6.6%**	
■ Youth				
Boys' Life	14.1	10.6	135.0	105.3
Campus Life (10X)	25.7	25.3	239.7	244.7
Total Group	**39.8**	**36.0**	**374.7**	**350.0**
% change	**10.6%**		**7.1%**	
■ Business/national				
Barron's	128.7	158.2	1,034.4	1,301.2
Black Enterprise	30.2	35.0	606.4	594.7
Business Month	27.3	39.8	249.7	222.9
Business Week (52X) A.	305.5	277.1	2,534.6	2,347.8
Entrepreneur	178.4	123.0	1,080.3	713.6
Financial World (26X)	31.0	26.6	391.5	368.0
Forbes (26X)	248.4	212.8	1,919.3	1,775.6
Fortune (26X)	387.0	140.9	2,026.1	1,577.0
Frequent Flyer	31.0	35.0	282.0	339.2
Futures	37.6	33.2	280.0	269.7
Inc. Magazine	77.6	114.0	643.4	632.8
Income Opportunities	86.4	100.1	502.6	580.9
Industry Week (23X) A.	98.6	58.2	645.1	542.0
Nation's Business (12X) A.	24.6	27.7	253.9	255.6
Venture	45.1	50.1	262.2	443.3
Total Group	**1,737.3**	**1,431.7**	**12,711.6**	**11,964.1**
% change	**21.3%**		**6.2%**	
■ Business/regional				
Advantage-Nashville's Bus. Mo.	68.0	45.0	494.0	471.0
Arizona Bus. Gazette (52X)	43.0	48.0	410.0	385.0
Baltimore Bus. Jrnl.	74.1	91.8	561.1	581.6
Bus. First of Buffalo	92.6	52.8	549.1	461.1
Bus. Jrnl.-Milwaukee	148.8	129.5	1,036.0	927.8
Bus. Jrnl.-Sacramento	104.8	79.3	579.2	542.1
Bus. North Carolina	38.0	32.2	290.5	261.5
Capital Dist. Bus. Review (52X)	51.0	56.9	463.1	484.7
Caribbean Business	108.7	142.5	860.2	907.8
Corporate Rpt. Minnesota	58.0	58.0	456.8	504.0
Crain's Chicago Bus. (52X)	134.7	108.0	961.4	1,011.0
Crain's Cleveland Bus. (52X)	84.6	60.6	543.4	459.7
Crain's Detroit Bus. (52X)	92.0	60.0	546.5	531.0
Crain's New York Bus. (52X)	53.0	31.0	383.0	340.0
Florida Trend (13X)	38.6	44.9	405.4	463.8
Georgia Trend	55.0	79.0	328.6	410.1
Grand Rapids Bus. Jrnl.	47.5	46.0	322.1	355.1
Hawaii Business	38.8	38.7	300.8	280.7
Houston Bus. Jrnl. (52X)	79.0	58.0	510.0	431.0
Indianapolis Bus. Jrnl. (52X)	199.3	164.8	1,096.0	1,014.0
Manhattan Inc.	26.6	28.0	301.7	406.7
New England Bus. (12X) A.	25.3	36.5	287.7	379.6
New Orleans City Bus.	61.1	32.7	299.0	320.0
Pacific Bus. News (52X)	95.8	107.0	703.7	724.5
Philadelphia Bus. Journal	138.6	139.6	1,004.3	1,000.6
Pittsburgh Bus. Times (52X)	83.6	91.2	1,155.7	1,314.3
Providence Bus. News	84.5	60.8	636.9	552.4
Regardie's/Washington Review Publication:	176.0	74.0	1,139.0	961.0
Broward Review	74.8	83.3	537.8	353.6
Miami Review	59.8	70.2	433.0	400.4
Palm Beach Review	75.5	62.0	460.5	326.0
St. Louis Bus. Jrnl. (52X)	91.9	93.7	721.4	772.3
Warfield Monthly Baltimore	40.5	51.8	434.1	484.2
Total Group	**2,643.6**	**2,357.8**	**19,212.0**	**18,818.4**
% change	**12.1%**		**2.1%**	
■ National Sunday mags				
Parade (52X)	54.6	60.7	411.6	387.7
USA Weekend (52X)	48.3	43.3	350.4	334.2
Vista Magazine (52X)	16.3	15.2	136.5	109.7
Total Group	**119.2**	**119.2**	**898.5**	**831.7**
% change	**0.0%**		**8.0%**	
■ Newspaper Sunday magazine				
Boston Globe	168.0	168.0	1,383.0	1,385.0
Chicago Tribune	77.1	77.7	735.9	716.6
Cleveland Plain Dealer	44.3	35.7	443.4	432.4
The Dallas Morning News	55.0	65.2	457.2	491.8
Detroit Free Press	31.4	32.1	301.3	345.8
L.A. Times	62.7	67.6	516.5	518.1
Louisville Courier-Jrnl.	24.0	32.0	203.0	234.0
New York Times Mag.	161.0	145.9	2,070.3	2,088.6
Philadelphia Inquirer	64.9	69.2	603.4	574.3
Seattle Times	54.0	60.0	445.0	458.0
St. Louis Post Dispatch	56.6	60.8	539.1	489.5
Toledo Blade Magazine	29.8	22.1	220.4	222.9
Washington Post	85.3	116.4	899.8	856.1
Total Group	**914.1**	**952.7**	**8,818.3**	**8,813.1**
% change	**-4.0%**		**0.1%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	130.0	238.2	1,020.2	1,107.2
Army Times Military Group:				
Air Force Times (52X)	153.8	153.4	1,099.5	1,114.6
Army Times (52X)	155.5	143.0	1,061.4	1,064.0
Navy Times (52X)	178.3	164.5	1,213.3	1,221.3
Capper's (26X)	17.9	17.6	216.8	155.6
Commonweal (22X)	2.3	3.4	51.0	43.8
Golf World (40X)	104.3	95.8	856.3	752.9
Grit (52X) A.	32.3	25.5	240.8	197.3
National Journal (50X)	53.3	74.1	434.8	491.9
National Review (25X)	17.9	23.8	176.5	235.9
New Republic (48X)	31.5	28.5	290.6	253.2
New York Magazine (50X)	212.4	103.7	1,649.0	1,611.8
New Yorker	116.5	83.1	1,114.6	1,185.3
Newsweek (52X) A.	146.2	120.0	1,322.2	1,301.9
People (51X)	242.3	199.6	2,126.1	1,966.2
Rolling Stone (25X)	110.4	106.9	1,069.4	991.6
Sporting News (52X)	65.8	42.3	364.2	330.8
Sports Illustrated (52X) A.	175.5	141.4	1,664.3	1,616.6
Time (52X) A.	160.3	128.9	1,514.3	1,317.1
TV Guide (52X) A.	197.1	194.6	1,803.7	1,932.8
US Magazine (26X)	43.8	41.6	419.4	353.1
U.S. News & World Report (50X) A.	134.6	98.4	1,065.4	990.2
Total Group	**1,707.6**	**1,386.9**	**15,014.4**	**14,978.3**
% change	**23.1%**		**3.0%**	

NOTES: (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. Ad Age makes no attempt to verify them and therefore is not responsible for inconsistencies or errors. Compiled by Kathy Welyki.

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NEWSPAPER

Advertising Age

August 28, 1989

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Kellogg pours it on

New cereal contains cholesterol fighter

By Julie Liesse Erickson

Kellogg Co. this week will jump into one of the hottest controversies in the food business.

The cereal marketer plans to unveil Heartwise, an oat bran cereal containing psyllium, widely touted as a cholesterol reducer.

Psyllium is also in General Mills' Benefit cereal, which is now under investigation by the Food & Drug Administration following complaints about its advertised claims as a cholesterol-reducing agent.

Procter & Gamble Co. asked the federal agency to disallow the claim since it's not allowed yet for P&G's Metamucil laxative, also containing psyllium.

Kellogg is scheduled to announce the launch of Heartwise—with a $45 million marketing budget, sources report—at a news conference Aug. 30.

In addition, Kellogg Chairman-CEO William LaMothe and President-Chief Operating Officer Horst Schroeder will make a corporate policy statement about food health claims.

Although Kellogg wouldn't comment, the statement is expected to reiterate the company's intention to continue marketing products with strong health claims.

"Kellogg started the controversy with their [cancer prevention] claims for All-Bran. . . . They were the first to test the FDA and Federal Trade Commission, and I'm not surprised that they're staying at the leading edge of this issue," said Timothy Ramey, analyst with County NatWest Securities.

"Kellogg started the controversy with their [cancer prevention] claims for All-Bran. . . . I'm not surprised that they're staying at the leading edge of this issue."

The FDA had no comment; none of the FDA staffers contacted had heard of Kellogg's new product.

Kellogg plans to start shipping Heartwise to retailers in October. The introductory budget includes TV, print and couponing scheduled to break in November and December via Leo Burnett USA, Chicago.

Heartwise will follow two other new Kellogg cereals: Oatbake, set to get $40 million in introductory support, and a new Golden Crunch variety of Mueslix.

Golden Crunch will join Mueslix's two existing varieties—bran and five-grain. In 1988, their first full year of distribution, the two varieties gained a 1.5% share of the $6 billion ready-to-eat cereal market, according to First Boston Corp. figures. J. Walter Thompson USA, Chicago, handles Mueslix.

Oatbake is made of whole oats, corn, wheat bran and other ingredients, including nuts, fruit, coconut and honey—all shaped into rings and baked in an oven. It will be available in honey bran and raisin nut.

Because its texture and ingredients are different from typical toasted cereals, Kellogg will promote Oatbake as both a hot and a ready-to-eat (cold) cereal.

Oatbake's introductory campaign by Burnett starts in October. TV and print advertising will focus on the product's "home-baked" quality and its whole-oat content, a Kellogg spokeswoman said.

Kellogg will support Oatbake with an in-store sampling program, an unusual tactic for cereals. The marketer used sampling in West Coast supermarkets to introduce Smart Start cereal bars (AA, May 8).

Sources say Oatbake contains some oat

(Continued on Page 52)

LAST MINUTE NEWS

Saatchi forecasts down

LONDON—U.K. analysts slashed their forecasts of Saatchi & Saatchi Co.'s pretax profits for the third time this year. The action came following reports that an expected increase in overall ad spending apparently isn't materializing. Most U.K. analysts knocked another $13 million to $16 million off their previous forecasts to $112 million to $120 million for the year ending Sept. 30. The analysts say they don't believe Saatchi has had the second-half recovery needed to make up some of the fall in first-half profits. Analysts consulted Saatchi after reading press reports of a continuing soft ad market, and the agency didn't discourage the downgrading.

Unilever moving Faberge

NEW YORK—Unilever is moving the bulk of its recently acquired Faberge business to current Unilever shops Lintas:New York and J. Walter Thompson USA, sources said. Sources said Lintas will get the Brut 33 men's cologne and toiletries products, supported by $9 million in measured media last year. JWT will get the Faberge Organics shampoo/conditioner line and Aqua-Net hairspray, supported by $5 million and $2 million budgets. Both agencies declined comment on any new Unilever assignments, and a spokesman at Chesebrough-Pond's, the Unilever unit into which Faberge will be absorbed, said no decisions had been made. Bozell has handled the entire Faberge account (AA, Aug. 14).

RSCG near U.S. deal

NEW YORK—Roux, Seguela, Cayzac & Goudard reportedly will announce the acquisition of another U.S. agency early next month. The shop reportedly has gross income estimated at just less than $10 million, with offices here and in Chicago and a presence in Canada. Traditionally, RSCG buys a majority of its partners.

Campbell snubs FSIs

CAMDEN, N.J.—Campbell Soup Co.'s grocery division is discouraging use of national free standing inserts by giving its agencies a commission for placing in-store media. Robert Subin, VP and group general manager-grocery, said the company is emphasizing local run-of-press coupons, targeted mailings like Carol Wright and in-

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The airline pilots union attacks Eastern Airlines' reorganization in a series of ads.

Racking up support ..... P. 3
U.S. Open tennis stars hope to score points and endorsements.

Timotei being readied ..... P. 4
Chesebrough prepares a U.S. rollout of its globally successful Timotei shampoo.

The glorious weekend

James Brady

©Oscar Abdala-Gamma Liaison

Malcolm Forbes' birthday bash, featuring cavalry charges by Moroccan horsemen *and* Elizabeth Taylor, wasn't just another media party. Celebrities and friends shared the adventure; more photos on Page 41.

By James Brady

TANGIER, Morocco—Rich men are famous for asking you to lavish parties; Malcolm Forbes invites you to share an adventure.

Here is what it was really like on the road to Morocco and in Tangier itself as a few of his pals helped Malcolm celebrate his 70th birthday:

At JFK's hangar 14 we began gathering before 7 a.m. Sirio Maccioni of *Le Cirque* was fretting. The several hundred box lunches of crudites, Cornish game hen, cheeses and "the ultimate brownie" were in a truck somewhere. Belly dancers and Moroccan musicians diverted us. Ceos milled about. The Walter Cronkites were on time. So was Beverly Sills. So, too, Kay Graham and Rick Smith of *Newsweek*. I wore a pith helmet and got myself on TV. Jerry Zipkin and Betsy Bloomingdale arrived. So did the box lunches and Sirio relaxed.

Not since the annual Tokyo Chamber of Commerce picnic have so many chief executives taken so many snapshots of each other. Our plane, an ancient DC-8, took off at 9:51 a.m. The 747 and the Air France Concorde would follow.

In the plane a TV crew from Fox Broadcasting worked the aisles as columnist Cindy Adams crooned, "Anyone got any Krazy Glue for a broken nail?" After we ate the box lunch they served lunch. There was a heated debate: was Tangier 5 or 6 hours ahead of New York? All these ceos and heavy thinkers and no one knew. We crossed over Portugal and touched down in Morocco at 8:15 p.m., I think. As we disembarked a lone bagpiper in kilts greeted us on the tarmac. Then came hundreds of chaps rushing up as if they'd just sacked Fort Zinderneuf, walking and thumping

(Continued on Page 30)

Cost-cutting Kodak reviews ad dollars

By Alison Fahey

Eastman Kodak Co. may renegotiate its agency compensation agreements and will likely trim ad spending in the wake of major cost-cutting efforts.

"We've been talking internally about having some incentives tied to agency performance," said Richard Bartlett, VP-director of communications.

Mr. Bartlett said it's too early to determine specifics of the plan.

J. Walter Thompson USA is Kodak's film agency; Young & Rubicam handles camera advertising and media buying.

Both New York agencies are paid less than the standard 15% commission, but Mr. Bartlett declined to disclose their rates.

The proposed incentive plan covers only the Kodak agencies, not those of its Sterling Drug subsidiary, Mr. Bartlett said.

Although a renegotiated agreement wouldn't necessarily mean lower compensation, Kodak acknowledged that ad spending cuts are in the works.

"You will certainly see some reduction in spending in communications, but we will not jeopardize our clout in the marketplace," Mr. Bartlett said. He declined to elaborate on the cuts.

Kodak is the nation's ninth largest advertiser with total spending of $735.9 million in 1988, according to LNA/Arbitron Multi-Media Service estimates.

Kodak's sponsorship deals, such as those with the 1992 Olympics and Walt Disney Co. theme parks, will remain intact, Mr. Bartlett said.

Fernan Montero, Y&R senior VP-worldwide account director on Kodak, said he generally favors incentive programs because they reward good work.

JWT Vice Chairman-Client Operations William C. Thompson Jr. said, "We as an agency are quite willing to be evaluated that way. . . . We know it's a subject of interest to [Kodak], and it is to us."

The marketer also said it will ask all its agencies to service their business as efficiently as possible, Mr. Bartlett said.

Kodak, which already has made a series of attempts to reduce debt and slash overhead, last week announced its latest and most drastic cost-cutting measures.

The giant photographic company said it will slice 4,500 jobs worldwide by yearend, about 3,500 more than estimated earlier this year.

The cuts range from top managers to staff support.

The developments were precipitated by poor earnings in the second quarter, one of Kodak's worst ever. Net earnings plunged 85% to $60 million compared with the same period a year ago. □

Chiat has PM project

By Jon Lafayette and Judann Dagnoli

NEW YORK—The on-again, off-again romance between Philip Morris Cos. and Chiat/Day/Mojo is on again, thanks to the agency's new Australian connection.

Chiat here is working on a confidential product development assignment for the company's tobacco unit that sources say involves the repositioning of Philip Morris USA's Players price-value cigarette.

Ellen Merlo, VP-marketing services at Philip Morris USA, confirmed the agency is working "on package designs and development work" but wouldn't specify for which brand or brands.

Ms. Merlo also said "there is nothing imminent for Players" from Chiat.

Chiat inherited the assignment in its acquisition earlier this year of Mojo, Sydney, which handled Philip Morris assignments in Australia and Hong Kong.

Mojo's New York office had parlayed that international connection into a domestic assignment.

Chiat is said to be a darling of several senior Philip Morris executives. From 1986 to 1987, the shop worked for the No. 1 U.S. advertiser's Miller Brewing Co. unit on Plank Road Original Draft, a test brand.

Cracking the Philip Morris agency roster is difficult, especially in its domestic tobacco unit. Leo Burnett USA, Chicago, handles most of Philip Morris USA's biggest brands. Another longtime Philip Morris tobacco agency is Wells, Rich, Greene, which handles Benson & Hedges; Backer Spielvogel Bates has Parliament.

WRG currently handles the regular Players "black pack" entry, and Burnett handles Players 25s, though neither has received support for at least a year.

Industry sources say the repositioning and relaunch of Players could make the brand a contender in the new "low, low-price" segment, pioneered last year by Liggett Group, whose Pyramid has been very successful.

Liggett rolled out Pyramid in January 1988, pricing it at about half of full-price cigarettes.

The Bloom Agency, Dallas, handles Pyramid, but support is limited mainly to point-of-purchase materials. □

Pilots launch Eastern attack

By Jennifer Lawrence

The nation's pilots union is striking back at Eastern Airlines in a spot radio campaign criticizing the financially troubled carrier's reorganization efforts.

The Air Line Pilots Association in three 30-second spots charges the Texas Air Corp. unit with what it views as bait-and-switch tactics, a high consumer complaint record and pilot inexperience.

Robin Matell, Eastern VP-corporate communications, said the charges are "without basis and have no merit whatsoever."

Two spots ran Friday in New York, Philadelphia and Washington. The full series resumes today in those markets and in Boston.

Next week, the campaign moves south to Atlanta, Miami, and Orlando and Tampa, Fla.

At least one radio station—WHDH-AM in Boston—wouldn't air the spots because the content couldn't be documented, said Dan Griffin, station president-general manager.

The first radio spot opens with a gate agent stating, "Now boarding, Gate 15 . . . Eastern Flight 32 . . . correction, make that Continental Flight 32."

The announcer says another airline's plane and crew are used because Eastern "doesn't have enough skilled mechanics to maintain its own planes. We think it's a lousy way to run an airline. . . . don't you? A message from the Air Line Pilots Association."

The second commercial cites U.S. Department of Transportation statistics that ALPA claims shows Eastern last month was No. 1 in customer complaints—five times the industry average.

The final spot says, "In several dramatic incidents during the past few weeks, airline pilots have shown the world that when the unexpected happens, experience counts. But several times during the same period, one airline—Eastern—chose to fly with inexperienced crews consisting of newly hired pilots. As experienced pilots, we caution against this practice. . . ."

Eastern's Mr. Matell called the spots "an extension of the scare tactics ALPA has been using. . . . and an attempt to frighten the public to hurt the company by trying to drive away passengers."

The union's goal is to induce Congress and President Bush to appoint a neutral trustee to run the airline, now in Chapter 11 bankruptcy. Ogilvy & Mather Public Affairs, Washington created the campaign.

Industry analysts question the impact ALPA's anti-Eastern campaign will have on the carrier's reorganization plan. They also believe the union's messages could hurt Eastern's image.

Eastern should fight back, said Paul Karos, airline analyst at First Boston Corp.

"This is an image-oriented business," he said. "Probably some form of advertising is warranted to dispute the union's message." □

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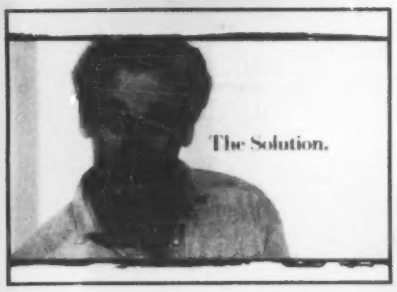


Wells, Rich, Greene "Solution" series for IBM had its share of problems before finally airing.

Double-edged sword handed to Lintas, WRG

IBM work, while prestigious, proves maddening and filled with pitfalls

By Jon Lafayette

Shortly after IBM unveiled the new campaign for its PS/2 personal computer system from Lintas:New York in June, about two dozen executives from the computer company and the agency watched the spots at a dinner party hosted by Lintas Group Exec VP Stephen Norcia.

The mood was one of celebration—until Lintas President Frank DeVito shifted the wrong way in his chair.

"My back spasms brought the party to a crashing halt," says Mr. DeVito.

The IBM people later sent a bouquet to Mr. DeVito, who had to work out of his home for several weeks. "They are some of the nicest people I've ever dealt with. I have flowers in my house to prove it."

Every agency would want to work for and receive bouquets from IBM. The computer giant treats its agencies very well financially, paying basically a 15% commission on a budget that hit $98.7 million last year, according to LNA/Arbitron Multi-Media Service.

Since last September, Lintas and Wells, Rich, Greene share the spoils, with the billings on national, major media advertising roughly equal. In returning to a two-agency setup—the company at one time used various combinations including Lord, Geller, Federico, Einstein; Doyle Dane Bernbach; J. Walter Thompson Co., and Geer, DuBois before consolidating its account at Lord Geller—IBM has had to play a delicate balancing game, confirming in the process that even large and well-regarded clients don't always experience smooth sailing in their agency relationships.

For one thing, it can be maddening to deal with a company as big as IBM. In addition to a huge, year-round workload, advertising ideas must survive a corporate bureaucracy full of nearly endless meetings and testing.

"They kid about it," says an agency executive who worked on the IBM account at Wells, Rich, Greene. "They say, 'You'll have to understand working with us. We have a habit of taking great advertising and making it very good.' "

The process can be especially difficult for agencies that are new to the IBM way and know the work they produce will be closely scrutinized and criticized by the advertising industry as well as their client.

That's the situation both Lintas and WRG have been in since they were hired by Big Blue. Despite IBM's good intentions, both agencies found themselves under great pressure not only to please the many IBM executives responsible for advertising but in competition with one another to get their work on the air first.

After nearly a year, each agency has created and launched a major campaign, neither of which received an overwhelmingly favorable response from ad-industry observers.

Still, working for IBM has its obvious benefits. "IBM was the best client you could possibly hope for," says Dick Lord, chairman of Lord Einstein O'Neill & Partners, who worked with IBM for 9 years.

While large in dollars, the IBM account may be worth even more to an agency in terms of prestige.

"The most important thing they do for an agency is make an agency visible," says Mr. Lord. "People are always very interested in what IBM is doing."

IBM was forced to hire new agencies for its $100 million account after Mr. Lord led a walkout of senior executives at LGFE in March, 1988.

At the time of the walkout, IBM already was considering going back to a multi-agency set-up and making other changes in its marketing and ad organization because of complaints from top executives that the company was being out-advertised by competitors, particularly Apple Computer.

IBM hired a consultancy, McKinsey & Co., to study its advertising review process, resulting in a series of reorganizations that reduced IBM's ad department from 500 to about 375.

Though the department is large, few staffers there could be considered advertising experts.

"They're not especially knowledgeable about advertising," says Bill Kurth, a VP-associate creative director at Griffin Bacal who worked on the IBM account both at Lord Geller and WRG.

"Everyone is passing through jobs there. They come and go. A few of the guys have been there for three or four years, but generally advertising is a stop on the career path," he says.

Because of the lack of experience among the IBM people, the company relied heavily on Lord Geller.

"The [agency switch] was not something the guys on the day-to-day level wanted to do," Mr. Kurth says. "They were perfectly happy with [former Lord Geller creative director] Kevin O'Neill and were happy to go from Lord Geller to Lord Einstein [the shop created by Mr. Lord and others]. They had a real comfort level with those people."

The impetus for the shift came from higher-level executives, who saw market share slipping.

(Continued on Page S-7)

Computers follow frenetic pace

Spending almost doubled in '84, but it's been downhill since

The world of computer advertising spending is on a roller coaster ride with companies alternating between peaks and valleys. *Advertising Age* tracks some of the category's major players' moves.

That's Big Blue to you, sonny

Measured ad spending on IBM computers has declined each year since 1984, when IBM Corp. and Apple Computer went head-to-head in their competitive ad battles.

IBM's 1988 ad spending of $98.7 million was down 7.0% from 1987 and 35.1% below 1984, IBM's record year.

Still, Big Blue is far-and-away the category's biggest spender, accounting for almost 40% of measured advertising among the top 10 computer advertisers in 1988, according to LNA/Arbitron Multi-Media Service.

We try harder

Apple has been No. 2 to IBM each year since 1984, when Apple passed Digital Equipment Corp. and also hit its spending peak for advertising. The company's 1988 ad expenditure of $45.1 million was 46.7% below the 1984 high, but up 20.3% from 1987 spending.

Apple seems destined to be No. 2: It spent less than half of what IBM did in 1988.

What do you expect with a name like this?

Unisys, the company formed in 1986 by a combination of Burroughs and Sperry, savaged its ad budget last year.

The company's 1988 ad expenditure of slightly more than $7.0 million was 53.8% below the previous year.

Its biggest jump—from $5.9 million in 1985 to $11.1 million in 1986—was tied to the corporate name change.

Moving up from the shack

Tandy Corp. was just a bit player in computers during that heady year of 1984.

Its ad budget then was about $5.7 million, putting it No. 9 on the list of spenders.

Tandy now is the third-largest computer advertiser. Its 1988 budget—atypically handled in-house—of $25.6 million was down 16.5% from 1987 but still well above Hattori Corp., the No. 4 company with a budget of $18.3 million.

Dropping a few digits

Digital Equipment Corp. was the No. 2 spender in 1983 and almost pulled the plug on its ad program in '84—its budget plummeted 84.8% from $28.5 million to $4.3 million.

Ad spending has recovered, slowly rising to almost $10.1 million last year, enough to make Digital the computer market's No. 8 advertiser.

Nothing compact about this

Compaq Computer Corp. has gone against the trend of paring ad budgets.

Its 129.5% increase in spending from 1987 to 1988 was the largest among the top 10 computer-market advertisers, enough to push it into the No. 5 position from No. 10 the previous year. □

Top 10 computer advertisers of 1988: measured ad spending since 1979

		Measured ad spending by year									
Rank	Advertiser	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979
1	IBM Corp.	$98,738.8	$106,161.4	$115,822.8	$127,197.3	$152,198.0	$79,385.0	$53,985.0	$23,754.0	$17,218.8	$16,680.2
2	Apple Computer	45,104.8	37,486.7	35,615.5	49,548.3	84,608.5	27,540.4	9,771.0	9,555.3	2,751.4	791.3
3	Tandy Corp.	25,575.1	30,615.3	31,747.9	21,891.9	5,650.1	15,441.7	6,441.5	NA	NA	NA
4	Hattori Corp. (Epson)	18,297.1	16,397.2	13,110.3	10,034.4	18,313.0	13,902.2	790.2	NA	NA	NA
5	Compaq Computer Corp.	16,808.9	7,322.9	4,384.4	7,952.1	11,900.7	617.3	NA	NA	NA	NA
6	Hewlett-Packard Co.	14,386.1	13,722.4	24,207.8	13,601.2	22,972.3	13,106.3	4,170.7	3,972.2	2,209.6	2,357.7
7	Wang Labs	12,023.4	13,273.0	4,717.6	8,141.7	22,763.4	7,195.9	3,214.7	3,330.5	1,037.4	1,072.9
8	Digital Equipment Corp.	10,061.0	9,767.5	7,815.1	6,409.4	4,334.9	28,475.1	5,259.8	2,932.5	2,369.7	1,992.0
9	Unisys*	7,040.7	15,248.5	11,121.1	5,923.2	8,636.8	6,674.1	4,906.1	1,506.2	1,289.4	1,781.7
10	NEC Corp.	4,891.3	9,366.7	7,742.4	5,908.4	8,016.9	4,288.3	1,293.3	646.8	11.9	NA
	TOTAL TOP 10	252,927.2	259,361.6	256,284.9	256,607.9	339,394.6	196,626.3	89,832.3	45,697.5	26,688.2	24,675.8

Notes: Dollars are in thousands. Advertisers are ranked by 1988 measured media spending. Because consumer advertising for computers was practically non-existent before 1979, some ad spending was included in the office supplies category. Information compiled for this table matches PIB sub classification 8311 (Computers, components and accessories) as closely as possible, but does not include 8314 (computer and data processing services). *Before 1986, Unisys figures represent a combination of Burroughs and Sperry. Measured media includes newspaper, newspaper supplement, magazine, network TV, spot TV, syndicated TV, cable TV networks, network radio, spot radio and outdoor advertising. **Sources:** LNA/Arbitron Multi-Media Service and Radio Expenditure Reports.

AA chart: Kevin Brown

Doug Goodman

Eric Hippeau sees international growth ahead for *PC Magazine*.

PEOPLE TO WATCH

Eric Hippeau, the new publisher of *PC Magazine*, the largest computer book in the U.S., took a long time to get to New York. He came via Paris, London, Rio de Janeiro, and California's Silicon Valley.

Mr. Hippeau (pronounced Hip-PO), 38, is taking over Ziff-Davis Publishing Co.'s every-other-weekly flagship publication, which had 1988 ad revenues of $105.5 million—up 53% from 1987—and a circulation of 629,000—a 25% increase over '87. He came to *PC* after three years as president-CEO of International Data Group's *InfoWorld*, based in Menlo Park, Calif.

During his tenure at *InfoWorld*, revenue generated by the computer news weekly tripled, and gross advertising revenue in 1988 was nearly $21 million, up 24% from the previous year.

Mr. Hippeau was born in Paris and educated in England, Switzerland and at the Sorbonne.

"My father was with United Press International for most of his career," says Mr. Hippeau, who is just getting settled in his Manhattan office.

"He was a photojournalist for UPI, then became a country manager for them in various places, . . . so we moved around a lot before he went to New York as executive vice president."

After leaving school to work on a Brazilian newspaper, he started in 1975 *Data News*, a weekly Portugese-language trade paper in Rio de Janiero for Brazilian data-processing professionals.

"I sold *Data News* to International Data Group in 1976 and stayed in Brazil, developing business for the company," Mr. Hippeau says.

He then became a VP overseeing all IDG Latin American computer publications before shifting to *InfoWorld* in California.

He terms his new publication "A phenomenon of U.S. publishing—its growth, its size," but notes that, "We are by no means finishing growing and want to expand on [*PC's*] franchise.

"There's a lot of international interest," he says. "For instance, we're [working on] a licensing agreement that will result in having *PC Magazine* in Japan." □

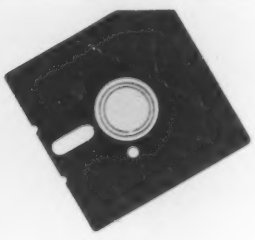
Measured computer advertising since 1979 by media

	Ad spending in ten measured media*										
Year	Total	Magazine	Supplement	Newspaper	Network TV	Spot TV	Syndicated TV	Cable TV	Network radio	Spot radio	Outdoor
1988	$320,687.7	$123,291.9	$1,898.6	$34,834.7	$129,411.1	$12,211.2	$845.4	$2,449.5	$4,859.9	$10,343.3	$542.1
1987	332,212.5	127,043.6	1,601.5	50,909.0	111,404.5	17,989	426.5	2,195.3	8,717.6	11,548.4	376.6
1986	357,882.2	121,160.8	1,937.0	54,368.0	133,344.2	18,949.3	192.2	3,492.4	10,652.5	13,085.8	700.0
1985	416,783.0	126,538.6	2,187.7	92,651.0	154,691.6	12,021.2	NA	4,712.0	5,829.8	17,327.4	823.7
1984	636,262.6	176,445.5	2,252.2	122,427.0	245,522.1	40,094.1	NA	3,216.5	495.3	45,027.6	782.6
1983	448,536.3	96,389.2	796.1	96,576.0	164,252.9	40,278.2	NA	2,968.0	771.4	37,889.2	615.3
1982	297,365.6	57,240.7	802.9	40,510.0	60,434.6	33,235.8	NA	1,270.8	2,025.6	11,611.5	233.5
1981	101,886.0	34,870.3	224.1	26,297.0	17,244.3	10,960.4	NA	NA	1,510.3	10,705.5	74.1
1980	62,465.2	22,896.5	153.7	13,824.0	10,268.4	2,542.3	NA	NA	745.9	6,118.2	119.2
1979	47,006.6	20,014.3	91.7	9,502.0	10,829.7	1,261.7	NA	NA	1,102.5	4,194.7	10.0
Avg. % chg**	33.0%	26.0%	60.1%	28.5%	53.7%	67.4%	110.1%	22.8%	122.7%	29.6%	160.9%

Notes: Dollars are in thousands. *When comparing annual media spending figures, note the following: Changes in category classifications and mergers of media monitoring services result in some inequities in year-to-year figures. For example, Broadcast Advertisers Reports/Leading National Advertisers Multi-Media reports monitored six media from 1979 to 1983 and called its computer category "Computers and data processing equipment." In 1984 BAR cable TV networks was added as a media category (although Arbitron's BAR supplied comparable prior year numbers). BAR syndicated TV and LNA Media Records newspaper figures were added in 1988. In 1984 BAR/LNA renamed the category "Computers, components and accessories" (B311) and added a new category "Computer and data processing services" (B314) which is NOT included in this table. Media Records included computer advertising in its "Office equipment and stationery supplies" category from 1979 to 1983, thereby adding non-computer advertising to some figures above. In 1984 MR created a new category "Computers, equipment and services;" newspaper data from then until 1987 DO reflect some computer service advertising. MR, now part of LNA, reports $575,100 for category B314, not included in the 1988 newspaper figure above. ** Average annual growth rate is computed by averaging percent changes since 1979. NA indicates data not available.

Sources: Arbitron/BAR/LNA Multi-Media reports and Radio Expenditure Reports (for spot radio).

AA chart: Kevin Brown



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Lotus positioned

While foes chip away, marketer of 1-2-3 moving to advertising aimed at 'installed base'

By Alan Radding

Jim Manzi, president-ceo of Lotus Development Corp., isn't impressed with most of the computer advertising he sees, although he gets perverse delight from the hardball campaign of Microsoft, Lotus' arch rival.

Microsoft has "been running direct assault advertising and we take great satisfaction in that," he says.

"We've tested it and found that a lot of people think it's our ad. We're getting exposure from our competitor's advertising," Mr. Manzi adds.

Lotus' advertising deemphasizes technology, as seen in the first ads for the new version of 1-2-3: There are no computer-screen shots and no lengthy copy detailing specific technical features.

The ads, created by Leonard Monahan Lubars & Partners, Providence, R.I., show a window in a skyscraper exploding or a torrent of water cascading through an already shattered window. Headlines, with no body copy, refer to power and managing a sea of data.

Later ads will take a more conventional approach, detailing features and benefits while showing computer screens.

Still, Mr. Manzi doesn't believe you sell technology by harping on features. A year-long barrage of Microsoft ads for Excel, touting technical advantages of Excel over Lotus 1-2-3, haven't been able to break Lotus' domination of the PC spreadsheet market.

Bill Gallery

Jim Manzi says Lotus' strategy is to "raise the number of [different Lotus] applications that any user has."

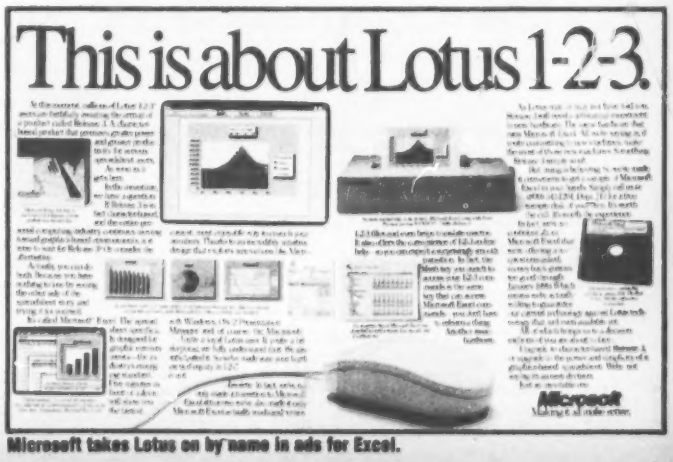
Nor has Microsoft been successful in luring Mr. Manzi's core customer base with price cuts and trade-in promotions.

"All Microsoft did was take share from smaller vendors," says Nancy McSharry, a PC software-market analyst at International Data Corp.

Microsoft, however, says its Excel has made marked progress against Lotus 1-2-3.

The company claims a 15% market share; Lotus' share has been estimated at anywhere from 50% to 70% by various sources. But Scott Oki, Microsoft's senior VP-sales and marketing, dismisses share figures as inappropriate because Excel runs only on high-end PCs while 1-2-3 runs on older machines that make up the

(Continued on Page S-16)



Microsoft takes Lotus on by name in ads for Excel.

AT&T effort connects in survey of ad recall

By Scott Hume

Tell people they're being taken and they listen. And remember.

AT&T Co. may be finding out that its advertising strikes a more responsive chord when the topic is money instead of line clarity or the joys of calling your old high school buddies.

On July 1, AT&T, the leader in the residential long-distance phone market, began a new TV campaign. Using dramatized testimonials of people who supposedly had switched to rivals MCI Communications Corp. or US Sprint, the campaign's message is that these people didn't experience the savings they thought they'd get.

"Aren't you glad you never left?" the commercials ask.

Whether viewers are satisfied or dissatisfied with their long-distance carrier, the spots appear to have gotten many consumers thinking.

AT&T last month was one of the 10 best-recalled advertisers, according to the monthly ad-Watch survey conducted for *Advertising Age* by the Gallup Organization.

Women accounted for two-thirds of those who mentioned AT&T's advertising first. The campaign scored strongest among adults ages 25 to 34 and regionally in South Central and Western states.

AT&T ranked No. 9, placing it among a group of advertisers that spend a good deal more than the phone company's approximately $70 million media budget.

Last month's top 10, in descending order, were Pepsi-Cola (in the top spot for the fifth consecutive month), Coca-Cola, Chevrolet, Ford, McDonald's, Anheuser-Busch's Budweiser/Bud Light, Miller Brewing Co.'s Miller beer lineup, Toyota, AT&T and Quaker Oats Co.'s Kibbles 'N Bits dog food.

AT&T hadn't appeared in the top 10 since April 1987.

Kibbles 'N Bits' appearance in the top 10 is its first ever. Interestingly, however, Kibbles 'N Bits ranked only No. 4 when respondents were asked which pet food advertising first came to mind.

The strong recall for AT&T's message is bad news for its long-distance competitors, which have wasted little time responding to the leader's message.

"Who is AT&T kidding when they say their rates are competitive?" ask US Sprint print ads that began this month (AA, Aug. 21). MCI is preparing a new TV assault as well.

AdWatch is a joint project of *Advertising Age* and Gallup. Ad awareness is measured by asking a nationally projectable sample of adults to name the first advertiser that comes to mind, overall and in several categories, from among all ads seen, heard or read in the previous 30 days.

Last month, 1,000 adults selected randomly were polled by phone. The margin of error is plus or minus 3.1%.

Among other changes of interest in the July survey:

- Chevrolet may have bested Ford on the unaided question, but when respondents were asked which **car or truck** advertiser first came to mind, Ford took top honors with a 23.6% share of first mentions. Chevrolet was No. 2 with 20.5% and Toyota third with 7.7%.
- Wendy's International strengthened its hold on the No. 2 spot among **fast-food** advertisers, gaining 2.1 points to a 13.5% share. McDonald's Corp. dropped 3.1 points but easily held the No. 1 spot with a 45.5% share. Burger King Corp. was No. 3 with 12.1%.
- Pepsi-Cola, tops in unaided recall, also stayed on top when respondents were asked for the first **soft-drink** advertiser to come to mind. It commanded a 38.8% share, compared with Coca-Cola's 31% and Diet Coke's 5%.
- Michelin bounced back strongly in the **tire** category after dropping 3.9 points in the June survey. For July, it rose 4.9 points to a 19.8% share. Goodyear remained No. 1 with 25.1%; Firestone was No. 3 with 5.9%.
- Kibbles 'N Bits' appearance in the overall top 10 was a bit of a surprise since it has been an irregular finisher among the top three in the **pet food** category. For July, the category's best-recalled advertising was for Alpo Petfoods' Alpo (No. 1 with 10.1% of first mentions), Ralston Purina Co.'s Purina (8.5%), Carnation Co.'s Friskies (5.2%) and Kibbles 'N Bits No. 4 with 4.5%. □

For more information, contact the Gallup Organization, 301 S. 6th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

AdWatch survey of advertising awareness top 10 in July

Last month, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Source: Gallup Organization, Lincoln, Neb.

Rank 7/91	6/91	Advertiser	Agency
1	1	Pepsi-Cola	BBDO Worldwide
2	2	Coca-Cola	McCann-Erickson Worldwide
3	6	Chevrolet	Lintas:Campbell-Ewald
4	3	Ford	J. Walter Thompson USA
5	7	McDonald's	Leo Burnett USA
6	4	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/-DDB Needham Worldwide
7	5	Miller	Backer Spielvogel Bates/Leo Burnett USA
8	10	Toyota	Saatchi & Saatchi DFS/Pacific
9	—	AT&T	N W Ayer
10	—	Kibbles 'N Bits (Quaker Oats)	J. Walter Thompson USA

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Ally settles fight with former exec

By Gary Levin

NEW YORK—Ally & Gargano last week settled its legal dispute with William Bishop over the $12 million Waldenbooks account Ally claimed was stolen by Mr. Bishop and his new agency, CHC Advertising.

After a lawsuit and countersuit, CHC agreed that Ally will get an undisclosed amount of cash.

Mr. Bishop called it "a fine deal" with restrictions that "aren't burdensome."

The business had been at Ad Direct, Ally's direct-marketing unit.

Mr. Bishop, Ally's former president-chief operating officer, and CHC also agreed not to solicit or accept business he worked on while at Ally until June 1, 1990, one year after he left Ally for CHC.

Mr. Bishop had charged he was unfairly "ousted" from his job and that his new CHC clients were later harassed by Ally.

As a result of the settlement, both parties have dropped their lawsuits.

"This is what we were seeking, and this is what we got," said Ally CEO William Luceno. "While we regret Ad Direct's loss of the business, we at least got something out of it."

The retail bookstore chain's account will stay at CHC, which was 50% owned by Ally until last year, when Ally sold its interest to joint venture partner MED Communications.

Mr. Bishop, now chairman of Woodbridge, N.J.-based CHC, works out of a new office in Westport.

In addition to Waldenbooks and several consumer ad accounts for healthcare products, CHC recently won NFL Properties' new Pro Set trading cards account. CHC has total billings of about $30 million. □

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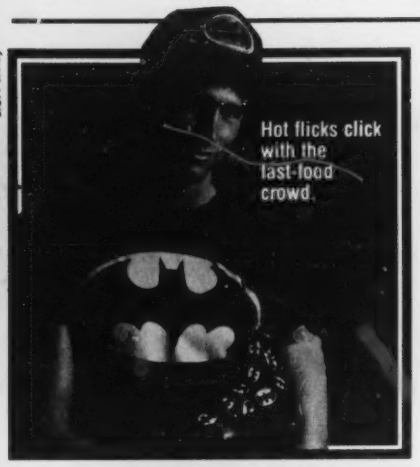
FALL PREVIEW

What's shaking key categories, big names behind them, plus fearless forecasts on what's hot and not

See Page S-1



J.C. Penney

RCA

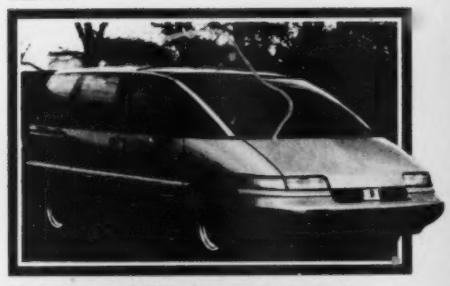
Pricey stocking stuffer: Play it again, Cam.

Doing the funky chicken on restaurant row.

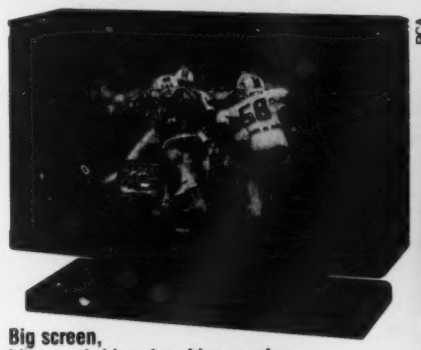
ABC

No lie, Joan, the dynasty's over.

Cuervo worming its way into every liquor cabinet.



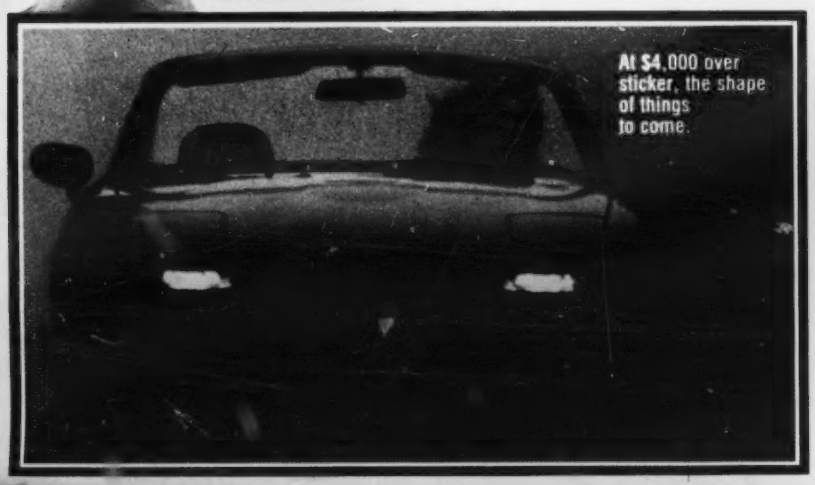
Minivans cast Silhouette over the suburbs.

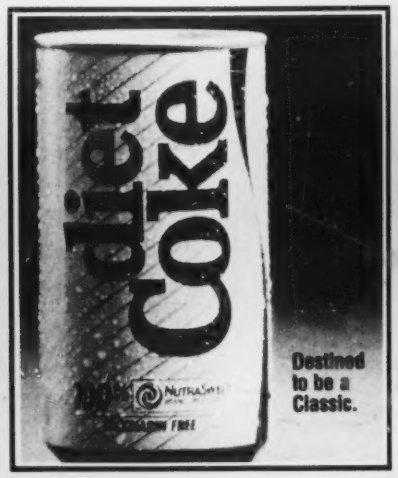


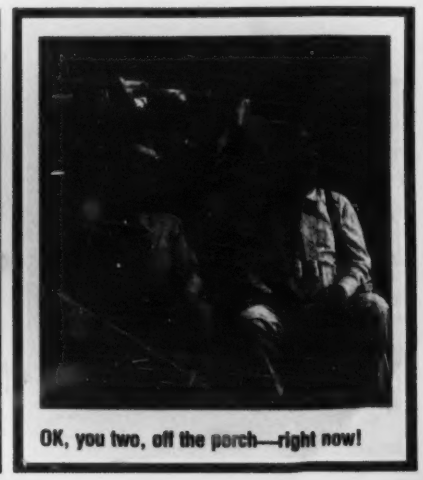
RCA

Big screen, big sound, big price, bigger sales.

Leaves changing, but fall turns green.







OK, you two, off the porch—right now!

States have sights on margarine ads

By Jennifer Lawrence and Judann Dagnoli

On the heels of a lawsuit against Quaker Oats Co., the state of Texas is considering suits against two margarine marketers for similar cholesterol-reducing ad claims.

"We are looking at some margarine companies now and we may file some lawsuits," said Texas Attorney General Jim Mattox in an interview with *Advertising Age*.

Although he declined to identify the companies, it was learned Texas and eight other states are investigating ad claims by CPC International's Mazola corn oil products and Nabisco Brands' Fleischmann's margarine.

Mr. Mattox last week in state district court in Dallas charged Quaker with falsely advertising that its oatmeal and oat bran products would significantly reduce cholesterol levels and thereby reduce the risk of heart attack.

The suit said Quaker's campaign enticed Texans to buy and consume its oatmeal and oat bran products as a substitute for traditional medical treatment.

Ads cited were from the Quaker print and TV campaign starring actor Wilford Brimley done by Jordan, McGrath, Case & Taylor, New York, and a TV spot for Quaker Oat Bran cold cereal created by Bayer Bess Vanderwarker, Chicago.

Quaker Senior VP-Law and Corporate Affairs Luther C. McKinney in a statement denied the allegations, citing both in-house and Federal Trade Commission studies that "demonstrate that consumers are not misled by our advertising."

Texas' action against Quaker puts all food marketers on notice that health-related claims in advertising and labeling will be scrutinized by states, even if the FTC approves the claims. The suit reflects the National Association of Attorneys General's push for a state role in policing national ads.

Just last week, Sara Lee Corp. agreed to a settlement with an informal nine-state task force over advertising and packaging that used the term "light" to describe certain dessert products.

The company said it would use "light" to describe calorie content instead of texture; it had already discontinued the Light Classics name.

But Texas' suit against Quaker

(Continued on Page 118)

Schalk to call it quits

BBDO exec plans new career in Germany

By Gary Levin

NEW YORK—Willi Schalk, a key architect of the historic 1986 formation of Omnicom Group, is leaving Omnicom and the agency business.

The 49-year-old president-chief operating officer of BBDO Worldwide said last week he'll resign at yearend to pursue a new career in his native West Germany.

He wouldn't disclose the nature of his planned new venture, but "it won't be in the agency business," he said.

Asked whether it might involve media, product marketing or a consultancy, he said, "All three." German sources speculate it will be in publishing or private TV.

W. Schalk

Chairman-CEO Allen Rosenshine will assume many of Mr. Schalk's duties.

Several international regional directors appointed to their posts in the past several months now will run their agencies with less direct involvement from headquarters.

Mr. Schalk suffered a stress-related illness two years ago, and said he decided last year to leave the agency business when the timing was right.

"I came to the conclusion that in our business, and particularly in international circles, taking it easy is difficult if not impossible," he said in a telephone interview from his Duesseldorf office late last week.

At one point, Mr. Schalk was logging up to 30,000 miles a month between here and Duesseldorf.

His move will come less than nine months after Mr. Rosenshine returned to head BBDO after serving as president of its parent, Omnicom. That job is now held by Bruce Crawford.

"My coming back to BBDO perhaps makes it a little easier, so we have the management resource to move ahead without Willi," Mr. Rosenshine said. "I've been traveling more anyway, so we'll just have to establish a closer working relationship with the people who reported to Willi."

It was Mr. Schalk and Mr. Rosenshine who suggested a three-way merger between BBDO, Doyle Dane Bernbach and Needham Harper Worldwide, only later learning that those two agencies were already discussing a merger of their own.

That move, called the "Big Bang," helped trigger a mega-merger frenzy among agencies.

Mr. Schalk joined BBDO in 1971, when he and five other managing partners of the Team Group, a West German shop, sold their business to BBDO. In 1975, he became sole managing director of Team/BBDO, and in 1978, he moved here as exec VP-general manager of BBDO's international operations.

One of Mr. Schalk's controversial strategies was buying minority shares of agencies around the world, rather than setting up shops from scratch or buying majority interests.

Mr. Schalk was named president of BBDO's international group in 1980 and assumed the worldwide presidency in 1986. □

AA taps Erhardt as associate publisher

NEW YORK—Edward R. Erhardt has been named *Advertising Age* associate publisher/advertising director effective Oct. 2.

The announcement was made last week by Publisher Joseph Cappo.

E. Erhardt

Mr. Erhardt, 32, a former senior sales rep for *Ad Age*, is vice president of sales for National Journal Inc., a wholly owned, Washington-based subsidiary of Times-Mirror Co.

He was associate publisher for the company's three magazines, all targeted to top policymakers in the federal government.

Those titles include *National Journal*, a 6,000-circulation weekly; *Government Executive*, a 60,000-circulation monthly; and *Military Forum*, published monthly with a 27,000 circulation.

Mr. Erhardt previously was a senior sales representative for *Ad Age* responsible for the Mid-Atlantic region and selected accounts here. He joined *AA* in July 1983 and went to National Journal Inc. in 1985.

"We're delighted to have Ed rejoin *Ad Age*," Mr. Cappo said. "He has a proven record of leadership and will help solidify *Ad Age* as the leading marketing publication in the world."

Mr. Erhardt, who will report to Mr. Cappo, is a 1979 graduate of St. John's University where he received a bachelor's degree in communications.

He succeeds Larry Oliver, who left earlier this summer. □

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Key global clients of multinational shops

Who has what accounts where

For the fifth annual *Advertising Age* "World Brands" report, agencies listed their major multinational clients using these criteria:

- Accounts must be served in at least four countries as of June 30, 1989.
- The combined client business must total at least $5 million.

To offer a more comprehensive listing, this year *Ad Age* has divided the report into two sections.

Those agencies with offices in 36 or more countries overseas—12 of the 26 agencies surveyed—are listed in the first section. Those with representation in less than 36 countries are in the second section.

An asterisk denotes an agency that included affiliated agencies in its report. □

AGENCIES WITH 36 OR MORE OFFICES OVERSEAS

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Air New Zealand																											●			●		●	●		
American Cyanamid				●																●																
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De Beers																												●		●		●		●		
DHL				●			●	●		●	●	●		●		●		●								●	●	●		●						
Diners Club														●	●													●				●				
Electrolux											●		●					●				●									●					
Estee Lauder								●		●	●			●														●		●	●					
Eveready Batteries		●	●	●	●		●		●																			●	●		●		●	●		●	
Fisher-Price	●	●									●	●		●	●		●				●															
Hatton/Seiko							●		●						●	●					●										●					
HongkongBank																										●		●				●		●		●
LM Ericsson											●	●							●		●	●													●	
Mars																																				
Confectionery	●	●								●	●	●	●	●	●	●	●	●	●		●	●		●			●	●			●	●				●	
Pet Food	●	●								●	●	●		●	●	●	●	●	●		●	●		●			●	●			●	●				●	
Other	●	●								●								●			●			●			●					●					
Nicholas											●			●	●			●																		
Northern Telecom	●										●	●		●	●		●	●			●						●	●			●					
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SAS										●	●	●										●														
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Tambrands																					●						●		●		●	●	●			
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Warner-Lambert		●					●		●																						●					

*Non-equity affiliation **Middle East comprises Bahrain, Lebanon, U.A.E., Egypt, Kuwait and Saudi Arabia. Source: Backer Spielvogel Bates Worldwide

Backer Spielvogel Bates Worldwide

Backer Spielvogel Bates Worldwide, New York, had 1988 non-U.S. gross income of $407.1 million, up 20% from 1987, and non-U.S. billings of $2.7 billion, up 17.4%. Worldwide gross income was $689.8 million, up 14.8%, while worldwide billings rose 15% to $4.7 billion.

Backer has 140 offices overseas in 46 countries.

Clients gained included Burroughs Wellcome (U.S.); Northern Telecom (worldwide); Fisher-Price, 3M, Aspro-Nicholas and Austin Rover Land Rovers (all pan-European); Richardson-Vicks (Australia); Braun (Canada); Bristol-Myers (Colombia); LM Ericson (Denmark, Spain); Campari (France, U.K.); Philips (Indonesia, Italy); Warner-Lambert (Mexico); Dole (Canada, Finland, New Zealand); Shakey's Pizza (Malaysia, Singapore); Hitachi (Australia, Taiwan).

Backer lost DHL (Venezuela, Colombia). □

BBDO WORLDWIDE

Clients:	The Americas																		Europe																								Middle East**	Pacific																			
	USA	Canada	Argentina	Brazil	Chile	Colombia*	Costa Rica	Ecuador*	El Salvador*	Guatemala*	Honduras*	Mexico	Panama*	Peru*	Puerto Rico	Uruguay*	Venezuela*		Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	U.K.		Middle East**	Australia	China	Hong Kong	India	Indonesia*	Japan	Malaysia	New Zealand	Pakistan*	Philippines	Singapore	South Korea*	Taiwan	Thailand																		
Alfred Dunhill	●																																																									
Apple Computer	●	●	●								●			●	●				●	●	●			●	●	●	●	●				●				●	●		●		●																				
Bayer											●			●		●			●					●	●	●						●			●			●		●	●																				
Campbell Soup	●														●				●					●		●									●						●																				
Claris	●	●																	●					●											●																									
CPC International	●					●										●									●						●				●			●			●	●																			
Delta Airlines	●	●										●			●								●	●							●				●								●	●																	
DMV-Campina									●										●					●	●		●								●																										
Dow Chemical		●						●																●																																						
DuPont	●																							●																																						
Gillette	●	●		●	●	●	●	●	●	●	●	●	●	●					●	●	●	●	●	●	●	●	●	●	●	●	●	●			●			●		●																				
Henkel																			●	●			●	●	●	●	●			●	●																														
Hyatt Hotels																																				●	●			●				●			●	●	●									
Intl. Wool Secretariat																			●	●	●	●	●	●	●	●	●	●	●	●	●	●			●																									
Johnson & Johnson						●											●			●						●																																		
Kuwait Petroleum																				●	●					●					●																													
Mont Blanc																			●					●	●		●			●						●																								
Nestle		●														●								●	●						●	●			●																								
Oral B	●	●		●							●													●	●	●					●				●			●			●	●																	
Pepsi-Cola	●				●	●	●	●	●	●				●	●				●					●	●	●					●	●			●			●	●																						
PFI	●			●							●													●	●																																				
Philips																			●	●				●	●						●	●			●																								
Pizza Hut	●																							●	●										●																								
Polaroid	●	●																																	●						●	●																		
Raiston Energy Systems																			●	●			●			●					●																														
Rothmans																																				●	●			●																				
Rowntree																			●	●	●	●	●	●	●	●	●				●	●	●	●																									
Sara Lee																								●	●		●																																
Schwarzkopf																			●					●	●		●																																
S.C. Johnson																									●																																		
Scott Paper	●													●										●																																				
Seagram			●																					●		●																																	
SmithKline	●	●																						●																																			
Unilever	●	●														●	●		●					●		●					●	●																												
Visa	●				●	●						●																							●		●	●	●	●	●	●		●	●	●	●	●								
Wrigley	●	●																						●	●		●	●			●																												
Worldwide Church of God	●	●																						●							●	●			●		●			●																		
Xerox					●	●									●										●						●																												

*Non-equity affiliation **Middle East consists of United Arab Emirates, Saudi Arabia, Kuwait and Cyprus. Source: BBDO Worldwide

BBDO Worldwide

BBDO Worldwide, New York, a unit of Omnicom Group, had 1988 non-U.S. gross income of $245.4 million, up 8.8%, and non-U.S. billings of $1.6 billion, up 6.7%.

Worldwide, the agency had gross income of $585.9 million, up 6.6%, and billings of $4.1 billion, up 8%.

BBDO has 121 overseas agencies in 50 countries, with equity in 106 and no equity in 15.

Accounts gained between July 1988 and July 1989 included International Wool Secretariat (Australia, Austria, Belgium, Denmark, U.K., Finland, West Germany, Greece, Italy, Norway, Portugal, Sweden, Switzerland, the Netherlands, Spain); Bayer (Malaysia, Philippines); CPC International (U.S.); DMV/-Campina (Greece); Douwe Egberts/Sara Lee (the Netherlands, France); PepsiCo (Belize, Brazil, Chile, El Salvador, Honduras, Middle East, Panama, Spain, Sweden, Turkey); Gillette (Brazil, Canada, Chile, El Salvador, Finland, Guatemala, Honduras, Panama); Hyatt (China, Hong Kong, Japan, South Korea, Macau, Philippines, Taiwan); Henkel (Hong Kong, Portugal, Spain); Mont Blanc (Singapore, Taiwan); Nestle (Puerto Rico, New Zealand); Pizza Hut (Germany, Hong Kong); Polaroid (Australia, Portugal); Wrigley (Italy, Middle East, Spain)

Losses included Apple Computer (Venezuela, Chile); Claris (U.S.); Hyatt (Australia); Johnson & Johnson (Belgium, the Netherlands); Rothmans (Belgium, Hong Kong); Kuwait Petroleum (U.K., Italy). □

LEO BURNETT CO.

Clients:	The Americas													Europe														Middle East						Pacific																									
	USA	Canada	Argentina	Brazil	Chile	Colombia	Costa Rica	Dom. Republic	Guatemala	Mexico	Peru	Puerto Rico	Venezuela	Belgium	Denmark	France	Germany	Greece	Italy	Netherlands	Norway*	Spain	Switzerland	Turkey	UK			Bahrain	Egypt	Kuwait	Lebanon	Saudi Arabia	U.A.E.		Australia	Hong Kong	India*	Indonesia*	Japan	Malaysia	New Zealand	Philippines	Singapore	South Korea*	Taiwan	Thailand																		
BASF	●	●		●										●	●		●			●			●	●	●										●																										
Beiersdorf																●	●			●					●																																			
Cathay Pacific		●												●			●	●			●			●											●	●	●			●	●	●	●	●	●	●											
Heinz/Star-Kist	●	●											●				●																							●																				
Kellogg	●	●	●	●		●	●	●	●	●		●	●		●	●	●		●		●	●			●										●	●			●	●				●	●	●											
Kraft General Foods	●	●								●			●	●	●		●			●					●				●	●	●	●	●	●		●					●																		
McDonald's	●		●									●			●						●				●																●		●																		
Nestle																		●							●																																			
PepsiCo/7UP	●	●	●	●	●	●			●	●	●	●		●	●	●	●	●	●	●	●	●			●			●	●	●	●	●	●	●			●		●	●			●	●	●	●										
Philip Morris Cos.	●		●	●	●	●	●	●	●	●	●		●	●	●	●	●	●	●	●	●	●	●	●	●			●		●	●	●	●		●	●	●	●	●	●	●			●	●	●	●										
Pillsbury/Green Giant	●	●										●	●		●			●				●			●																●																		
Procter & Gamble/RVI	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●			●	●	●	●	●	●		●	●	●	●	●	●	●			●	●	●	●										

Leo Burnett Co.

Leo Burnett Co., Chicago, had non-U.S. gross income of $165 million in 1988, up 21% from 1987, and non-U.S. billings of $1.1 billion, up 20.6%.

Worldwide gross income was $428 million, up 16%, and billings were $2.9 billion, up 16.4%.

Burnett operates in 50 offices, owning majority or maximum-allowable stock in 26 agencies, minority in 16 and has non-equity affiliations in eight.

(Continued on Page 80)

LEO BURNETT CO.

Clients:	The Americas: USA	Canada	Argentina	Brazil	Chile	Colombia	Costa Rica	Dom. Republic	Guatemala	Mexico	Peru	Puerto Rico	Venezuela	Europe: Belgium	Denmark	France	Germany	Greece	Italy	Netherlands	Norway*	Spain	Switzerland	Turkey	U.K.	Middle East: Bahrain	Egypt	Kuwait	Lebanon	Saudi Arabia	U.A.E.	Pacific: Australia	Hong Kong	India*	Indonesia*	Japan	Malaysia	New Zealand	Philippines	Singapore	South Korea*	Taiwan	Thailand
United Airlines	●									●															●							●	●				●	●	●	●			●	●
United Distillers	●												●			●	●	●	●				●			●				●			●	●			●		●	●	●			●

*Non-equity affiliation Source: Leo Burnett Co

(Continued from Page 78)

Burnett won 233 assignments in 42 countries, including Beiersdorf in six countries. Accounts lost included Hewlett-Packard in three. □

D'ARCY MASIUS BENTON & BOWLES

Clients:	The Americas: USA	Canada	Argentina	Brazil*	Colombia*	Mexico	Peru*	Puerto Rico*	Venezuela	Europe: Austria	Belgium	Denmark	Finland	France	Germany	Greece	Ireland	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	U.K.	Saudi Arabia	South Africa*	Pacific: Australia	Hong Kong	India*	Indonesia	Japan	Malaysia*	New Zealand	Philippines*	Singapore	South Korea*	Thailand
American Home Products	●					●												●				●			●															
Anheuser-Busch	●	●																							●				●						●				
Bahamas Min. Tourism	●														●	●									●						●								
BASF										●					●	●		●																						
Bayer	●	●								●	●			●	●	●	●	●	●			●			●						●	●		●					
Boehringer Ingelheim*															●							●			●							●							
Boots											●														●					●			●						
Bristol-Myers	●																											●	●			●	●					
Ciba-Geigy	●	●													●			●							●			●	●										
Coopers & Lybrand	●												●				●		●														●						
CPC International	●					●									●			●																					
Digital Equipment										●			●	●	●	●		●	●	●	●				●		●												
Dow Chemical	●	●													●							●			●			●	●			●							
Fiat										●	●	●				●		●				●		●			●												
FTD/Interflora	●	●																							●			●											
General Motors	●								●																		●	●											
Glaxo															●										●				●		●				●				
Grand Metropolitan	●												●						●		■				●				●							●			
H.J. Heinz	●											●																	●							●			
Hoechst A.G.							●					●			●			●							●						●					●			
Honda Motor Co.				●								●						●				●									●								
Kimberly-Clark												●				●						●																	
Mars Inc.	●	●				●		●		●	●	●	●	●	●	●		●	●			●	●		●			●	●			●							
Mars Petcare		●						●		●	●	●	●	●	●			●	●			●	●		●			●	●			●							
Mobil Corp.	●				●																						●	●						●				
Nobel Industries										●	●	●	●	●	●			●	●			●	●																
Nokia										●		●	●	●	●			●				●	●	●	●														
Pernod	●										●	●		●	●				●					●	●				●	●			●						
Pfizer Inc.	●														●										●				●	●			●						
N.V. Philips	●	●	●								●	●		●	●				●	●				●	●				●	●	●			●					
Procter & Gamble	●	●				●				●	●			●	●	●	●	●				●	●		●				●	●		●	●	●	●	●	●	●	●
Rhone-Poulenc			●												●							●			●				●										
Richardson-Vicks	●	●				●				●		●	●	●	●	●	●	●	●			●	●	●	●				●	●		●	●		●				
Texaco				●							●				●				●						●														
Thailand Tourist Bd.															●			●											●	●							●		
United Distillers											●	●		●	●		●			●	●		●						●				●						

*Non-equity affiliation Source: D'Arcy Masius Benton & Bowles

D'Arcy Masius Benton & Bowles

D'Arcy Masius Benton & Bowles, New York, had 1988 non-U.S. gross income of $219.1 million, up 25.6%, and non-U.S. billings of $1.6 billion, up 34.8%.

Worldwide gross income reached $428.7 million, up 15.5%, while worldwide billings were $3.4 billion, up 23.2%.

The agency has majority interest in 43 foreign agencies, minority interest in four and non-equity affiliations with 27. D'Arcy has offices in 29 countries, including the U.S.

Foreign accounts added since Dec. 31, 1987, include Richardson-Vicks (Austria, Denmark, West Germany, Greece, Hong Kong, India, Ireland, Italy, Japan, Norway, Philippines, Switzerland); Procter & Gamble (Austria, India, Ireland, South Korea, Malaysia, Philippines, Spain, Switzerland); Philips (Argentina, Canada, France, Germany, Norway, Sweden, Australia, New Zealand, Singapore); Nokia (Austria, Denmark, Finland, France, Germany, Italy, Norway, Spain, Sweden, Switzerland, U.K.); Texaco (Belgium, Brazil, Germany, the Netherlands, U.K.).

Accounts lost included Bristol-Myers (Canada, the Netherlands, Indonesia); Europcar (Belgium, France, Germany, Switzerland, U.K.); Exxon (Argentina, Tokyo); Kimberly-Clark (Switzerland). □

FCB-PUBLICIS

Clients:	The Americas: USA	Canada	Bermuda	Brazil	Chile*	Colombia	Costa Rica	Dom. Republic	Ecuador	Guatemala	Jamaica	Mexico*	Panama*	Puerto Rico	Trinidad	Venezuela	Europe: Austria	Belgium	Denmark	Finland*	France	Germany	Greece	Ireland*	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	Turkey	U.K.	South Africa	Pacific: Australia	Hong Kong	India*	Indonesia*	Japan	Malaysia	New Zealand	Philippines	Singapore*	South Korea*	Taiwan	Thailand
Air France																		●	●		●	●					●			●															
Bermuda Dept. of Tourism	●	●	●																													●													
Boursin																		●			●				●					●	●	●												
Cadbury-Schweppes	●													●				●	●		●	●			●	●	●	●	●	●	●	●	●												
California Raisin Adv. Board	●	●																●			●	●							●	●		●												
Campbell Soup	●											●									●																								
Citicorp (Citibank/Diners Club)	●			●	●					●	●	●				●					●	●							●	●														
Colgate-Palmolive	●	●		●		●	●	●	●	●	●	●	●	●	●	●					●	●	●		●					●	●			●		●						●	●		●
Data General	●															●															●														
Dim																		●	●		●	●			●	●			●	●	●	●	●												
French Govt. Tourism	●	●																				●										●												
Garnier																		●			●	●			●	●			●	●	●													
Garuda indonesia Airlines	●																					●				●				●					●	●		●	●		●		●		
Grand Metropolitan (Pearle)	●	●												●																		●												
Hiram Walker	●	●									●							●	●			●				●			●	●			●		●									●
ICI														●																		●												
S.C. Johnson & Son	●	●					●											●	●			●	●						●	●	●	●											
Kimberly-Clark	●	●		●		●												●	■			●	●			●			●	●		●											
Lancome	●																●	●	●			●	●			●			●	●	●	●												
L'Oreal	●	●										●				●	●	●	●			●	●			●			●	●		●												
Mazda	●	●											●																															
Nestle	●	●						●	●						●	●	●	●				●	●			●			●	●		●												●
PepsiCo	●	●							●																																			
Philips/Whirlpool					●									●			●	●		●		●	●	●	●	●	●	●	●	●	●	●												
Renault																	●	●							●				●	●	●	●												
RJR/Nabisco	●		●			●		●		●								●	●			●				●																	
Zenith	●	●															●					●	●			●			●	●		●												

*Non-equity affiliation Source: FCB-Publicis

FCB-Publicis

FCB-Publicis, an alliance formed in 1988 between Foote, Cone & Belding Communications, Chicago, and Publicis, Paris, had combined non-U.S. gross income of $379.6 million, up 37.6% from their combined figures for a year earlier. Non-U.S. billings were up 37.6% to $2.5 billion.

Worldwide gross income hit $653.3 million and worldwide billings reached $4.3 billion, both up 26%.

The network consists of 145 offices in 39 countries outside the U.S.

Major international accounts gained by FCB-Publicis included S.C. Johnson (Italy, West Germany, France); Beecham (Germany); Ballantine's (Paris); Cadbury Schweppes (Spain, Sweden); Duracell (Denmark) ; Kimberly-Clark (U.K., Colombia); Fujitsu (U.K.); RJR Nabisco (West Germany, Spain, Italy); Nestle (Thailand); 7-Eleven (Hong Kong); Philips/Whirlpool (U.K.); Guinness (U.K.).

Accounts lost included Gillette (U.K.); Diners Club (U.K.); Beiersdorf (Switzerland). □

GREY ADVERTISING

Clients:	The Americas: USA	Canada	Argentina	Barbados*	Brazil*	Chile	Colombia*	Jamaica*	Mexico	Peru	Puerto Rico	Uruguay	Venezuela	Europe: Austria	Belgium	Denmark	Finland	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	Turkey*	U.K.	Israel*	South Africa	Pacific: Australia	Hong Kong	India	Japan	Malaysia	New Zealand	Philippines	Singapore	South Korea*	Taiwan	Thailand
Armor-All																		●															●					●	●		
BankAmerica	●									●			●					●		●			●		●		●				●							●	●		●	

Grey Advertising

Grey Advertising, New York, had non-U.S. gross

(Continued on Page 82)

That's the household income of an average USA TODAY International reader — an educated, affluent consumer with International tastes and Domestic ties.

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SOURCE: 1989 Readership Survey by Marketing Projects Group

USA TODAY

GREY ADVERTISING

Clients:	The Americas: USA	Canada	Argentina	Barbados*	Brazil*	Chile	Colombia*	Jamaica*	Mexico	Peru	Puerto Rico	Uruguay	Venezuela	Europe: Austria	Belgium	Denmark	Finland	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	Turkey	U.K.	Israel*	South Africa	Pacific: Australia	Hong Kong	India	Japan	Malaysia	New Zealand	Philippines	Singapore	South Korea*	Taiwan	Thailand
BAT					●								●					●	●								●		●										●		
Bayer														●	●			●	●			●		●	●		●					●									
Beecham	●	●			●	●			●		●		●		●	●		●	●			●	●	●		●	●		●		●	●					●			●	
Block	●	●			●				●					●	●	●		●	●		●			●	●		●		●	●	●		●	●		●	●		●		●
Boehringer-Ingelheim	●	●			●														●	●																				●
Boots																					●						●			●		●									
Bristol-Myers	●								●		●								●										●				●			●					
Canon	●	■																●				●							●	●						●	●				
Ciba-Geigy	●											●												●			●														
Clairol	●				●				●		●																		●										●		
Corning	●								●						●			●	●	●			●	●			●			●		●		●		●				●	
Hallmark																			●				●							●			●								
Hertz																●			●								●	●													
IBM	●														●													●	●												
Johnson & Johnson	●											●																	●	●											
Kenner Prods.	●														●				●	●		●		●			●														
Kraft General Foods	●	■			●	●					●								●								●	●	●			●							●		
Mars	●													●	●				●	●	●	●		●			●			●											
Melitta														●	●	●	●	●	●		●				●	●															
Mitsubishi	●	■					●																							●				●		●				
Nike															●				●	●					●		●				●									
Northwest Airlines																●			●		●	●			●															
Philips					●																							●									●			
Pioneer																●	●		●	●		●			●															
Playtex	●	●																	●		●									●										
Procter & Gamble	●	●		●	●	●	●	●	●	●	●		●	●	●	●	●	●	●				●	■	●	●	●				●								●	
Reckitt & Colman			●																											●				●						
Remington	●	●				●													●	●						●					●	●		●		●				
Revlon									●										●								●												●	
Rothmans																											●				●	●		●	●				●	
Samsonite															●				●	●		●					●													
San Serif Marketing															●				●	●	●																			
G.D. Searle		●							●																●					●				●						
Shell			●	●	●											●																								
Swissair													●			●												●												
3M	●																	●	●	●		●	●				●					●								
U.S. Mint	●														●				●		●			●	●						●		●							
Uniroyal-Goodrich	●							●																						●			●							
Warner Bros.	●	●			●								●						●		●	●			●		●	●								●				
Wemer & Mertz															●				●	●		●																		
Wrigley																●															●		●	●		●	●		●	
Wyse	●	●														●			●								●			●	●									

*Non-equity affiliation Source: Grey Advertising

(Continued from Page 80)

income of $204.9 million in 1988, up 35.7%. Non-U.S. billings hit $1.4 billion, up 40%.

Worldwide gross income reached $432.8 million while billings hit $2.9 billion, both up 17.2%.

Grey has 168 offices in 32 countries outside the U.S.

Major accounts won in 1988 include Corning (France, West Germany, Italy, Spain, Sweden, U.K.); Blendax (Austria, Belgium, Germany); Wyse Technology (France, Hong Kong, Germany, U.K.); Warner Bros. (Philippines, Venezuela); Kohler (Canada, Japan); Armor-All (Japan, Taiwan); Nike (Hong Kong); Remington (Japan); Bristol-Myers (Mexico); Bayer (Netherlands, France).

Losses included Mobil (Austria); Bodum Design (Denmark); Le Clip (France, Spain, Switzerland); Wrangler (Hong Kong); Dunkin' Donuts (Malaysia, Taiwan); Bank of London (Uruguay). □

LINTAS:WORLDWIDE

Clients:	The Americas: U.S.*	Canada	Argentina	Brazil	Caribbean*	Chile	Colombia	Mexico	Europe: Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	Turkey	U.K.	Africa**	Pacific: Australia	Hong Kong	India	Indonesia	Japan	Malaysia	New Zealand	Pakistan	Philippines	Singapore	Taiwan	Thailand
Alitalia																										●	●	●						●				
Amour de Moss	■			●				●															●										●					
BAT								●				●		●				●										●			●							
Bela						●																			●		●	●			●					●		
Bayer			●	●					●	●				●		●	●		●	●			●							●			●					
Bridgestone/Firestone	●	●														●				●			●			●												
Chefaro				●					●	●	●	●	●	●	●	●	●	●			●	●	●													●		
Citicorp															●				●											●		●				●		
Citizen																●				●																		
Coca-Cola	●	●												●			●				●			●		●				●						●			●	
Corning				●									●	●		●						●	●															
Eastern Airlines	●				●		●																●																
Heineken												●						●						●						●								
Honda	●													●											●					●						●		
IBM	●					●																														●		
ICI		●																										●		●	●	●	●	●	●	●		
Inter-Continental	●						●	●						●	●		●				●					●	●		●	●		●						
Japan Air Lines											●		●	●				●				●	●															
Johnson & Johnson	●			●										●	■				●	●	●	●	●		●		●		●		●							●	
Matchbox												●		●		●	●					●																
Minolta									●	●	●	●		●		●	●	●	●		●	●																
Molnlycke										●	●	●					●	●			●																	
NEC		●					●				●			●	●			●				●					●	●					●					
Nestle	●	●				●				●			●	●						●	●		●	●														
Novo Enzymes	●			●							●		●	●				●			●		●							●								
Nowell	●	●											●																			●	●		●	●			
Philips		●		●			●	●	●	●		●	●																		●			●	●	●	●		
Quaker Oats		●												●																	●		●				●		
RCA Columbia	●								●				●	●		●					●												●						
Reckitt & Colman		●		●										●																	●							
Remy Martin														●	●					●			●															
RJR Nabisco	●																														●	●		●	●			●	
Rowntree									●	●	●	●	●	●	●	●	●	●	●												●							●	
Seb Tefal	●								●	●			●	●		●																						
Scan. Tobacco											●	●	●		●				●																			
Shell			●														●															●			●			
Sterling Drug	●		●	●		●		●		●	●	●	●					●	●	●			●		●					●	●		●	●		●	●	
UDG														●					●				●		●							●						
Unilever	●	●	●	●		●	●	●		●	●	●	●	●	●	●	●	●	●	●	●		●		●		●	●	●	●	●	●	●	●	●	●	●	●	●
Wender																●							●					●			●		●			●	●	

*Lintas:Latina, Miami, administers the Eastern Airlines account in the Caribbean and Central America. **Africa includes Lintas offices in Cameroon, Ghana, Ivory Coast, Malawi, Namibia, Nigeria, South Africa, Zaire and Zimbabwe. Source: Lintas:Worldwide

Lintas:Worldwide

Lintas:Worldwide, New York, part of Interpublic Group of Cos., had non-U.S. gross income of $335.9 million in 1988, up 33% from 1987, and non-U.S. billings of $2.2 billion, up 29.4%.

Worldwide gross income was $537.6 million in 1988, up 28.6%, and billings were $3.6 billion, an increase of 28.6%

Lintas has 135 offices in 48 countries.

Additional assignments were gained in 1988 from Nestle (Belgium, Chile, France, West Germany, U.K., U.S.); Unilever (Australia, Belgium, Brazil, Canada, France, Germany, the Netherlands, U.K., U.S.).

Losses included Alfa Romeo (Austria); Toyota (U.K.); Unilever (South Africa); Citibank (India); Renault (Spain). □

McCANN-ERICKSON WORLDWIDE

Clients:	The Americas: USA	Canada	Argentina	Barbados	Brazil	Chile	Colombia	Costa Rica	Dom. Republic	Ecuador	El Salvador	Guatemala	Honduras	Jamaica	Mexico	Panama	Peru	Puerto Rico	Trinidad	Uruguay	Venezuela	Europe: Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	Turkey	U.K.	Africa: South Africa*	Kenya	Pacific: Australia	China	Hong Kong	India*	Indonesia*	Japan	Malaysia	New Zealand	Philippines	Singapore	South Korea*	Taiwan	Thailand
American Express	●	●						●	●		●				●				●				●				●	●		●	●			●	●	●		●								●							
American Home Products	●			●	●			●			●	●	●		●		●					●							●																		●					
Bayer/Miles	●		●		●	●	●	●	●	●	●	●	●		●	●						●	●	●			●	●	●				●	●			●		●				●					●				●	
Beatrice/Hunt Wesson					●		●						●					●																																			
Black & Decker	●				●	●	●	●							●	●		●				●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●			●				●		●			●				
Bulton/Nestle			●																				●				●	●	●	●				●		●																	
Casio					●	●	●	●			●									●	●																						●			●		●				●	●
Century 21	●	●														●														●						●						●		●		●	●	●		●		
Cheesebrough-Ponds	●		●					●	●	●		●		●	●								●				●		●			●	●	●		●																●
Coca-Cola	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●			●	●	●	●	●	●	●	●	●	●	●	●	●	●
Columbia	●																												●	●																						
CPC International								●															●						●	●																							
Del Monte	●	●			●									●				●				●	●	●	●	●		●	●	●			●	●			●																
Exxon/Esso	●			●		●	●	●	●	●	●	●	●	●		●		●				●	●	●			●	●	●				●	●			●																●
General Motors	●	●	●	●	●	●	●		●	●		●			●			●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●			●	●				●									●
Gillette	●	●			●	●	●	●	●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●			●	●	●		●	●	●	●	●	●	●	●	●	●
Goodyear		●	●	●	●	●	●	●				●		●	●	●			●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●			●		●		●	●	●	●	●					●
Henkel				●	●									●	●						●																																
Heublein	●													●						●																																	
Hilton	●	●	●	●	●														●																																	
Intergold					●																																															
Johnson & Johnson	●	●	●	●	●			●		●	●	●	●	●	●	●	●		●		●															●			●	●	●													
Levi Strauss & Co.		●						●														●						●	●							●																	●

McCann-Erickson Worldwide

McCann-Erickson Worldwide, New York, had 1988 non-U.S. gross income of $459.8 million, up 31% from 1987. Non-U.S. billings were $3.1 billion, up 34.5%.

Worldwide gross income totaled $656.8 million, up 28.2%, and billings were $4.4 billion, up 28.2%.

McCann, composed of 144 agencies in 67 countries including the U.S., holds 100% equity

(Continued on Page 84)

McCANN-ERICKSON WORLDWIDE

Clients:	The Americas: USA	Canada	Argentina	Barbados	Brazil	Chile	Colombia	Costa Rica	Dom. Republic	Ecuador	El Salvador	Guatemala	Honduras	Jamaica	Mexico	Panama	Peru	Puerto Rico	Trinidad	Uruguay	Venezuela	Europe: Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	Turkey	U.K.	South Africa*	Kenya	Pacific: Australia	China	Hong Kong	India*	Indonesia*	Japan	Malaysia	New Zealand	Philippines	Singapore	South Korea*	Taiwan	Thailand
L'Oreal	●		●	●	●	●	●	●		●	●	●		●	●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●			●	●			●	●		●		●		●	●
Lockheed	●				●										●																																						
Lufthansa	●	●	●		●		●	●		●	●				●		●	●			●						●		●									●		●					●							
Martini & Rossi	●			●	●	●	●	●											●	●		●	●	●		●	●		●	●		●	●		●		●														●
McDonald's	●				●										●															●				●																	
Mennen	●	●		●		●		●	●	●		●	●						●		●																															
Nestle	●	●	●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●	●		●	●	●	●	●	●	●	●	●	●	●
Quaker					●			●	●								●																																				
Richardson-Vicks					●						●					●	●	●			●																																
RJR Nabisco	●	●			●						●					●		●	●		●		●	●					●		●		●	●			●			●	●	●									
R.J. Reynolds	●			●	●	●					●					●	●	●			●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●								●	●
Sony	●				●																									●				●																	
Tambrands/Tampax				●																			●	●		●	●	●	●	●	●				●																	
Texas Instruments	●	●	●		●												●				●		●		●																										
Unilever	●	●			●										●	●					●		●	●	●	●	●	●		●			●	●		●		●												
Union Carbide								●						●			●																							●													
UPS																							●			●	●		●	●			●		●		●				●	●	●								●
Washington Apple Comm.	●																																																		

*Non-equity affiliation Source: McCann-Erickson Worldwide

(Continued from Page 82)
in 110 agencies, owns majority interest in five, has minority interest in four and has non-equity affiliations with 25.

Clients gained in 1988 included UPS (Belgium, France, West Germany, Italy, the Netherlands, Spain, Switzerland, U.K., Australia, Japan, Thailand, China, Philippines, South Korea, Malaysia); Agfa (Austria, Belgium, Germany, France, Italy, the Netherlands, Greece, Portugal); Europcar (Europe).

Accounts lost or resigned included Henkel (Austria, Belgium, Germany, Italy, the Netherlands, Spain, U.K., Greece); Olivetti (Austria, France, Germany, Italy, Spain, Sweden, U.K., Portugal); American Express Gold Card (U.S.). □

OGILVY & MATHER WORLDWIDE

Clients:	The Americas: USA	Canada	Argentina	Brazil	Chile	Colombia	Costa Rica*	Ecuador*	El Salvador*	Guatemala*	Honduras*	Mexico	Paraguay*	Uruguay*	Venezuela	Europe: Austria	Belgium	Denmark	Finland	France	Germany	Greece	Hungary	Ireland	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	Turkey	UK	Middle East: Bahrain*	Kenya	Saudi Arabia*	South Africa	U.A.R.*	Pacific: Australia	China	Hong Kong	India	Indonesia*	Malaysia*	New Zealand	Pakistan*	Philippines	Singapore	South Korea	Taiwan	Thailand
AGA			●	●															●	●					●	●			●	●		●																					
AT&T	●	●						●																	●							●																					
Alfred Benson																	●	●	●		●				●																													
American Express	●	●	●	●	●	●	●	●		●			●	●	●	●	●	●	●	●	●		●	●	●	●		●	●	●	●	●	●			●			●	●	●	●	●	●	●	●	●	●	●	●	●	●
BAT	●		●	●	●	●		●		●	●	●		●		●									●	●		●				●			●		●															
BTA	●	●														●	●	●	●	●	●				●	●	●	●		●		●								●		●			●	●			●		●	
Beecham	●	●		●				●				●				●			●						●	●	●	●	●			●			●																	
Boehringer-Ingelheim			●			●													●	●					●																										
Boeing	●											●								●					●			●			●																					
Bulgari	●																			●					●					●		●																				
Burroughs Wellcome	●															●				●					●							●																				
California Prune Board																			●						●						●																					
CPC International																					●											●																				
Ciba-Geigy	●	●		●											●					●																																
Compaq	●	●				●	●								●		●	●		●	●				●	●	●		●		●	●	●								●	●					●				
Cotton Council Inc.	●																			●					●							●																			●	●
Dunlop																					●															●																●
Duracell	●	●														●					●															●																
Ford Motor Co.	●														●	●	●	●	●	●	●				●	●	●	●	●	●	●	●	●								●										
Galileo	●																		●		●																															
General Electric		●																								●																									
Gillette	■																																		●																
Guinness																	●			●	●				●	●			●	●			●																			
H.B. Fuller							●			●	●	●																																								
Hallmark							●									●																																				
Harris 3-M	●															●	●	●		●	●	●			●	●	●	●	●	●	●		●																			
Hyatt International	●																																																		
ICI																					●	●																													●	
Johnson & Johnson		●						●								●																																			●	●
KAL	●																			●	●				●					●																					●	●
Kimberly-Clark	●	●					●	●		●	●	●	●				●			●	●				●	●																									●	●
Kraft General Foods	●	●	●	●					●		●		●			●		●		●	●	●			●									●	●	●				●	●	●								●	●
Lufthansa				●											●	●				●																															●	
Marks & Spencer	●																					●														●																
Mattel	●	●							●				●			●				●	●				●	●		●	●				●			●	●			●	●	●								●	
Nestle (Rowntree)		●			●															●		●			●	●						●				●				●											
Northern Feather Ltd.																		●							●					●																				
Nutrasweet	●	●	●	●		●					●							●	●	●					●				●	●							●				●										
Olivetti																●	●	●	●	●	●	●			●	●	●	●	●	●	●	●																●			
Parker Pen																																																			
PepsiCo	●		●																	●					●																										
Pfizer	●																					●																													
Philips			●	●					●				●	●	●	●	●	●	●	●	●				●	●	●	●	●	●	●	●								●	●	●	●	●	●				●	●
Polaroid	●		●	●	●	●	●	●	●	●		●		●	●	●	●	●	●	●	●		●	●	●	●	●	●	●	●	●	●		●						●										
Quaker Oats		●		●																																														
Reckitt & Colman																										●																										
Rhone Poulenc		●																●																																
Robeco																			●		●																														
Rolex																											●																								
S.C. Johnson									●										●								●																								
Seagram	●	●		●			●	●				●		●	●		●			●								●																								
Sears	●	●				●						●																																							
Shell	●	●	●	●	●	●						●	●			●	●		●	●	●		●		●	●	●	●			●																				
Siemens				●													●	●																																		
Squibb Ltd.		●																				●																													
Unilever	●	●	●	●	●	●	●	●	●	●		●		●	●	●	●	●	●	●	●		●	●	●	●	●		●	●	●				●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
United Technologies	●			●																																														
Warner Lambert								●							●																																				
Washington State Apple Comm.	●																			●								●																							
World Wildlife Fund	●	●	●													●	●	●		●	●				●					●																					●
Zahnradfabrik Friedrichshafen																			●																															

*Non-equity affiliation Source: Ogilvy & Mather Worldwide

Ogilvy & Mather Worldwide

Ogilvy & Mather Worldwide, New York, part of WPP Group, in 1988 had non-U.S. gross income of $354.1 million, up 32.6%. Non-U.S. billings reached $2.2 billion, up 15.6% from 1987.

Worldwide gross income reached $635.2 million, up 12.7%, while worldwide billings hit $4.1 billion, up 12.2%.

The network has 275 offices in 51 countries, including 226 offices outside the U.S. Ogilvy Group was purchased by London-based WPP in 1989.

Key accounts won in 1988 included Microsoft (U.S.); Thompson Medical (U.S.); WDL Bank (West Germany); Continental Tires (Germany); Tandem (U.S.); NutraSweet Co.'s Simplesse (U.S.); Midas (Canada); Remco (U.S.).

O&M also gained additional assignments from Ford (Venezuela, Portugal, U.S., U.K.); Unilever (Germany, Switzerland, U.K.); Nestle (Australia, U.S., New Zealand, U.K.); BAT (Brazil, U.K.); Hershey (U.S.); General Foods (U.S.); Sears (U.S.).

Accounts lost included Schering (U.S.); Scottish Amicable (U.K.); Mattel Hot Wheels (U.S.); Hallmark (U.S.); Volvo (Norway); Milk Marketing Board (U.K.). □

SAATCHI & SAATCHI ADVERTISING WORLDWIDE

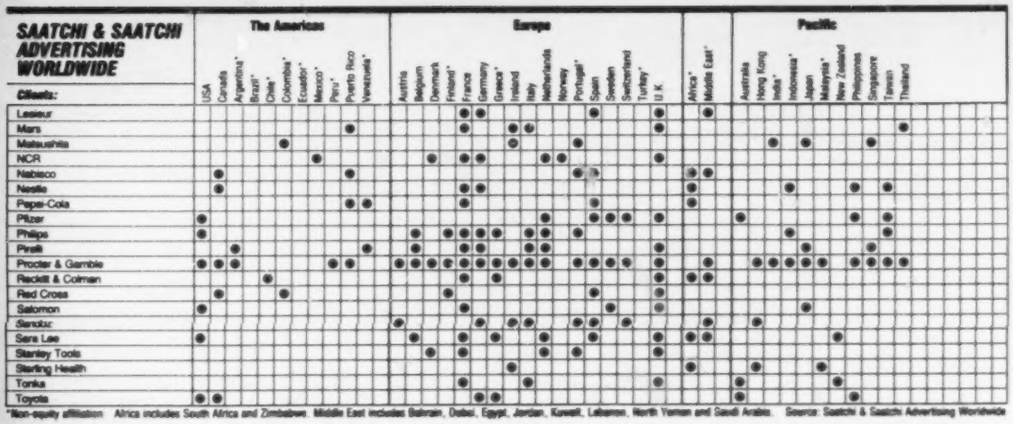
Clients:	The Americas: USA	Canada	Argentina*	Brazil*	Chile*	Colombia*	Ecuador*	Mexico*	Peru*	Puerto Rico	Venezuela*	Europe: Austria	Belgium	Denmark*	Finland*	France	Germany	Greece*	Ireland	Italy	Netherlands	Norway	Portugal*	Spain	Sweden	Switzerland	Turkey*	U.K.	Africa*	Middle East*	Pacific: Australia	Hong Kong	India*	Indonesia*	Japan	Malaysia*	New Zealand	Philippines	Singapore	Taiwan	Thailand
ABB (Asea Brown Boveri)															●											●	●	●															
Allied Lyons												●	●					●	●		●							●				●											
Avis															●	●				●								●															
Beecham															●	●		●		●								●			●												
Bongrain																●	●				●							●															
British Airways		●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●	●		●		●	●	●	●	●	●	●	
BP																												●			●	●		●		●						
BSN Gervais-Danone								●				●	●			●	●		●						●			●														
Cadbury Schweppes											●								●									●								●						
Campbell Soup	●																				●					●		●														
Canon												●		●		●		●	●	●		●					●															
Carlsberg													●		●			●										●														
CPC International	●		●			●										●	●	●										●														
DHL					●	●				●	●		●		●		●			●			●	●				●		●		●		●	●		●				
Dow Chemical			●											●		●																	●		●							
DuPont	●														●	●							●					●														
Electrolux														●			●			●				●				●														
Gallaher																●	●	●							●			●			●											
Gillette												●	●	●	●	●	●		●	●	●	●		●		●		●		●												
Grand Met	●								●						●				●											●												
Guinness									●										●			●								●		●										
Hewlett-Packard	●					●						●			●	●		●	●			●	●			●	●															
Hilton International	●									●	●			●																												
Honeywell													●							●						●		●			●											
ICI	●												●		●	●		●			●						●						●									
Jamba		●										●	●	●		●	●			●						●							●									
Johnson & Johnson	●	●				●	●	●		●		●	●			●	●	●	●			●				●	●						●									
LA Gear	●															●	●	●		●	●		●				●														

Saatchi & Saatchi Advertising Worldwide

Saatchi & Saatchi Advertising Worldwide, London, had non-U.S. gross income of $414.2 million in 1988, a 13.3% increase from 1987. Non-U.S. billings rose 16.7% to $2.8 billion.

Worldwide gross income was $740 million, up

(Continued on Page 85)



*Non-equity affiliation Africa includes South Africa and Zimbabwe. Middle East includes Bahrain, Dubai, Egypt, Jordan, Kuwait, Lebanon, North Yemen and Saudi Arabia. Source: Saatchi & Saatchi Advertising Worldwide

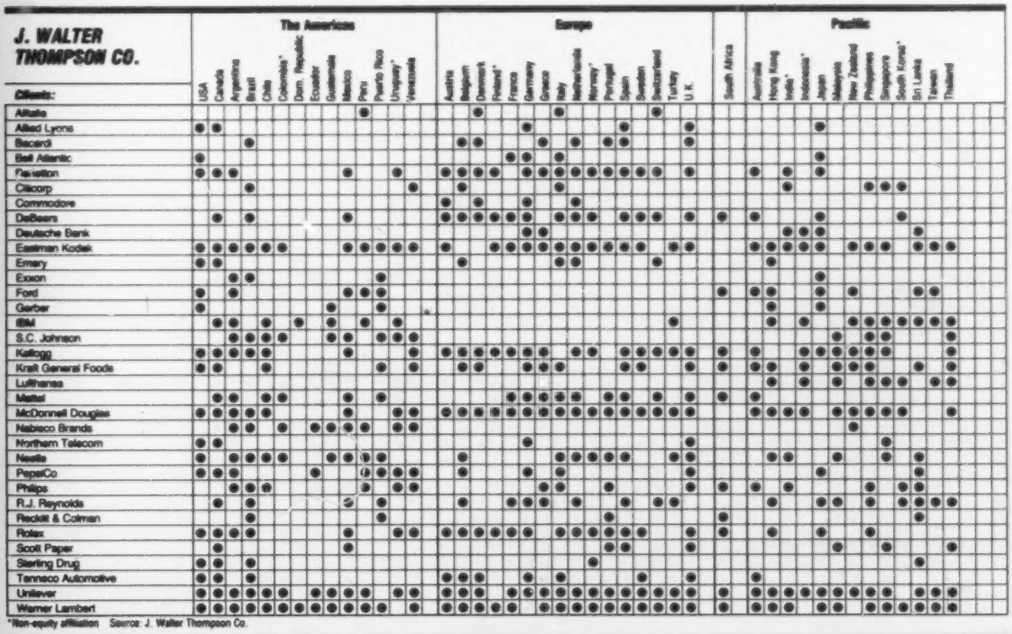
(Continued from Page 84)

8.1%, while billings were $5.1 billion, up 10.7%.

The agency operates 138 offices in 61 countries. It owns majority or maximum-allowable stock in 84 agencies, minority interest in one and has non-equity affiliations in 53.

Saatchi's account gains in 1988 included Johnson & Johnson Sanpro (Europe); Gillette personal care (Europe); Salomon Ski (worldwide); Procter & Gamble (Japan); Hewlett-Packard (Europe); General Mills (U.S.); Tyson Foods (U.S.); Sara Lee (Europe); Toyota (Philippines, Australia).

Losses included Nabisco (U.S., Europe). □



*Non-equity affiliation Source: J. Walter Thompson Co.

J. Walter Thompson Co.

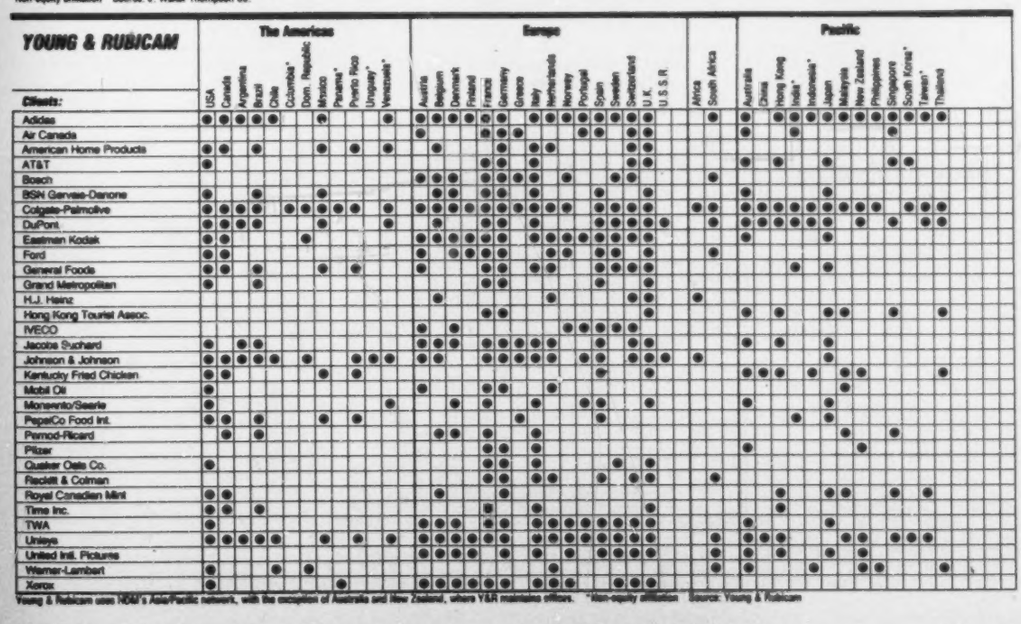
J. Walter Thompson Co., New York, part of WPP Group, had non-U.S. gross income of $301.8 million in 1988, up 25%. Non-U.S. billings rose to $2.1 billion, up 31%.

Worldwide gross income was $559.3 million, up 14.7%, while worldwide billings were $3.8 billion, up 18.6%.

JWT has 176 offices worldwide in 44 countries and owns the majority in 29 countries and minority in nine and has six affiliations.

In 1988, accounts gained included Ford (Australia, Taiwan, New Zealand); Alitalia (Italy, Switzerland); ITV (U.K.); Royal Mail (U.K.); Kellogg (Spain, Denmark); Statoil (Sweden); Chesebrough-Pond's (Mexico, Canada); Sydney Ross (Brazil); Abastible (Chile); Mattel (Canada, Colombia); Carling O'Keefe (Canada); Hewlett-Packard (Australia); Exxon (Japan); R.J. Reynolds (Philippines).

Accounts lost included Jacobs Suchard (Europe); Pepsi (Spain, Portugal, Brazil, Chile, Hong Kong, Philippines); British Rail (U.K.); Ralston Purina (Canada); Bowater/Sancella (Australia). □



Young & Rubicam uses HDM's Asia/Pacific network, with the exception of Australia and New Zealand, where Y&R maintains offices. *Non-equity affiliation Source: Young & Rubicam

Young & Rubicam

Young & Rubicam, New York, had non-U.S. gross income of $384.8 million in 1988, an increase of 10% over 1987. Non-U.S. billings rose 13% to $2.6 billion.

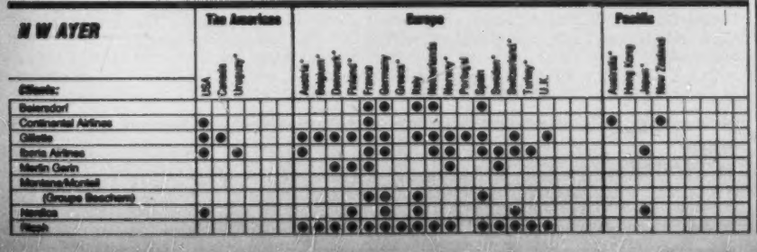
Worldwide gross income was $757.6 million, a 3% rise, while worldwide billings were up 9.9% to $5.4 billion.

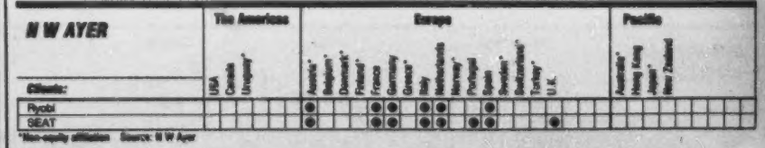
The agency has 127 offices in 44 countries outside the U.S. Y&R is sole owner of 95 agencies and has majority interest in 23 shops and minority interest in nine. The company owns 100% of Burson-Marsteller and has minority holdings in HDM, a joint venture with Dentsu and Eurocom.

Accounts gained by Y&R in 1988 include: United International Pictures and International Distillers & Vintners (both pan-European); House of Fraser (U.K.); Pernod Ricard, Reckitt & Colman, Wedgwood china (all France); General Foods (Spain); Siber Hegner watches, Bosch (both Switzerland); Johnson & Johnson (Chile, Brazil); Loctite, Valmet tractors (both Brazil); Bayer (Mexico); Frito-Lay (Puerto Rico); Labatt (Canada); Solomon's carpets (Australia); Giant Supermarket (New Zealand).

Losses included Vicuna and Imbrateur (Brazil) and Uniroyal (Mexico). □

AGENCIES WITH FEWER THAN 36 OFFICES OVERSEAS





*Non-equity affiliation Source: N W Ayer

N W Ayer, New York, had non-U.S. gross income of $57.4 million in 1988, up 15% from 1987. Non-U.S. billings rose 18% to $401 million.

Worldwide, Ayer reached $185.2 million in gross income, up 11.5%. Billings were up 10.7% to $1.3 billion. The agency has offices

(Continued on Page 86)

(Continued from Page 85)
in 33 countries, including the U.S.

Ayer holds the majority or maximum-allowable interest in six offices, minority ownership in six agencies and non-equity affiliations with 21.

Accounts gained included SEAT, Beiersdorf, Ryobi and Groupe Beecham (all pan-European) and Ritter (West Germany).

Ayer lost Bahlsen in Germany, Benckiser in the U.K. and Bang & Olufsen in France. □

BDDP

Clients:	USA*	Europe: Austria*	Belgium	Denmark*	France	Germany	Italy	Netherlands*	Norway	Spain	Sweden*	Switzerland*	U.K.	Africa	Pacific: Hong Kong	Japan*	Singapore
BSN Gervais-Danone		●		●		●			●				●				
Exxon Chemical		●		●	●			●					●				
Hasbro		●		●	●	●		●		●			●				
Korean Air		●		●	●	●		●				●	●				
Michelin		●	●	●	●		●		●	●	●	●	●	●			
Pierre Fabre		●		●		●							●				
Polaroid		●		●	●	●	●		●	●	●	●	●				
Rodier		●		●	●	●			●			●	●				
Tag Heuer Watches	●	●		●	●	●			●			●	●		●	●	●

*Non-equity affiliation Source: BDDP

BDDP Group, Paris, had 1988 worldwide gross income of $69 million, up 53.3%, while worldwide billings reached $462 million, up 55%. BDDP has no U.S. holdings.

Major gains in 1988 outside France included Korean Air, Polaroid and Tag Heuer watches. Within France, BDDP won Pier 1 Imports and France Loto.

In France, BDDP lost Printemps department store.

BDDP recently acquired Bernard & du Payrat, and Opera, both Paris. Mark Line, a sales promotion company, was acquired in Spain. □

BOZELL

Clients:	USA	Canada	Mexico	Puerto Rico	Europe: Austria	Belgium	Denmark*	France	Germany	Greece/Middle East	Italy	Netherlands	Portugal	Spain	Sweden*	Switzerland*	U.K.	Pacific: Australia	Hong Kong	Japan	Malaysia	Singapore	Taiwan
Elizabeth Arden	●	●					●	●			●						●		●				
Chrysler	●		●	●	●	●		●	●		●	●		●	●	●			●			●	
Faberge	●							●		●	●						●		●				
Merrill Lynch	●	●		●	●				●								●	●	●	●			
Patek Philippe	●							●	●	●	●					●	●		●	●	●		
Sunkist																			●		●	●	●
Texas Instruments	●	●				●			●	●		●	●	●	●		●						

Greece/Middle East indicates that Bozell administers business in Kuwait and Lebanon from its Athens office. *Non-equity affiliation Source: Bozell

Bozell, New York, had 1988 non-U.S. gross income of $28.9 million, up 9.9%. Non-U.S. billings reached $193 million, up 10.3%.

Worldwide gross income was $179.2 million and worldwide billings totaled $1.3 billion, both down 3.2%.

The agency has 45 offices in 38 countries outside the U.S.

In 1988, Bozell's account gains included Chrysler (Austria, France, the Netherlands, Norway, Switzerland, Japan); Elizabeth Arden (Canada, Denmark, U.K., Japan); L'Oreal (France, Portugal).

Loses included Weight Watchers (Austria); Volvo (Portugal); Bulgari (Switzerland); Revlon (Japan); Nestle (Sri Lanka). □

CHIAT/DAY/MOJO

Clients:	USA	Canada	Europe: France*	Germany*	Greece*	Italy*	Sweden*	Switzerland*	U.K.	UAE*	Pacific: Australia	Fiji*	Hong Kong	Japan*	Malaysia*	New Zealand	Singapore	Taiwan*	Thailand*
Australian Tourist Commission	●								●		●						●		●
Bond Brewing	●								●		●				●				
Koala Springs	●	●											●	●					
Meadow Lea Foods											●	●	●			●		●	
Mitsubishi Electric	●								●		●			●			●		●
Qantas	●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●
Reckitt & Colman									●		●						●	●	

*Non-equity affiliation Source: Chiat/Day/Mojo

Chiat/Day/Mojo, Venice, Calif., officially merged in July 1989. Gross income worldwide for Mojo MDA Group was $72 million in 1988, up 35.8% from 1987. Billings rose 30.7% to $455 million.

The Mojo figures include those of Mattingly, which has been sold in a separate deal to HDM.

Non-U.S. gross income for Mojo in 1988 was $61 million on billings $381.4 million.

Chiat/Day/Mojo owns one office in Canada, one in the U.K., four in Australia and one each in Hong Kong, Singapore and New Zealand. The agency owns 100% of 12 offices and has affiliations in six Asia/Pacific countries.

Accounts won in 1989 included American Express Gold Card (U.S.); Eveready Energizer (U.S.); Esprit de Corps (U.S.); S.C. Johnson (Canada); Beef & Lamb Bureau (New Zealand); Metro Stores (Singapore); Koala Springs (Hong Kong, Canada); Dell Computer (U.K.); Glad Products (Australia); Toyota (Australia); Wellcome (Australia); Shell Autocare (Australia); Qantas (Europe).

Accounts lost during 1989 include Revelations shoes (U.S.); Kresta blinds (Australia); Wang Computer (Australia); Australian Wool Corp. (Australia). □

CHUO SENKO ADVERTISING

Clients:	Pacific: Hong Kong	Indonesia	Japan	Malaysia	Singapore	Thailand
Hitachi	●		●		●	●
Honda		●	●	●	●	●

Source: Chuo Senko Advertising

Chuo Senko Advertising, Tokyo, had 1988 worldwide gross income of $47 million, up 27%. Worldwide billings reached $346 million, up 28.6%.

Along with its offices in Japan, the agency owns 49% of a Thai agency, 100% of a Hong Kong agency, 66% of a Singapore shop and 26% of a Malaysian agency. □

DDB NEEDHAM WORLDWIDE

Clients:	The Americas: USA	Canada	Argentina*	Mexico	Peru*	Venezuela*	Europe: Austria	Belgium	Finland*	France	Germany	Greece	Italy	Netherlands	Portugal	Spain	Sweden	Switzerland	U.K.	Pacific: Australia	Hong Kong	Japan	Malaysia	New Zealand	Singapore	Taiwan	Thailand
Citicorp														●							●	●		●			
Hasbro								●		●																	
Heinz	●										●										●						
Henkel								●		●	●	●		●		●											
Jacobs Suchard								●		●	●	●				●		●	●			●					
S.C. Johnson							●	●		●	●	●	●	●		●		●	●		●	●					
Knorr								●						●	●			●	●								
McDonald's	●			●						●											●			●		●	●
Michelin	●																				●	●				●	
Mitsubishi																	●				●	●					●
Mobil	●		●	●	●	●	●		●	●	●	●	●	●	●	●		●	●		●			●		●	
PepsiCo	●															●					●						
Porsche		●						●		●						●											
Seagram	●							●		●	●				●	●	●	●				●	●		●	●	●	
Spanish Tourist Office							●			●							●	●									
Volkswagen	●	●		●				●		●	●			●	●	●			●		●						

*Non-equity affiliation Source: DDB Needham Worldwide

DDB Needham Worldwide, New York, had non-U.S. gross income of $155.5 million in 1988, up 10.3% from 1987. Non-U.S. billings were $1.1 billion, up 13.4%.

Worldwide gross income was $399.9 million, up 8.5%, while worldwide billings reached $3 billion, up 13.1%.

The agency operates in 46 offices in 22 countries outside the U.S. It owns majority or maximum-allowable stock in 20 agencies, minority interest in 10 and has non-equity affiliations in six.

Accounts gained between Jan. 1, 1988, and May 31, 1989, included Unilever (Australia); Mobil (Austria, Taiwan); American Airlines (Belgium, Sweden); Royal Trust (Canada); Douwe Egberts (France); Jacobs Suchard (Belgium, West Germany, Greece, Japan); S.C. Johnson (Greece, Switzerland); Communications Services Ltd. (Hong Kong); Hong Kong Telephone (Hong Kong); Seagram Martell (Hong Kong, Italy, Japan, Belgium, France, Taiwan, Germany, the Netherlands, Singapore, U.K.); Cadbury Schweppes (New Zealand, Australia); Audi (Spain); Spanish Tourist Board (U.K.); Sandoz (Germany); Michelin (Japan, Taiwan, Hong Kong); McDonald's (Mexico); Henkel (Germany, Belgium, Spain, Netherlands).

Accounts lost or resigned by DDB Needham during the same period included Ford (Australia, New Zealand); Sara Lee (Australia); Blendax (Austria, Belgium); Levi's (Canada); Delsey (Belgium, France, Germany); Knorr Elorza (Spain). □

HAKUHODO

Clients:	USA	Brazil*	Europe: France	Germany	Netherlands	U.K.*	Pacific: Australia*	Japan	Hong Kong*	New Zealand	Singapore	Thailand	Malaysia
Ajinomoto	●	●					●				●	●	
Bridgestone	●					●	●			●	●		
Canon				●			●	●		●		●	
Citizen	●	●		●		●	●	●				●	
JAL						●	●			●		●	
Jusco							●	●			●	●	
KAO							●			●	●	●	
Konica	●			●			●			●			
NEC	●			●	●	●	●	●	●				
Toshiba	●			●			●	●				●	

*Non-equity affiliation Source: Advertising Age

Hakuhodo, Tokyo, had non-U.S. gross income of $517 million in 1988, up 36%. Non-U.S. billings were $3.9 billion, up 39.3%.

Worldwide gross income rose 36.3% to $522 million, while billings reached $3.9 billion, up 36%.

Hakuhodo owns 100% of its offices in the U.S., West Germany, the Netherlands, Singapore, Hong Kong, the U.K., France, Italy and Brazil; 60% of its office in Taiwan; and 49% of offices in Malaysia and Thailand.

The agency has representative offices in Barcelona and Beijing.

In addition, Hakuhodo owns 50% of Hakuhodo:Lintas and 49% of McCann-Erickson Hakuhodo. □

HDM

Clients:	USA	Europe: Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Portugal	Spain	Sweden	Switzerland	Turkey	U.K.	Pacific: China	Hong Kong	India	Indonesia	Japan	Malaysia	Philippines	Singapore	South Korea	Taiwan	Thailand
Adidas																●	●	●	●	●	●			●	●
BSN Gervais Danone	●		●		●	●	●			●		●		●					●						
Chanel						●	●	●	●		●														
Credit Suisse			●	●		●	●	●	●	●	●	●	●	●											
Colgate-Palmolive	●															●	●	●	●	●	●	●		●	●
Damart			●	●		●			●																
DuPont						●							●			●	●	●	●	●			●	●	●
Flying Tigers	●													●		●	●			●			●	●	●
Hewlett-Packard Intl.	●		●			●					●		●			●									
Henkel			●	●	●	●	●	●		●	●			●											
Hong Kong Tourist Assn.																●	●			●	●	●			●
Israeli Government Tourism			●	●		●	●	●	●	●	●		●												
Jacobs Suchard			●			●				●		●					●		●						
JAL																●	●			●	●	●		●	
Kentucky Fried Chicken	●															●	●		●		●			●	
L'Oreal				●		●		●									●								
Royal Canadian Mint																	●			●	●		●		●
Pernod Ricard				●			●	●			●		●							●		●			
Peugeot	●		●	●		●	●	●		●	●	●		●											
3M			●	●	●	●	●	●	●	●	●	●	●	●											
Unisys																●	●			●		●	●	●	

Source: HDM

HDM had 1988 non-U.S. gross income of $250.4 million, up 41.8%. Non-U.S. billings reached $1.7 billion, up 41.7%.

Worldwide gross income hit $279 million, up 36.8%, while worldwide billings reached $1.9 billion, up 40%.

HDM, a joint venture among Tokyo-based Dentsu; Young & Rubicam, New York; and Havas, Paris, has 81 offices in 27 countries.

Gains for HDM in 1988 included 3M (Austria, Belgium, France, West Germany, Italy, Spain, Switzerland, U.K.); Henkel (Belgium, France); NEC (Spain, Germany); Kentucky Fried Chicken (China, Malaysia, Thailand).

Losses in 1988 included Credit Demande (Belgium); Maison du Cafe (France); Bisquit Cognac and International Wool Secretariat (Germany); Kortman (the Netherlands); Grundig and Spall (Portugal); Grundig and Mahou beer (Spain); Hewlett-Packard (Switzerland); Langdale Timeshare and Harvey Nichols (U.K.); Esso (Singapore). □

LOWE INTERNATIONAL

Clients:	USA	Can	Europe: Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Spain	Sweden	Switzerland	U.K.
AC Delco			●	●			●					●	

LOWE INTERNATIONAL

Clients:	USA	Canada	Europe: Austria*	Belgium*	Denmark*	France	Germany	Italy	Netherlands	Norway*	Spain	Sweden*	Switzerland*	U.K.
Avis			●	●	●	●	●	●	●	●	●	●	●	●
Bols			●	●	●	●	●	●	●	●	●	●	●	●
Coca-Cola	●			●			●							
General Motors			●	●			●	●	●					●
Henkel		●	●	●			●	●	●		●			
Interbrew			●	●	●	●	●	●	●	●	●	●	●	●
Parker Pen	●	●		●			●	●	●		●			●
G.D. Searle		●	●					●	●					

*Non-equity affiliation Source: Lowe International

Lowe Howard-Spink & Bell, London, holding company for Lowe International, had 1988 worldwide gross income of $197 million, up 11.4%. Worldwide billings jumped 27% to $1.3 billion.

These results included Lowe's 100% holding of Laurence, Charles, Free & Lawson, 30% holding in Lowe Marschalk and 18% in Lowe Tucker Metcalf, all in the U.S.

In 1988, Lowe International won pan-European accounts from Avis; Interbrew; Bols; Henkel.

Other gains included Parker Pen (Canada, Spain); Bristol-Myers (Italy, West Germany); Richards & Wrench, Samsung, Brother (Australia); Drout Insurance, Eternit (Belgium); Hagenuk, Ferrero Rocher, Underberg Better and AOK, the state health insurance (Germany); Imperial Tobacco, KP Crisps, British Rail, Sky Television, Reebok, Tesco, National Power Co. (U.K.).

Accounts lost included Konica (Australia); Spa soft drinks/mineral water (Belgium); Gilbey's (Canada); Krups (France); Horten (Germany); Debenhams (U.K.). □

ROUX, SEGUELA, CAYZAC & GOUDARD

Clients:	Europe: Austria	Belgium	France	Germany	Italy	Netherlands	Spain	Sweden	Switzerland	U.K.	Morocco	Saudi Arabia
Bel			●			●					●	
Cartier	●	●	●	●	●	●			●	●	●	
Citroen	●	●	●	●	●	●	●	●	●	●	●	
Club Mediterranee	●	●	●	●	●		●	●	●	●		
Jacobs Suchard	●		●	●					●			
Piaget			●	●	●		●		●	●		

Source: Roux, Seguela, Cayzac & Goudard

Roux, Seguela, Cayzac & Goudard, Paris, had 1988 non-U.S. gross income of $184 million, up 60.3%, and non-U.S. billings of $1.3 billion, up 57.7%.

Worldwide gross income reached $210 million, up 81%, and billings hit $1.5 billion, up 84%.

RSCG owns majority interest in agencies in 11 European countries, a network of 40 regional French agencies, and agencies in Martinique, Guadeloupe and Morocco.

In 1988, RSCG won worldwide accounts for Guerlain perfume, Piaget watches, Stouffer Foods and Barclays Bank. Losses for the agency included Fisher-Price (France). □

SCALI, McCABE, SLOVES

Clients:	USA	Canada	Mexico	Australia
Hertz	●	●	●	●

Source: Scali, McCabe, Sloves

Scali, McCabe, Sloves, New York, had 1988 non-U.S. gross income of $35.2 million, up 51% from 1987. Non-U.S. billings were $210.9 million, up 44%.

Worldwide gross income hit $107 million, up 14.9%; worldwide billings reached $770.6 million, up 18%.

The agency has 12 foreign offices in eight countries and owns majority or maximum allowable stock in 10 agencies and minority interest in one.

International accounts won included Knorr (Canada); Best Foods (Canada); Jaguar/Rover (Australia); Computer Plus (Australia); Australian Labor Party (Australia); Ramdisk (Australia); Mobiltronics (Australia); Pillsbury (Mexico); Champion (Mexico); Moenus (West Germany); Sopexa (Germany); Dow Chemical (Germany); Penn (France); Lever Bros. (Spain).

International accounts lost included Canada Airlines (Canada); Moulinex (Mexico); Hattori (Germany); Henkel (Germany); Phillip Morris (Germany); Xerox (France); Sanbitter (France); ComputerLand (Spain); Gillette (Spain). □

TBWA ADVERTISING

Clients:	USA	Europe: Austria*	Belgium*	Denmark*	France	Germany	Greece*	Italy	Netherlands	Norway*	Portugal*	Spain	Sweden*	Switzerland	Turkey*	U.K.	Japan*
Absolut Vodka	●				●	●	●					●				●	
Aerolinas Argentinas					●	●			●			●					
Air Plus	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●	
Barilla			●		●	●	●					●	●	●		●	
Beiersdorf			●		●	●		●	●			●	●	●			
Bull Computers		●	●	●	●	●			●	●	●	●	●				
Delsey	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●	
Evian	●								●			●				●	
Fromageries Bel	●				●	●										●	
Goldstar	●					●								●		●	
Grand Met-IDV	●								●			●				●	
Henos		●	●		●	●			●			●		●			
Henkel		●	●	●	●	●			●			●		●			
Monsanto	●				●	●			●								
Philip Morris		●			●	●			●								
Tsirumo			●		●	●			●					●			●

*Non-equity affiliation Source: TBWA Advertising

TBWA, New York, had 1988 non-U.S. gross income of $74.3 million, up 33.4%, and non-U.S. billings were $517.8 million, a 23.6% increase.

Worldwide gross income hit $97.4 million, up 30.6%, while worldwide billings reached $671.9 million, up 23.3%.

TBWA has 17 offices in 10 countries, all majority-owned. The agency has non-equity affiliation in seven countries.

Outside the U.S., TBWA won business from Delsey, Beiersdorf, Henkel, Evian, Aerolinas Argentinas, Absolut and BSN Foods. Losses included SEAT (Europe). □

UNIVAS

Clients:	Europe: Austria*	Belgium*	Denmark*	France	Germany*	Italy	Netherlands*	Norway*	Portugal*	Spain	Switzerland*	U.K.	Middle East*
Lee Cooper		●		●	●							●	
L'Oreal		●		●	●	●	●		●	●	●	●	●
Ralph Lauren clothing	●	●		●	●								
Renault trucks	●	●	●	●	●	●	●	●	●	●	●		
Vanderbilt		●		●	●	●	●		●			●	●

*Non-equity affiliation Middle East includes Lebanon, Egypt, United Arab Emirates, Kuwait and Jordan Source: Univas

Univas, Paris, a wholly owned subsidiary of French agency group Eurocom, reported worldwide gross income in 1988 of $36.5 million, an 11.5% increase over 1987. Worldwide billings rose 11.3% to $243.7 million.

Univas has 20 offices in 15 countries and owns majority or maximum allowable interest in six offices, minority interest in four and has affiliations in 10. The agency has no U.S. holdings.

In France, Univas wins included France Loisirs, WellPolo Textiles, Smirnoff, Usines Center, Vogelsang France, Plasto, Even and industrial promotion for Finland.

Univas account gains outside France included Nintendo, Kraft, MFI Hygena/-Schreiber (U.K.); Kaliseand (Spain); Pernod Ricard's Orangina; Select Interim (Belgium). □

WCRS WORLDWIDE

Clients:	The Americas: USA	Argentina*	Brazil*	Chile*	Mexico*	Peru*	Uruguay*	Venezuela*	Europe: Austria*	Belgium*	Denmark*	France	Germany*	Italy	Netherlands	Norway*	Portugal*	Spain	Sweden*	Switzerland*	U.K.	Saudi Arabia*	Pacific: Australia	Hong Kong	Malaysia	New Zealand	Singapore	Taiwan	Thailand
BAT																				●			●	●		●		●
Bayer	●																							●	●			●
BMW																		●		●			●		●			
BP												●		●						●				●				
Canon														●						●							●	●
Fiat Tipo									●			●	●	●	●	●		●	●									
Hong Kong Shanghai Bank														●									●	●			●	●
ICI												●								●				●				●
S.C. Johnson									●			●		●			●											
Maple Leaf									●				●		●	●	●	●										
Matsushita (Panasonic)												●		●						●			●					
Nestle	●											●		●	●								●					
Pan Am	●	●	●	●	●	●	●	●	●	●		●		●	●	●	●	●	●	●		●						
Parker Pen																							●	●	●		●	●
Sara Lee									●					●						●			●					
Seagram																							●		●		●	
Singapore Tourist Promotion Board																						●		●	●		●	
Sheraton																							●	●		●	●	●
Unilever													●	●		●				●			●					
United Distillers									●	●	●	●	●	●			●	●	●	●								

*Non-equity affiliation Source: WCRS Worldwide

WCRS Worldwide, London, had non-U.S. gross income of $190.2 million in 1988, an increase of 39% from 1987. Non-U.S. billings rose 31% to $1.26 billion.

Worldwide gross income hit $290 million, up 20.8%, while billings jumped 21.1% to $2 billion.

WCRS has 19 agencies in 13 countries.

Accounts won in 1988 included Allied Lyons (U.S., the Netherlands); Monsanto (U.S., Thailand); Lego (U.K., France, Italy); Hayes Microcomputer (U.S., U.K.); Dunlop (France, Malaysia).

In the first six months of 1989, WCRS won Pan Am (worldwide); United Distillers (Europe); Unilever (U.K., Australia, West Germany, the Netherlands); Maple Leaf (Europe); Parker Pens (Asia).

Losses included 3M (U.K.); Sheraton (U.S., Europe); Laura Ashley (U.K., Australia, U.S.); Remy Martin (Asia); Qantas (Europe); Stouffer's (U.S.). □

AGENCY/CLIENT SUMMARY

Clients:	Agencies: N W Ayer	BBDO Worldwide	BDDP	Backer Spielvogel Bates Worldwide	Bozell	Leo Burnett Co.	Chiat/Day-Mojo	DDB Needham Worldwide	D'Arcy Masius Benton & Bowles	FCB/Publicis	Grey Advertising	Hakuhodo	HDM	Lintas: Worldwide	Lowe International	McCann-Erickson Worldwide	Ogilvy & Mather Worldwide	Roux, Seguela, Cayzac & Goudard	Saatchi & Saatchi Advertising	TBWA Advertising	J. Walter Thompson Co.	Univas	WCRS Worldwide	Young & Rubicam Inc.
American Express																●	●							
BAT				●								●			●		●						●	
Bayer		●						●	●			●			●		●						●	
Beecham	●											●							●					
Beiersdorf	●					●														●				
Bristol-Myers								●	●			●												
BSN Gervais-Danone			●											●					●				●	
Cadbury Schweppes								●		●									●					
Campbell Soup		●								●									●					
Canon													●	●					●				●	
Ciba Geigy				●						●		●												
Citicorp								●		●				●							●			
Coca-Cola Co.														●	●	●								
Colgate-Palmolive Co.										●				●									●	
CPC International		●								●							●	●	●				●	
Du Pont		●												●					●				●	
Eastman Kodak Co.																					●		●	
Ford																		●			●		●	
General Motors										●						●	●							
Gillette Co.	●	●															●	●						
Grand Metropolitan										●	●								●	●			●	
H.J. Heinz						●				●	●												●	
Henkel		●								●				●		●	●							
IBM													●		●						●			
ICI											●				●			●				●		
Jacobs Suchard										●				●					●	●			●	
Johnson & Johnson		●													●			●					●	
S.C. Johnson & Son		●								●									●			●		
Kimberly-Clark										●	●								●					
Kraft General Foods							●						●						●		●	●	●	
Mars					●					●			●											
McDonald's							●			●							●							
Nestle		●					●								●				●		●			
Parker Pen																●	●					●		
PepsiCo		●					●			●									●		●			
N.V. Philips		●						●	●	●				●		●	●		●					
Polaroid		●	●														●							
Procter & Gamble							●			●									●					
Quaker Oats Co.														●		●	●						●	
Reckitt & Colman										●				●			●		●				●	
Richardson Vicks								●						●			●							
RJR Nabisco									●					●			●		●					
Rowntree		●												●			●							
Seagram		●						●						●			●				●			
Shell												●												
3M				●									●											
Unilever		●												●		●	●				●	●		
United Distillers						●			●															
Warner-Lambert Co.				●														●			●		●	
Xerox		●																●					●	

Source: Advertising Age

Wine totals show little to celebrate

By John C. Maxwell Jr.

Significant sales declines in imports and wine coolers last year helped push down total wine industry volume sales 3% to 561.4 million gallons.

Imports dropped almost 16% to 81 million gallons and now account for 14.4% of the total wine market, down from 16.6%. Wine coolers dropped 15.5% to about 96.7 million gallons.

In the coming year, it's expected the domestic wine market will remain fairly stable, with decreases in the wine cooler segment offset by growth in the premium segment. Imports will probably keep declining, but at a more moderate pace. As a result, the overall wine market is likely to remain flat or decline slightly by 1% or 2%.

Mr. Maxwell is with Wheat First Securities, Richmond, Va.

Domestic wine sales volume last year remained relatively stable at 480.4 million gallons, only a 0.4% decline. Special natural wines, though a relatively small segment (4.6% of the domestic market in 1988), declined 13.7% to 22.3 million gallons. Sources indicated sparkling wines are off about 3.0% in 1988, with premium California wines witnessing significant volume growth of 18.0%.

The premium segment's growth was primarily responsible for the overall domestic wine market's stability. This growth is partially attributable to holiday sales as consumers seemed to move upscale when buying wine as a gift.

It appears premium-price wines were increasingly bought for gifts and entertaining, while lower-price wines were purchased for at-home consumption, leaving more mid-price wines on the retail shelves.

A breakdown of domestic wine shows both white and red wines lost market share in 1988 to rose. White now has a 69.1% share and red a 13.9% share, while rose increased to a market share of 17.0%. But in the premium segment, reds are believed to have a larger share.

Imported wines were under pressure particularly from California wines, which have been priced below imports for several years.

Industry experts indicate premium wine prices have increased 15% to 20% in 1989, partially due to higher grape prices and to the lack of any significant increases in the last couple of years. While no increases are forecast for other segments of the wine market, the premium increases could aid the pressured import market.

It appears per-capita wine consumption reached its peak in 1985 at 2.42 gallons and has been declining since then. Last year's per-capita consumption declined 4.2% to 2.27 gallons. □

Sales and shares of U.S. wines and coolers

Figures estimated in millions of gallons

Rank 1988	Rank 1987	Company	1986 Amount	1986 Share	1987 Amount	1987 Share	1988 Amount	1988 Share	1987-88 Change
1	1	E&J Gallo	166.8	28.7%	173.7	30.0%	160.5	28.6%	(7.6)
2	2	Vintners Int'l.	62.0	10.7	63.0	10.9	62.0	11.0	(1.6)
3	3	Canandaigua*	37.4	6.4	37.5	6.5	35.8	6.4	(4.5)
4	4	Heublein	20.3	3.5	28.4	4.9	34.5	6.1	21.5
5	7	Franzia	18.6	3.2	16.3	2.8	25.5	4.5	56.4
6	5	Almaden	24.3	4.2	22.4	3.9	20.0	3.6	(10.7)
7	6	Guild	11.9	2.0	17.1	3.0	13.7	2.4	(19.9)
8	8	Monarch**	13.5	2.3	13.0	2.2	12.5	2.2	(3.8)
9	9	Sebastiani	5.2	0.9	8.8	1.5	10.5	1.9	19.3
10	15	Glumarra	1.2	0.2	4.9	0.8	7.5	1.3	53.1
11	12	Beringer	4.8	0.8	6.0	1.0	6.9	1.2	15.0
12	14	Robert Mondavi	4.1	0.7	5.3	0.9	6.0	1.1	13.2
13	10	Bronco	3.3	0.6	8.7	1.5	5.7	1.0	(34.5)
14	13	Lamont	5.1	0.9	5.5	1.0	5.3	0.9	(3.6)
15	11	California Growers	2.0	0.3	8.5	1.5	3.7	0.7	(56.5)
16	18	Delicato	2.2	0.4	3.0	0.5	3.5	0.6	16.7
17	16	Mogen David	3.5	0.6	3.5	0.6	3.3	0.6	(5.7)
18	17	F. Korbel	2.7	0.5	3.1	0.5	3.0	0.5	(3.2)
19	20	ISC	1.8	0.3	2.8	0.5	2.8	0.5	0.0
20	19	Christian Bros.***	2.8	0.5	2.8	0.5	2.6	0.5	(7.1)
21	22	Gibson	2.7	0.5	2.4	0.4	2.5	0.4	4.2
22	21	C. Mondavi	2.5	0.4	2.6	0.4	2.4	0.4	(7.7)
23	28	Sonoma	0.8	0.1	0.8	0.1	1.3	0.2	62.5
24	23	Weibel	1.5	0.3	1.2	0.2	1.2	0.2	0.0
25	25	M&H	0.6	0.1	1.0	0.2	0.9	0.2	(10.0)
26	30	East-Side	0.4	0.1	0.7	0.1	0.9	0.2	28.6
27	24	San Martin	1.2	0.2	1.0	0.2	0.8	0.1	(20.0)
28	26	Mirassou	0.9	0.2	1.0	0.2	0.7	0.1	(30.0)
29	27	Wente	1.0	0.2	0.8	0.1	0.7	0.1	(12.5)
30	29	Sierra Wines	0.9	0.2	0.7	0.1	0.4	0.1	(42.9)
31	31	Louis Martini	0.6	0.1	0.6	0.1	0.4	0.1	(33.3)
		Subtotal	406.6	69.9%	447.1	77.3%	437.5	77.9%	(2.1)
		Other domestic	66.0	11.4	35.2	6.1	42.9	7.6	21.9
		Total domestic	472.6	81.3%	482.3	83.4%	480.4	85.6%	(0.4)
		Imports	108.7	18.7	96.3	16.6	81.0	14.4	(15.9)
		Total	**581.3**	**100.0%**	**578.6**	**100.0%**	**561.4**	**100.0%**	**(3.0)**

*In fiscal 1987 Canandaigua completed the acquisitions of Widmer's Wine Cellars and Monarch Wine Co., including its Maniscewitz brand. **In 1987 Canandaigua acquired Monarch. ***Heublein announced the acquisition of Christian Brothers in May 1989. *Source:* John C. Maxwell Jr.

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Honey board abuzz with seal

By Janet Meyers

The National Honey Board's new seal of approval—a bear guzzling honey from a jar—next week will start appearing on packages of reformulated Honey Graham Chex cereal.

The board joins other commodity groups that have developed logos as a marketing tool and symbol of ingredient purity.

The honey logo has also been approved for use on 24 other unidentified products, ranging from breads to salad dressings.

Ralston Purina Co., which recently reformulated its Honey Graham Chex to double the honey content, will use the seal on packages and in coupons.

The marketer found the honey bear particularly attractive for use in the active honey-added segment of ready-to-eat cereals, where sales in the past year increased 93%, said a Ralston spokesman.

"Our honey bear logo is reserved for products using honey as a key sweetener," said Mary Humann, honey board director of public relations.

For products to qualify, honey must be the main sweetener, but the necessary ratio of honey varies by food type, she said.

The board will advertise the bear logo for the first time early next year with ads encouraging consumers to look for the bear mark, Ms. Humann said. Evans/-Kraft, Seattle, will create the $1 million-to-$2 million campaign.

The board hopes to give an edge to those products with a significant amount of honey as an ingredient over those that use "honey" in their products' names but contain minimal amounts of the ingredient, Ms. Humann said. She said companies won't pay for using the bear seal.

The board and General Mills late last month broke a free standing insert for Betty Crocker muffins, encouraging consumers to spread honey on their muffins. The FSI, created by Evans/Kraft, also featured a promotion for a stuffed honey bear.

"People love the taste of honey, but they don't know how to use it," Ms. Humann said. "We've had to educate them." □

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September 18, 1989

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Advertising Age

Crain's International Newspaper of Marketing · In Two Sections · Section 1 · $2.00 a copy

Gillette readies Sensor

By Alison Fahey

Gillette Co.'s much-ballyhooed new shaving system will be called Sensor, sources said, and its January launch could be followed by a full line of upscale men's toiletries under the Gillette name.

Sensor will be introduced in 19 countries and backed by $100 million in advertising and promotion for 1990.

It represents Gillette's first pan-Atlantic razor launch and the biggest razor introduction ever, industry analysts said.

The first product commercial reportedly will air on CBS' Super Bowl XXIV broadcast Jan. 28.

Gillette already has spent more than $100 million developing the blade-and-razor system, which it terms "revolutionary."

The company has declined to comment, but it plans to announce details of the system and its marketing strategy Oct. 3.

One source close to Gillette said Sensor will get a teaser commercial on network TV during the college football bowl games, saying: "On Jan. 28, Gillette will change the way you shave forever."

BBDO Worldwide, New York, handles Gillette shaving products.

Advertising for the system is expected to carry Gillette's umbrella theme, "The best a man can get." Spots will borrow themes and imagery from the current Atra Plus campaign, stressing Gillette's heritage, but will be more product-specific, sources

(Continued on Page 81)

Ralph Lauren drops WRG

Agency at risk of losing another $42M in business

By Jon Lafayette

NEW YORK—Wells, Rich, Greene lost the $10 million Ralph Lauren/Polo account last week and may be in danger of losing an additional $42 million in business from two other important clients.

WRG/Worldwide Chairman Ken Olshan confirmed the Lauren fashion and cosmetics account had left, but declined to comment on speculation Miles Inc.'s $25 million Alka-Seltzer Plus and Procter & Gamble Co.'s $17 million Sure antiperspirant might also leave.

He would only say the two marketers remain WRG clients.

A Miles spokeswoman said WRG is agency of record for Alka-Seltzer Plus but confirmed the company plans to air new Alka-Seltzer Plus TV commercials created by Frankenberry, Laughlin & Constable, Milwaukee, starting next month.

Sources said Alka-Seltzer Plus sales were down during last year's cold season and that some new members of Miles' marketing team weren't sold on WRG's long-running testimonial campaign.

P&G, through a spokesman, said the Sure account hadn't been moved and declined to elaborate. But sources close to the marketer said the company wants to replace the long-running "Raise your hand if you're Sure" campaign.

"The brand managers are all lined up to fire Wells," a source at another P&G agency said.

Even if WRG loses Sure, the shop would remain in the P&G stable, working on Oil of Olay, Pringle's, Spic & Span, Safeguard bar soap and Gain detergent.

Grey Advertising, which last year lost Bristol-Myers Co.'s Ban antiperspirant, is seen as a possible winner of Sure if WRG is replaced.

Sources said the Lauren account may move to a new agency to be set up by WRG Exec VP-Creative Director Sandy Carlson, who these sources said is leaving the agency.

Ms. Carlson couldn't be reached for comment; a spokeswoman for Lauren said no decision has been reached.

Ms. Carlson is married to Dick Tarlow, who in July joined Revlon as exec VP-advertising and whose agency, Tarlow Advertising, was acquired by his new employer. She's been responsible for Lauren

(Continued on Page 84)

Wisk rings in new ad generation

By Laurie Freeman

Lever Bros. is changing one of the most successful—and ridiculed—ad campaigns in history.

And, ironically, the copywriter responsible for the new advertising is the son of the man who wrote the old theme.

Lever on Sunday broke a new campaign for its Wisk liquid laundry detergent, known since 1967 as the brand that ends "Ring around the collar."

The new vignette-oriented creative, themed "Tsk, tsk, tsk! Wisk Wisk Wisk," is the brainchild of J. Walter Thompson USA VP-Copywriter J.J. Jordan, whose father, Jim Jordan, dreamed up "Ring around the collar" while at BBDO 22 years ago.

After more than 20 years, Lever is replacing "Ring around the collar" (above) with "Tsk, tsk, Tsk!" (left).

Jim Jordan is now chairman of Jordan, McGrath, Case & Taylor, New York.

The 30-second TV commercial tips its hat to the long-running previous campaign by placing the phrase "Ring around the collar was just the beginning" at the beginning on a title card.

The estimated $13 million campaign will introduce Advanced Action Wisk, billed as "the best Wisk ever." In the commercial, three different scenes are shown in which people spill drinks or are

(Continued on Page 81)

LAST MINUTE NEWS

BK signs Torme

MIAMI—Singer Mel Torme has a role in Burger King's new advertising, breaking Oct. 1, sources said. A spokeswoman for the chain confirmed "Mel is doing some music for us" but wouldn't elaborate on the media or whether singing or writing was involved. D'Arcy Masius Benton & Bowles and Saatchi & Saatchi Advertising, both New York, handle the $215 million account.

Pru review gets going

NEWARK, N.J.—Prudential this week is expected to invite eight to 10 agencies to pitch its $70 million account. Prudential in July announced plans to review its account, now at Backer Spielvogel Bates Worldwide, New York. The review has been delayed because many Pru executives want to participate in the process and the company has had to decide which financial service companies pose a conflict, sources said. The delay may favor Backer, which last week hired Dennis Zolnierzak, 37, who'd been with the agency earlier, as senior VP-management representative on the Pru account, from group management representative at Bozell. He succeeds Thomas Hook, who will work on new business.

Reebok to end 'Physiques'

CANTON, Mass.—Reebok will drop its current "Physics of physiques" ac

(Continued on Page 8)

INSIDE

Hikes forecast ..... P. 3
Magazine rate hikes are expected to average between 5% and 7%.

Where CME stands ..... P. 6
Ad Age talks to Bill Dunlap about the Tambrands loss and the state of CME.

Whittle on 'One' ..... P. 83
Whittle won't name them but says advertisers are lining up for "Channel One."

Avon drops Ayer with in-house shift

By Pat Sloan

Avon Products will move its advertising in-house at yearend in a cost-cutting move that will leave N W Ayer and UniWorld Group without a cosmetics account.

The change follows Avon's decision to shop its retail fragrance division in a continuing effort to bring down its $1 billion debt, due primarily to a number of healthcare company acquisitions in the past decade (AA, July 24).

Avon's split from its New York-based agencies follows a marked decline in ad spending this year.

While LNA/Arbitron Multi-Media Service put spending at $22 million for 1988, sources close to the company put last year's budget closer to $13 million. And this year, they said, spending has dropped to less than $8 million.

An Avon spokeswoman said Ayer had 80% of the billings and UniWorld 20%.

"Avon has cut back on their spending considerably," said Victoria Horstmann, a spokeswoman at N W Ayer. "We haven't done any TV [for Avon] since early 1988. Historically, they've done a lot of projects in-house."

No extensive ad program is planned for 1990, a company spokeswoman said, noting that the most the company might do is "some print ads."

It hasn't been decided who will handle media buying.

Avon may use Ayer and UniWorld on a consulting basis at a future date, the company said.

Sources close to Avon said they believe the company will run only sales-recruitment ads next year.

To help reduce its debt, Avon for several months has been looking at selling its retail fragrance division that includes Parfums Stern, marketer of Uninhibited by Cher and Oscar de la Renta, and Giorgio, marketer of Red.

That division isn't handled by either Ayer or UniWorld, and its agencies won't be affected.

The fragrance units have combined sales of $300 million and are expected by industry observers to command a price ranging from $475 million to $600 million.

Last week, Shiseido Co. confirmed reports that it's looking at the division. But a spokesman emphasized the company hasn't made a bid and is only one of several potential bidders.

Cosmair is also considered a potential bidder.

Industry sources said other bidders might include Dan Manella, the head of Faberge, whose toiletries products were sold this summer to Unilever, as well as Giorgio President Michael Gould; Kao Corp.; Revlon; and Unilever.

An Avon spokesman said that if a suitable buyer is found, an announcement would be made in the next 90 days. But any deal might not be completed until early 1990. □

Gary Levin in New York contributed to this story.

P&G under the big top

Company sponsors Ringling Bros. circus

By Laurie Freeman

Procter & Gamble Co., in what the company says is its largest sponsorship deal ever, has signed on as the sole presenter of the Ringling Bros. and Barnum & Bailey Circus.

Five P&G brands—Jif peanut butter, Crisco oil, Duncan Hines baking mixes, Pringle's chips and Crisco shortening—are participating.

The agreement, estimated by industry sources to be worth $10 million, gives P&G all merchandising and licensing rights to the Greatest Show on Earth through 1991, with an option to extend through 1992.

P&G spends more than $25 million on a variety of special events and sponsorships, including NASCAR racing cars, tennis tournaments and hydroplane racing.

It recently became the "official restroom supplier" for Arrowhead Stadium in Kansas City, Mo., home of the Kansas City Chiefs pro football team.

The $100,000 sponsorship includes stocking stadium restrooms with Spic & Span cleaner, Bounty paper towels, Ivory liquid soap and Charmin bathroom tissue. Attendants, dubbed the "Clean Team," dress in red jumpsuits with Spic & Span and Bounty logos.

P&G is certain its Ringling Bros. plan will include in-store merchandising displays and other promotions.

"We haven't fully addressed whether we'll run our own TV ads for this, but our brands will be featured on every publicity piece, TV, radio and newspaper ad that is placed by the circus," said Ray Arckey, P&G special-events manager, food products division.

P&G will do creative for circus-related promotions in-house.

Kenneth Feld, Ringling Bros. president-ceo, called the agreement "a natural fit [for] wholesome family entertainment and consumer products." □

Nestle revises roster

By Laurel Wentz

LONDON—Nestle, a $1.2 billion advertiser worldwide, has added Ogilvy & Mather and FCB-Publicis to its roster of "preferred" agencies.

The official word that these global shops are joining J. Walter Thompson Co., McCann-Erickson Worldwide and Lintas:Worldwide came in a memo issued recently from Nestle's Vevey, Switzerland, headquarters to its operating companies.

Sources at Nestle companies in several European countries said the memo lists two or three preferred agencies for each product category.

Those agencies are expected to keep free of potential conflicts in their designated categories.

O&M is added to the roster for confectionery products, milk additives and chilled products. O&M already works for Nestle in 14 countries, with the bulk of its business coming from the Rowntree confectionery brands Nestle acquired last year.

FCB-Publicis becomes an official agency for frozen food, ice cream, cereal, fruit juice, tea and mineral water. The agency already works for Nestle in 16 countries, including the U.S. and most of Europe.

O&M and FCB-Publicis joined the roster because they were the agencies that had the most Nestle business in the greatest number of countries after JWT, McCann and Lintas, Nestle sources said.

Nestle companies around the world currently work with nearly 100 agencies. The marketer uses nine international networks in four or more countries.

The designation of "preferred agency" is an effort to encourage consolidation of business at those agencies in each country without forcing that agency on the Nestle operation there.

"We are talking about a future direction. If in 10 years we arrive at a higher concentration of agencies, that's fine," said Michel Reinarz, Nestle director of visual communications.

Mr. Reinarz has been studying whether Nestle should take greater control of media buying and examining agency commissions.

Experimental work on an incentive-based commission system was abandoned about a year ago, due in part to lack of cooperation by agencies.

Nestle is still expected to introduce a small performance-related incentive, though much less ambitious than the program originally conceived.

"We have no surprises on remuneration," Mr. Reinarz said. "Cutting agencies' commissions by a certain percent is penny-wise and pound foolish." □

Kevin Cote in Berlin contributed to this story.

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City books pursue safety in numbers

By Laura Loro

City and regional magazines are banding together to survive in a tightening market.

Double-digit growth typical of the 1970s has disappeared as ad spending hasn't kept pace with the expanding number of titles, said Brandi Sullivan, executive director of the City & Regional Magazine Association.

The tougher business environment has left Dallas, Detroit, Houston, Indianapolis and Minneapolis with a single city magazine each, she said, as the stronger players have bought out weaker competitors.

Publications also have joined together to offer group ad buys to woo national advertisers. Also, as city titles compete more directly with newspapers, the magazines are presenting advertisers with innovative ad packages.

Last year, overall ad pages for the association's 42 members were up an average of 4% to an average 986 per book, and circulation and revenues were up 5%, the association reports. The group predicts another increase this year.

"It is generally healthy," Ms. Sullivan said, even though the field isn't seeing "the double-digit figures we were seeing in the early 1980s."

Three factors contribute to the slowdown: slack ad spending; increasingly regionalized coverage—and ad space—from national magazines; and increased competition with newspapers, brought on by a trend toward investigative journalism among city and regional magazines.

Those publishers reducing competition by buying weak competitors or merging include *Detroit Monthly*, *Indianapolis Monthly* and *Mpls.-St. Paul*.

Some buyouts have transferred entrepreneurial magazines to large-scale media organizations, which can compete more effectively, Ms. Sullivan said. There now are about 300 city and regional magazines in the U.S., she said.

Micromedia Affiliates, Morristown, N.J., has bought 10 city and regional magazines since 1982, including *New Jersey Monthly*, *Pacific Northwest*, *Sacramento* and *South Florida*.

A group of publications "brings certain efficiencies to the operation," said Richard Lawrence, Micromedia exec VP.

Ironically, Micromedia recently sold *L.A. West* back to founders Bob and Jan Loomis, from whom Micromedia bought the book last August. Micromedia also sold *Ranch & Coast*, an upscale San Diego County magazine it bought in December, to a family group including the Loomises.

The books "didn't fit into our continuing publishing operation. We didn't think they'd be as successful as they might have been given the time constraints we felt were necessary," Mr. Lawrence said.

Although there are other multi-titled groups, most city and regional magazines are standalones, said Paul Hale, VP at Veronis, Suhler & Associates, an investment bank specializing in magazines.

"That's understandable because to run them requires local knowledge," he said.

Magazines are finding group ad buys and other joint efforts suc-

(Continued on Page 54)

Books band together

Publishers in the top 10 markets are developing a group buy to woo national advertisers.

Title	Publisher	Circulation	Ad pages 1989	1988
Boston	Metrocorp	130,740	915.05	1,018.25
Chicago	Adams Communications	204,228	733.86	684.78
D	Southwest Media Corp.	106,962	484.30	565.10
Detroit Monthly	Crain Communications Inc.	98,533	380.13	531.22
Houston Metropolitan	City Home Publishing	87,397	418.77	415.64
Los Angeles	Los Angeles Magazines	174,306	994.03	979.94
Manhattan, Inc.	Metrocorp	90,044	301.70	406.70
Philadelphia	Metrocorp	148,819	910.59	974.61
San Francisco Focus	KQED Inc.	187,441	688.50	617.94
The Washingtonian	Washington Magazine	161,192	1,098.40	1,011.82

Circulations are latest available figures. Source: *Advertising Age* and SRDS

Niche pubs nip at Philly giant

By Laura Loro

PHILADELPHIA—Local specialized magazines are competing with the Goliath *Philadelphia* by not taking it on directly.

Applause, *Inside* and *PhillySport* cater to small, distinct readership groups, though they still vie for some *Philadelphia* advertisers.

Magazines are "targeting their market more crisply. Specialization offers advertisers economy without waste," said Frances Freedman, publisher of *PhillySport* and co-publisher and president of *Applause*.

City Sport Network's *PhillySport* reported $700,000 in first-year ad revenues (with four issues) and predicts a 185% increase this year (as a monthly). *SportBoston* makes its debut Sept. 30; a Chicago version is planned for April.

Applause, which began in 1984 as a slick program guide for public stations WHYY-FM and WHYY-TV, in March hired new publishers, Ms. Freedman and Allan Kalish, and is evolving into an arts/cultural monthly. Ad revenues are projected to hit $1.75 million by yearend.

Inside, the quarterly magazine of *Jewish Exponent*, a weekly newspaper, targets a group with significant buying power. Since its 1980 introduction, ad pages rose 63% to 407 in 1988, and are up 15% from a year ago.

"You can reach segments of an audience with these magazines, but to reach a broad-based audience, *Philadelphia* is the only option," said Linda Savidge, media supervisor, McAdams, Richman & Ong, Bala-Cynwyd, Pa.

But the 80-year-old upscale monthly's linage is slipping, due

(Continued on Page 55)

'Phoenix Metro' gets competitor

By Melanie Johnston

PHOENIX, Ariz.—*Phoenix Metro* is getting a face-lift—and its first taste of competition.

The 23-year-old monthly's new publisher has redesigned the book, is toughening up its editorial and will target new advertisers and younger readers.

"We've been accused of being a boring, bland magazine. . . . We'd like to become known as the voice of contemporary thought and literature of the Southwest," said Publisher Bruce Cole, a former ad exec who formed the investment group that bought managing interest in *Phoenix Metro* from Phoenix Publishing Co.

Phoenix Metro will face its first direct competition in November when Trend Magazines launches *AZ—The Magazine of Sophisticated Living in the Valley*, a quarterly.

"It will feature what people are doing with their leisure time and dollars, cultural aspects, travel, food and wine. Sort of what our *Arizona Trend* readers do when they're not at work," said Publisher Tom Kunkel.

Mr. Cole said *Phoenix Metro's* revamp isn't in response to *AZ*, just a result of its March ownership change.

Although *Phoenix Metro's* editorial mix of business, political, sports and lifestyle coverage won't change, its approach will, Mr. Cole said: "There will be a little more controversy and quite a bit less boosterism."

Phoenix Metro is dropping most of the departments that "cater to every advertising group" and will print more in-depth feature articles, Mr. Cole said.

The changes are in part an effort to attract more advertisers, readers aged 35-45 (down from 45 and older) and contributions from well-known writers such as John Updike, Mr. Cole said.

By lowering the age of its target market, *Phoenix Metro* may be leaving open the niche *AZ* plans to target: the 50,000 households here with an income of more than $45,000. The oversized *AZ* will have a controlled circulation of 60,000, with 10,000 copies distributed

(Continued on Page 55)

'Southpoint' means business

Southern Progress gets tough with new book

By Rob Levin

BIRMINGHAM, Ala.—It's a publishing company unabashedly, almost stubbornly, loyal to the South. But Southern Progress Corp. will downplay its Dixie roots as it repositions *Southern*.

Southern Progress bought the 2-year-old general interest monthly in March and will introduce it next month under the name *Southpoint: The Metropolitan Monthly* (AA, May 22).

"It will be significantly different from our other publications," said Jim DeVira, group publisher.

Southern Progress publications traditionally have shied away from hard news and controversial stories, concentrating instead on home and lifestyle features.

The approach appears successful. Southern Progress' flagship, *Southern Living*, is the largest regional magazine in the U.S. with a circulation of 2.3 million, reports the Audit Bureau of Circulations. Ad pages in 1988 exceeded 1,400.

Other publications include *Cooking Light* (circulation 584,588), *Progressive Farmer* (489,189), *Southern Accents*, an upscale home magazine (250,000), and *Travel South* (200,000).

"Southpoint: The Metropolitan Monthly" makes its debut in October.

Unlike Southern Progress' consumer publications, *Southpoint* will target executives with a mix of straight business stories and general stories with a business slant, said Editor John Huey. Projected circulation within two years is 300,000-plus.

While there's no projection of ad pages for this year, "the reception has been very, very good, not only in the South but in New York, both coasts and Chicago," said Don Logan, president-ceo of Southern Progress Corp.

Some major marketers that have signed contracts include AT&T Co., Grand Metropolitan's Absolut vodka and Southern Co., the holding company for several electric power utilities, he

(Continued on Page 55)

Safety in numbers

(Continued from Page 33)
cessful.

Los Angeles, San Diego and *San Francisco Focus* have seen ad pages increase 44% to a projected 220 this year since beginning its "California City Group" buy in 1983, said Susie McCormick, *San Francisco Focus* publisher.

Connecticut, Long Island Monthly and *New Jersey Monthly* have signed three advertisers—American Express Co., Maserati Automobiles and Schieffelin & Somerset Co. for Tanqueray Sterling vodka—since instituting its group buy in May (AA, June 5).

Metrocorp's group buy for its four titles—*Atlanta, Boston, Manhattan, inc.* and *Philadelphia*—has been moderately successful, adding more than $1 million to ad revenues last year and a projected $1.5 million in 1989, said VP-Marketing Robert Phillips. Metrocorp discounts ad pages 20% for four books and 8% for three books.

"Our strategy is, 'If you buy our Top 10 markets, don't take *Time* or *Newsweek* off your list. [Reduce the number of buys in those books] and we'll give you guaranteed positions at discounted rates.' "

Robert Philips
Metrocorp
VP-marketing

The media company also is involved in the industry's most aggressive effort to date: a combination buy of city magazines in the Top 10 U.S. cities.

"Our goal is to get into national plans. . . . Advertisers can make a national impact in local publications," Mr. Phillips said.

Only 17% of city and regional magazines' ad revenue is from national advertising, the association reports.

The alliance—which is expected to involve *Los Angeles, Chicago, Washingtonian, D* (in Dallas), *San Francisco Focus, Houston Metropolitan* and *Detroit Monthly* in addition to Metrocorp's *Manhattan, inc., Philadelphia* and *Boston*—would pursue auto marketers, financial services, travel and food marketers.

(The three ad categories that accounted for more than half of all ad pages in 1988 are business/consumer services, food and apparel.)

"Our strategy is, 'If you buy our Top 10 markets, don't take *Time* or *Newsweek* off your list. [Reduce the number of buys in those books] and we'll give you guaranteed positions at discounted rates and merchandising,' " Mr. Phillips said. He estimates it would add about $500,000 in ad sales a year per book.

The buy "would make some sense. A lot of business-to-business advertisers like to put money in major business hubs," said Nancy Smith, senior VP-director of media services, Young & Rubicam, New York.

But there are hurdles. "Our magazines are notoriously independent. They all have rate increases at different times and now prices would have to stay in effect for a year," Mr. Phillips said.

Still, he is optimistic a group buy could be announced this month, in time for the 1990 selling season. The discount isn't set, but Mr. Phillips predicts 10% off individual books' rates.

There are also the questions of how commissions will be paid, whether national advertisers will consider a package of regional books a good alternative to a national buy and whether varying editorial quality among the titles will affect the quality of the package overall.

General Motors Corp. "was very receptive to the idea" of a 10-city buy, said David Lipson, publisher of *Philadelphia*. A deal with GM, which uses mostly TV and newsweeklies, may be a catalyst toward getting publishers to agree on solutions, he said.

"There are difficulties [in getting publishers to agree], but I would be optimistic. It's a good opportunity. The efficiency of it is so wonderful that it makes sense to do it," said *Detroit Monthly* Publisher Faith Gallo.

If city magazines "are going up against the newsweeklies, they may have a problem. You could buy the metro edition of a newsweekly; why go to a city book? It's not an easy sell," Ms. Smith said.

Meanwhile, magazines including *Chicago, Mpls.-St. Paul* and *San Francisco Focus* are using innovative marketing to better compete with newspapers.

"Newspapers are not very creative in selling. The door is wide open for city and regional magazines to do creative merchandising," said Gary Johnson, VP-marketing for Adams Publishing of Minneapolis-St. Paul.

The publications also are taking steps to meet growing competition from national magazines that are regionalizing coverage and offering national advertisers strong regional buys, said Donald Kummerfeld, president, Magazine Publishers of America.

Mpls.-St. Paul, which merged earlier this year with *Twin Cities*, is experimenting with digests, such as *The Minnesota Stat Book*, a compendium of sports statistics on all Minnesota teams. Slated to appear by early January, the digest will have a single sponsor, as yet unsigned.

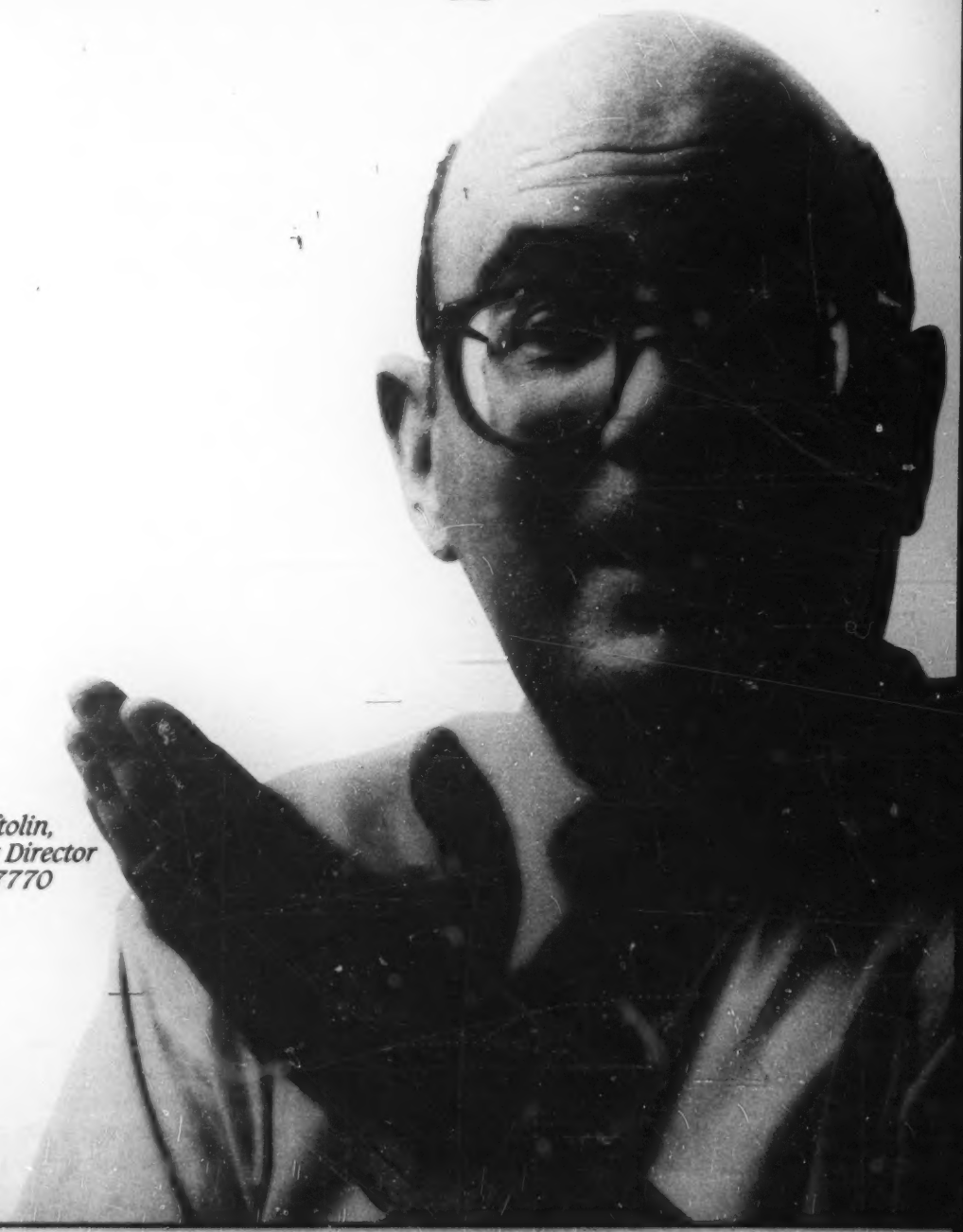
Chicago plans high-profile events that local and national marketers host. The magazine next month will underwrite retailer Marshall Field & Co.'s upscale "Trend home" charity benefit, tied to the redesign of its flagship store. The magazine also ran a contest for Frexinet champagne, inviting readers to send brunch recipes that were then demonstrated at Marshall Field's.

"Sometimes I think [the magazine] can turn into a sales promotion agency," said *Chicago* Associate Publisher Kelley Moncrieff.

At *San Francisco Focus*, "the trend is tying advertisers in with the community so they get extra exposure in the marketplace," said Marketing Manager Leslie Price. For example, the magazine developed a promotion for retailer The Tailored Man, sending concierges a silk tie or scarf and asking them to recommend the store to tourists.

"Within the first day, they were flooded with tourists. Tourist business was up 40%," Ms. Price

Want to pay the



Marvin Naftolin,
Advertising Director
(314) 992-7770

said.

"Ten years ago, merchandizing was sending out a letter and a magazine. In the last five years, it has developed into a marketing tool to help achieve clients' objectives," she said.

"We are seeing more and more merchandising activities in conjunction with purchasing" of ads in consumer books, said Keith Crain, vice chairman of Crain Communications Inc. "It maximizes the impact of the marketing dollar rather than the advertising dollar."

Mr. Crain expects merchandising to continue, but doesn't see a threat of advertisers coming to expect it.

"A lot of it may be purchased by the advertiser [because of] the opportunity to take advantage of combining advertising and sales promotion," he said. □

Philly pubs

(Continued from Page 33)

to slack ad spending.

Philadelphia linage is down 6.6% for the first seven months this year to 910.6 pages (AA, Aug. 21).

Philadelphia didn't get expected spending increases from national advertisers and is fighting to keep linage up with "cause marketing" and special issues.

"We expected a windfall with the trend toward regional advertising," but it hasn't panned out, said Publisher David Lipson. National advertising accounts for 15% to 20% of all advertising, and is down 5% this year, he said.

The magazine donated 10% of ad revenue for an August supplement to the Philadelphia Museum of Art. The supplement, a guide to the museum, appears in "Best of Philly," the most popular issue. The August issue carried 56 ad pages and raised almost $50,000 for the museum, Mr. Lipson said.

Philadelphia next year will tie in with the Franklin Institute's Futures Center.

"We'll do it once a year. If you go to the well too often, it'll dilute the effort," Mr. Lipson said.

He said cause marketing makes *Philadelphia* a tougher competitor: "It puts us on a higher ground as doing something positive for the community. Advertisers respond to that."

Advertisers are responding to the niche books, too, with some, such as U.S. Healthcare, supplementing *Philadelphia* buys.

U.S. Healthcare advertises in *Applause* "to reach an upper management audience which includes decision makers," said Lawrence Alten, VP-creative services. The healthcare marketer also ran ads in two *PhillySport* issues and is considering more, he said. U.S. Healthcare handles print in-house; Levine, Huntley, Schmidt & Beaver, New York, handles broadcast.

PhillySport is "doing very well, averaging 50 pages of ads per issue," Ms. Freedman said.

Only 15% of *Applause's* readers buy *Philadelphia*, so there's little overlap, Mr. Kanish said.

Of Philadelphia's 280,000-to-300,000 Jews, *Jewish Exponent* readers have "upscale and affluent households. We present our audience as one with buying power," said *Inside* General Manager Richard Waloff. *Inside* and *Jewish Exponent* offer package ad deals, and many advertisers use both publications, he said. □

Phoenix

(Continued from Page 33)

through area resorts and hotels. The cover price is $4.

Phoenix Metro reports paid circulation of 45,000.

For *Phoenix Metro*, a color page costs $3,700; a b&w page is $2,450. At *AZ*, a color page costs $3,870; a b&w page costs $2,970.

Mr. Cole believes *AZ's* introduction will help *Phoenix Metro* compete with electronic media.

"We wish there were more solid print options for advertisers. They hate to prepare material for just one publication," he said.

Design-oriented *AZ* will pursue local retail advertisers. If successful, *AZ* may step up publication to every other month and eventually monthly, and Trend Magazines may try the format in other cities, Mr. Kunkel said.

"This is [Trend parent] Times Publishing Co.'s first foray into lifestyle publications, but I can see us parlaying that into similar magazines in other markets." □

Southpoint

(Continued from Page 33)

said. *Southpoint* will target more business advertisers, including "business-to-business advertising and business travel, airlines, rental cars, luggage. We also expect to do well with auto, liquor and some retail," and may add classifieds later, Mr. Logan said.

Southpoint's editorial must be neither too localized as to offend the non-Southern-bred reader nor too general to carry special meaning, observers believe.

"If it runs stuff that might as well have appeared in *The New Yorker*, readers will say, 'Why is this in my magazine?' " said Paul Hale, VP of Veronis, Suhler & Associates, a New York investment bank specializing in magazines.

"This is unique to what's been attempted in the region before," Mr. Hale said. "This is more about what is happening in the South today, rather than a book for people who spend a lot of time contemplating their Southernness." That's been a frequent criticism of *Southern*, he said.

To boost *Southpoint* subscriptions, Southern Progress executives plan to tap lucrative subscription lists of their own magazines, as well as those of parent Time Inc. Magazine Co.'s publications. Trade ads and a direct-mail effort, including 15,000 free copies, support. Advertising is handled in-house. □

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Sears boosts promos hoping to build traffic

By Kate Fitzgerald

CHICAGO—Facing decelerating sales under its "every-day low price" strategy, Sears, Roebuck & Co. this fall is accelerating its sales promotions, using a two-pronged strategy.

Next month, Sears launches a major promotion called "Passport to Savings," offering contests and savings on name-brand merchandise. It will overlap with an October "Great American Kitchen Month" promotion.

This activity follows on the heels of Sears' unusual tie-in with NBC-TV's promotion of its fall program lineup.

Sears' recent track record with promotions leaves some analysts wondering if the fall blitz will be effective in driving up store traffic and sales. Sears officials didn't return phone calls.

"There's no way of telling whether [the promotions] will bring people into the store, but Sears certainly hopes so," said Monroe Greenstein, an analyst with Bear, Stearns & Co. "They're going to push very hard on promotions all through the fall."

A $6 million lottery-style sweepstakes tied to customers' Sears charge card numbers in June—Sears' first major promotion under its "every-day low price" strategy—failed to generate increased store traffic or sales, analysts said.

This fall, Sears is folding under the "Passport to Savings" umbrella its second annual "Great American Kitchen Month" promotion held during October.

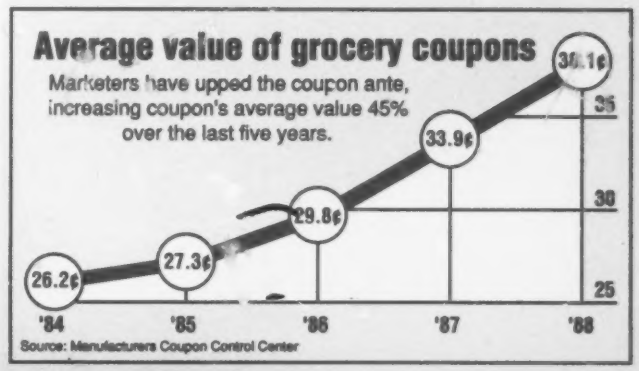
Sears this month has doubled the number of package-goods marketers participating in the promotion to six. The promotion is tied to its Kenmore appliances.

To support the "Great American Kitchen Month," Sears this month is distributing 5 million coupon books in its stores. Discounts are offered on various products including American Home Food Products' Chef Boy-ar-dee products.

A 30-second national spot TV commercial, free standing inserts running in newspapers nationwide and page advertisements in *USA Weekend* support the promotion. Sears is also advertising the kitchen promotion in its weekly newspaper inserts.

The bulk of "Passport to Savings" was handled in-house, however Frankel & Co., Chicago, handles "Great American Kitchen Month" and Product Movers, New York, created the spot.

Analysts blame some of Sears' troubles on economic factors, including the substantial downturn in sales of big-ticket items for all retailers. However, some say another factor is the loss of traffic previously generated by Sears' weekly sales on selected merchandise. That ended when it switched to lower prices across the board. Sears' merchandise is composed mostly of big ticket items. □



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Samplers go cross country to travelers

NEW YORK—Innotech Corp., specializing in packaging and distributing product samples, in January will launch nationally two programs through Avis, Holland America Line-Westours' Grayline and the travel agency Travel-Travel.

The amount a consumer spends at the respective businesses will determine which kit—the Passport Portfolio or the more upscale Platinum Passport—the traveler receives.

Customers renting a luxury car at Avis receive the Platinum kit, and those renting a budget car get the regular Portfolio, said Dale Friedman, Innotech president.

Each "product sample portfolio" includes five products from Procter & Gamble Co. and Quintessence Inc.: P&G's Pantene shampoo and conditioner, Metamucil laxative, Pert Plus shampoo/conditioner and Pepto-Bismol stomach remedy, and Quintessence's Dare fragrance.

Each kit contains a questionnaire, which doubles as a sweepstakes entry for a home music-center.

The sampling program will be promoted through on-premise posters in Avis, Grayline and Travel-Travel offices.

Innotech is handling creative in-house. □

PROMOTION & ACCOUNT ACTIVITY

Supermarket debuts Shopper's Video: Adgraphics, New York, will roll its Shopper's Video electronic point-of-purchase system into 50 supermarkets by yearend. Advertisers on the satellite-driven video network get one 15-second computer-animated spot broadcast at least every nine minutes, on 15 to 20 video monitors per store. Shopper's Video, in 11 Furrs, Food Emporium and Safeway supermarkets in Texas and New Mexico, offers standard media commission rate to agencies. Procter & Gamble Co., Coca-Cola Co. and General Foods are among the 26 major companies taking part. Participants can use Adgraphics or their own agencies to create the spots.

Jitney Jungle gets in the spirit.

Jungle games: Jitney Jungle grocery stores, Jackson, Miss., are inviting customers to play "Mississippi Gridiron Gamerama," a game-piece collection promotion themed around the state's universities and colleges.

The top prize, a 1990 Plymouth Voyager minivan, is won by matching logos for Jackson State, Mississippi State and the University of Mississippi. Other matching university logos carry a $1,000 prize and Spalding footballs can be won by instant winner cards. Food World, Marietta, Ga., created the promotion.

Bud Brothers hit Chicago: Anheuser-Busch expanded its Chicago regional marketing with two Chicago-only spots for Budweiser. One spot features Chicago Cubs sportscaster Harry Caray and the other local disc jockey Jonathon Brandmeier along with a Bud Bowl I-like animation for a Bud Brothers band. D'Arcy Masius Benton & Bowles handled. A-B says it may use the Bud Brothers band in other markets.

Valvoline gets High Performance promo: Valvoline Oil Co. this month starts the second year of its High Performance Check promotion. About 21 million $2 checks—good toward the purchase of six quarts of motor oil or an oil change—will be distributed through October and November issues of *Better Homes & Gardens, Field & Stream, Popular Mechanics* and *Southern Living* The promotion is handled by Smith-Hemmings-Gosden, El Monte, Calif.; ads were handled by Bozell, Atlanta.

Europe looks at sales promotion: Theme of the 1989 European meeting of the Council of Sales Promotion Agencies in Geneva, Switzerland, Oct. 11-14, is "Decisions that will make or break promotion agency growth in the next decade." Contact Marilyn Esposito, (203) 325-3911.

Michelob jumps for sponsorship.

Separately, top U.K. sales promotion executives will meet in London Oct. 9-10 for the first U.K. sales promotion conference. Topics covered are "Save! Win! Free! Collect!," and "New Technology, Techniques & Tactics." Forum Communications and a U.K. trade paper sponsor the conference.

Hermes jumps Hermes of Paris will be the title sponsor of the American Grandprix Association of Show Jumping's Grandprix of Los Angeles, to be held Sept. 24. This is the luxury-goods marketer's first tie-in with the Cleveland-based association. Anheuser-Busch's Michelob beer is national tour sponsor for the jumping series; General Motors Corp.'s Cadillac division and Prudential-Bache serve as title sponsors for other tour stops.

Southwest flies senior citizens: For the third year, Southwest Airlines is offering its "Go for the Gold!" sweepstakes for senior citizens. One senior citizen from each of Southwest's 29 cities will win free unlimited travel for themselves and a companion of any age on the airline for one year. Entry forms are available at Southwest ticket counters through Sept. 30. Newspaper ads from GSD&M, Austin, support.

Pepsi follows yellow brick road: Pepsi-Cola Co. will sponsor the laser light show serving as the centerpiece of the Liberal, Kan., Chamber of Commerce's "Oztoberfest" celebrations Oct. 13-15. The festivities mark the 50th anniversary of the "Wizard of Oz" in the town that Kansas officially declared Dorothy Gale's home in 1990.

MEDIAWORKS

BROADCAST-INC.

Unistar starts strong

Programming and business-side developments in broadcasting.

Listen Up. Network radio is on the rebound, reports the Radio Network Association.

Revenues in 1989's first half were up 12.1% to $197.5 million as the consolidation of the industry continues.

The ABC Radio Networks is still the undisputed king, but the latest merger in the radio network business has shuffled the rest of the standings.

Unistar Radio Networks, the new name in the radio network business, claims its combination of United Stations Radio Networks and Transtar Radio Networks gives it an estimated cumulative weekly audience of 64 million listeners—second to ABC.

On this listener basis, Unistar said it surpasses Westwood One, itself built through acquisitions. Westwood One includes the former Mutual Broadcasting System and the NBC Radio Network.

Unistar Radio Networks is led by C.T. Robinson (l.) and Nicholas Verbitsky.

Unistar, based in New York and Colorado Springs, Colo., will offer three newly named networks—Power, Super and Ultra.

The Power network is a contemporary format aimed at the 18-to-34-year-old demographic. Super is adult contemporary for the 25-54 bracket. Ultra is considered the adult network, also aimed at 25-to-54-year olds.

Unistar is already selling time on the networks and is putting together packages utilizing the various programming elements the new company offers. Unistar President David Landau is in charge of sales.

C.T. "Terry" Robinson, former Transtar chairman-ceo, and Nicholas Verbitsky, former United Stations president-ceo, are co-chairmen and co-ceos of Unistar.

The new company offers "Dick Clark's Rock Foll & Remember," "Solid Gold Saturday Night," "Radio Kandy" and "The Weekly Country Music Countdown" among its programs. New products are in development. □

Written by Wayne Walley.

LAUNCHING PAD

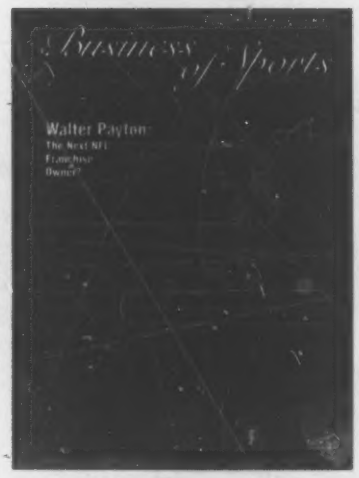
New publication launches.

'Life on the Rittenhouse'

Life on the Rittenhouse, a magazine about life in and around Center City, Philadelphia, launched with a Sept. 1 issue. The every-other-weekly features profiles of prominent residents, columns on health, entertainment, shopping and architecture, and a calendar of events. Initial rate base is 20,000 to 25,000. A b&w page is $2,500, and a color page is $3,800. John Stewart is publisher. Trevor Wyatt Moore is editor. Offices are at 301 S. 15th St., Philadelphia 19102. Phone: (215) 735-6875.

'Business of Sports'

This consumer-oriented monthly, for "corporate Americans who are sports enthusiasts," was introduced with a Sept. 15 issue. It's published by the company of the same name. Editor Bill Dorsey said it will focus on sports medicine, law and investment and aim for a broader audience than Times Mirror Magazines' recently folded *Sports inc.* It will seek consumer, not trade-oriented, ads. Initial controlled circulation is 25,000, with 400,000 paid subscribers predicted by yearend. Charter ad rates are $3,000 for a b&w page; $3,850 for a color page. Otis Mitchell is publisher-president. Offices are at Carew Tower, Suites 442-443, Cincinnati 45202. Phone: (513) 241-3741.



'Youth Marketing Report'

Youth Marketing Institute's Fun Group introduced *Youth Marketing Report* with a September issue. The monthly newsletter is for companies and advertising agencies targeting children and teens. Subscriber rate base is 6,500. A b&w page is $875. Michael Wayne is editor-publisher. Offices are at 13521 Cedar Rd., Cleveland 44118. Phone: (216) 397-0065. □

NEWSSTAND

Print advertising opportunities.

Angeles, Los Angeles, "Scents of Beverly Hills" special advertorial section, November issue; ad close: Sept. 20. Color page: $7,500.

Mademoiselle, New York, "Holiday style" special editorial feature, December issue; ad close: Sept. 20. B&w page: $21,780; color page: $31,660.

Woman, New York, "Holiday survival kit" special editorial section, December issue; ad close: Sept. 20. B&w page: $6,010; color page: $7,990.

New York Power Group (*New Jersey Monthly, Long Island Monthly, Connecticut Magazine*), New York, "Caribbean travel" special advertising section, November issues; ad close: Sept. 21. B&w page: $12,790; color page: $18,675.

Daily Variety, Los Angeles, "56th anniversary" special editorial issue, Oct. 31 issue; ad close: Sept. 22. B&w page: $1,690; color page: $3,340.

Art and jewelry is the special section in the November issue of *ARTnews*.

TV Guide, New York, "Holiday recipes" special advertising section, Dec. 2 issue; ad close: Sept. 22. Two-sided, half-page recipe unit: $120,250.

M, New York, "Last minute gifts for women" special editorial section, December issue; ad close: Sept. 25. B&w page: $7,820; color page: $12,020.

The New Yorker, New York, "A holiday shopping tour" special advertising section, Nov. 13 issue; ad close: Sept. 25. B&w one-sixth page: $2,950.

Pacific Northwest, Seattle, "Holiday gift guide" special advertising section, November issue; ad close: Sept. 25. B&w page: $3,565; color page: $4,540.

ARTnews, New York, "Art and jewelry" special editorial section, November issue; ad close: Sept. 27. B&w page: $4,295; color page: $5,445. □

TRACKING SHARES

Anthologies vie for sports fans

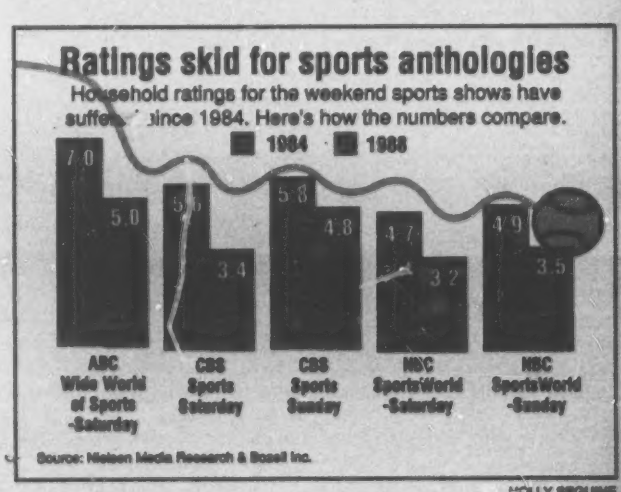
A ratings and demographic analysis of TV programs.

Might the thrill of victory be the agony of defeat for sports anthology shows on the three networks?

Though 1989 ratings through Aug. 20 are up slightly from a year ago, the numbers are still nowhere near the glory days of the 1970s when "ABC Wide World of Sports" dominated the genre and double-digit ratings were frequent. Through August, "ABC Wide World of Sports" was up 0.3 rating points to an average of 5.3 per show. NBC's Saturday "SportsWorld" was up 1.2 ratings points to an average 4.4 rating, but the show has aired only three times this year. In the last five years, the networks have trimmed the number of anthology telecasts by 25%.

Today, all the viewer needs to do is change the channel—especially to the likes of cable's ESPN, USA Network and WTBS—to spice up the variety of sports choices.

"Tracking Shares" this week compares the anthology series. (Ratings and demographic figures from Nielsen Media Research are an average of the most recent six telecasts unless noted.)



HOLLY SEGUINE

"ABC's Wide World of Sports." After 1987, the network decided to pull the plug on Sunday telecasts and concentrate on Saturday. The move presumably helps the show remain competitive when bidding for telecast rights to the sports it helped make famous, such as gymnastics, figure skating and the triathlon. As the prototype sports anthology, "Wide World" will start its 30th year this fall and is still considered the king of the genre.

Ratings: 4.0.

Demographics: Women (18-34) 1.5; (18-49) 1.6; (25-54) 1.5. Men (18-34) 2.6; (18-49) 2.5; (25-54) 2.5.

"SportsWorld." NBC, which had ranked third among the anthologies for most of its 10 seasons, is ready to fight. The NBC Boxing Tour has become the main series within "SportsWorld," and NBC said the anthology's share is up 20% in 1989, including a 17% increase in men ages 18-49. The hope is to keep the momentum going and also turn the anthology series into a weekend home for sports news and information. The next step in 1991 will be to develop an Olympic following within the show, said Jon Miller, VP-program development for NBC Sports. During the year, the series airs on Saturdays and Sundays. The most recent telecasts, according to Nielsen, have all been on Sunday, however.

Ratings: 4.0.

Demographics: Women (18-34) 1.9; (18-49) 1.8; (25-54) 1.9. Men (18-34) 2.9; (18-49) 2.9; (25-54) 3.1.

"CBS Sports Saturday/Sunday." One of the problems facing CBS in the anthology arena is that its live sports schedule leaves little time for the network to program the show on a consistent basis. This resulted in a de-emphasis of the anthology, before 1981 known as "CBS Sports Spectacular," that made it difficult for viewers to find the series and become loyal followers. That all might change in the coming season as CBS now plans to use anthologies to help build excitement for the 1992 and 1994 Winter Olympics. "CBS Sports Saturday/Sunday" will have more of a "winter sports" look this year and will even create a second unnamed anthology to focus specifically on Winter Olympic events. (Ratings and demographic averages include two airings of "CBS Sports Saturday" and four airings of "CBS Sports Sunday.")

Ratings: 3.8.

Demographics: Women (18-34) 1.5; (18-49) 1.5; (25-54) 1.6. Men (18-34) 2.7; (18-49) 3.0; (25-54) 3.1. □

Written by Wayne Walley.

CONSUMER MAGAZINE AD LINAGE

	August		Year-to-date	
	1989	1988	1989	1988
■ Auto/cycle/rec. vehicles				
AutoWeek (52X)	149.1	167.7	1,271.2	1,326.1
Car & Driver	93.0	84.1	886.4	840.6
Car Collector & Car Classics	18.8	15.8	135.5	131.3
Car Craft	69.0	80.5	618.7	679.8
Circle Track	89.4	74.6	705.5	665.7
Cycle	30.9	31.4	341.8	364.8
Cycle World	34.5	41.8	341.0	394.4
Dirt Rider	28.8	31.2	266.6	314.5
Dune Buggies & Hot VWs	72.4	72.7	552.0	599.5
Family Motor Coaching	163.8	144.0	1,451.2	1,391.5
4 Wheel & Off-Road	80.4	102.2	661.7	705.4
Four Wheeler	83.0	93.0	669.2	719.0
Hot Rod	79.9	74.8	733.9	727.0
Motorcyclist	33.6	30.0	356.0	382.1
Motor Trend	64.5	65.3	678.5	652.8
Motorhome	91.8	99.3	731.1	730.7
Rider	27.1	30.1	288.1	325.7
Road & Track	91.9	80.7	868.6	826.5
Trailblazer	59.0	76.0	460.0	439.2
Trailer Life	79.3	106.8	741.6	775.1
Total Group	**1,440.2**	**1,502.0**	**12,758.5**	**12,991.7**
% change	**-4.1%**		**-1.8%**	
■ Boating & yachting				
Boating	98.5	100.9	1,202.9	1,262.0
Chesapeake Bay	44.5	44.3	421.3	393.4
Cruising World	93.5	84.3	887.3	905.4
Lakeland Boating (11X)	75.2	68.0	733.8	657.4
Motor Boating & Sailing	86.9	106.6	1,185.6	1,273.7
Sail	130.4	134.6	923.7	870.1
Small Boat Journal (6X)	—	—	167.6	195.7
Trailer Boats (11X)	40.3	37.1	588.0	539.9
Western Boatman (6X)	—	—	189.8	209.7
Yachting	124.7	136.7	1,075.6	1,138.6
Total Group	**694.0**	**712.6**	**7,375.6**	**7,445.9**
% change	**-2.6%**		**-0.9%**	
■ Civic/fraternal				
Elk (10X)	16.0	15.0	106.0	118.3
Kiwanis	16.3	15.4	113.0	98.0
Lion (10X)	—	—	41.6	43.1
Rotarian	10.7	21.5	93.3	132.7
V.F.W. (11X)	28.7	21.5	175.8	174.8
Total Group	**71.7**	**73.4**	**529.7**	**536.9**
% change	**-2.3%**		**-6.6%**	
■ General				
American Health (10X)	—	—	467.4	437.0
American Heritage (8X)	—	—	221.0	174.2
American Legion	23.2	31.1	245.0	258.8
American West (6X)	—	—	126.2	121.8
Art & Antiques (10X)	—	—	439.6	411.9
ARTnews	—	—	596.7	629.3
The Atlantic A.	26.5	20.1	371.0	324.3
Bon Appetit A.	59.1	67.7	619.2	595.9
Cable Guide	30.1	31.2	279.0	244.5
Changing Times	32.0	32.6	383.7	428.9
Conde Nast's Traveler	52.4	35.9	547.5	365.6
Connoisseur	27.5	33.0	524.9	586.7
Consumers Digest (6X)	—	—	89.6	85.3
Ebony	89.5	94.1	784.1	802.2
European Travel & Life	—	—	285.9	241.8
Food & Wine	44.1	34.7	464.6	383.9
Games (6X)	—	—	50.8	50.8
Golden Years (6X)	33.9	31.1	186.1	320.0
Gourmet	58.9	63.9	718.0	730.7
Harper's Magazine A.	22.1	31.9	239.5	253.6
Harrowsmith (6X)	—	—	236.5	217.5
Islands (6X)	—	—	247.7	179.3
Let's Live	45.0	36.0	364.0	389.0
Life	46.6	31.4	494.1	388.6
Modern Maturity (6X)	42.0	30.5	154.3	136.6
Money	75.5	69.0	771.0	858.5
Money Maker (6X)	6.2	7.5	19.3	32.7
Mother Earth News	—	—	314.7	273.3
National Geographic	9.2	13.6	166.0	181.0
National Geographic Traveler (6X)	—	—	121.1	83.8
Natural History	28.7	23.6	314.0	283.9
New Choices	26.7	20.0	263.6	233.0
Prevention	36.1	42.2	405.1	437.0
Psychology Today	—	—	219.9	181.9
Reader's Digest A.	71.3	64.7	702.7	781.1
Saturday Evening Post (9X)	—	—	216.3	178.5
Smithsonian	54.3	52.4	622.6	649.6
Town & Country	84.3	93.9	890.8	904.8
Travel-Holiday	36.7	21.8	333.9	288.4
Travel & Leisure	66.3	47.1	904.1	804.5
Travelhost	1,299.0	1,299.0	10,236.0	9,911.0
Vanity Fair	81.7	92.9	758.9	628.3
Yankee	54.4	56.0	460.3	571.2
Total Group	**2,563.2**	**2,508.8**	**26,856.6**	**26,040.5**
% change	**2.2%**		**3.1%**	
■ Home				
Americana (6X)	—	—	73.5	65.8
Architectural Digest A.	104.8	103.4	1,113.1	1,096.8
Better Homes & Gardens	77.1	90.5	856.3	879.1
Colonial Homes (6X)	—	—	226.1	227.0
Columbus Monthly-Homes (4X)	—	—	96.5	114.9
Cooking Light	—	—	200.5	137.6
Country Home (6X)	—	—	264.0	196.9
Country Living	67.1	67.1	707.2	670.6
Family Handyman (10X) A.	—	—	324.5	311.5
Florida Home & Garden	52.8	82.2	675.6	540.2
Flower & Garden (6X)	—	31.9	166.3	176.9
Home	46.0	48.9	456.2	470.3
Home Mechanix	32.3	32.2	385.9	395.0
The Homeowner (10X)	33.1	31.8	188.5	180.6
Horticulture	24.8	24.8	319.4	313.8
House Beautiful	51.6	41.5	502.6	492.9
House & Garden	39.8	54.1	539.8	669.4
Metropolis	—	—	428.5	378.7
Metropolitan Home	76.1	56.2	763.1	636.8
Midwest Living	—	—	260.5	209.8
1,001 Home Ideas	43.8	45.5	461.7	425.4
Organic Gardening (11X)	—	21.6	303.0	362.4
Phoenix Home/Garden	60.0	61.5	541.1	576.5
Practical Homeowner (9X)	—	—	172.9	262.1
San Diego Home/Garden	56.0	57.5	570.1	573.9
Southern Accents (6X)	—	—	405.8	413.1
Southern Living	75.6	83.2	894.8	956.8
Sunset Magazine A.	109.1	117.9	1,038.3	1,089.6
Workbench (6X)	—	—	183.3	153.7
Total Group	**949.9**	**1,051.7**	**13,110.0**	**12,977.9**
% change	**-9.7%**		**1.0%**	
■ In-flight & other passenger				
Aboard Group (6X)	—	—	152.0	137.3
Alaska Airlines	62.3	53.9	491.2	442.1
America West Airlines	57.5	50.8	519.8	482.5
American Way (24X)	114.3	117.5	1,126.5	1,082.1
East/West Network:				
Continental Profiles	46.2	48.7	465.6	369.8
Eastern Review	29.7	48.5	350.9	516.9
Northwest	39.3	35.3	388.7	312.6
Pan Am Clipper	59.3	44.5	411.6	349.4
Southwest Spirit	51.8	50.3	510.7	478.2
TWA Ambassador	41.6	36.9	406.4	351.4
Vis 'A Vis	72.9	63.6	670.0	427.9
Halsey Publication:				
Delta Sky	63.9	61.9	608.5	622.4
Pace Communications:				
Braniff Magazine	26.5	—	286.0	—
US Air Magazine	50.6	41.5	439.8	466.5
Spirit of Aloha (6X)	23.8	20.0	189.6	162.8
Total Group	**739.7**	**673.4**	**7,017.3**	**6,201.9**
% change	**9.8%**		**13.1%**	
■ Men's				
Esquire A.	73.0	72.3	780.7	664.4
Firehouse Magazine	66.5	66.3	326.6	357.7
Gentlemen's Quarterly A.	147.6	146.7	1,233.7	1,152.6
M Magazine	61.0	53.7	491.7	511.0
Muscle & Fitness	117.3	112.0	1,068.1	959.0
Penthouse A.	38.0	30.5	382.2	342.8
Playboy A.	46.1	34.6	492.4	409.3
Salute (10X)	—	—	213.6	165.7
Total Group	**549.6**	**516.0**	**4,989.0**	**4,562.4**
% change	**6.5%**		**9.3%**	
■ Metropolitan				
Aloha	—	—	160.4	106.4
Atlanta	60.6	70.7	488.0	536.5
Baltimore	56.8	70.2	524.8	535.6
Boston	140.9	152.9	1,055.9	1,171.1
California	55.6	66.1	464.6	483.9
Chicago	85.4	101.8	813.3	786.6
Chicago's North Shore	67.5	91.1	750.0	701.7
Cincinnati	34.4	46.5	364.7	364.6
Cleveland	47.8	54.0	415.7	462.0
Columbus Monthly	58.5	54.3	528.6	548.8
Connecticut	100.8	107.6	791.3	800.7
DiMagazine	60.4	66.0	544.7	631.1
Denver	20.3	28.0	197.5	269.3
Detroit Monthly	55.8	66.1	434.9	637.9
Grand Rapids	26.3	31.2	305.5	295.0
Honolulu	87.0	72.3	424.4	459.9
Houston Metropolitan Mag.	50.1	46.7	468.9	465.3
Inside Chicago (8X)	33.0	49.1	196.8	357.8
Los Angeles	190.3	195.2	1,184.3	1,175.2
Louisiana Life	—	—	135.7	130.2
Madison	32.0	34.7	316.0	276.7
Memphis	121.0	150.0	545.0	674.0
Mid Atlantic Country	53.0	47.4	324.5	269.4
Milwaukee	53.5	67.0	402.4	430.4
Minneapolis/St. Paul	115.2	103.0	851.1	775.0
Minnesota Monthly Mag.	55.2	33.7	388.2	296.8
Nashville	52.0	33.0	448.0	355.0
New England Monthly	26.7	39.4	362.8	367.4
New Jersey Monthly	98.6	110.5	717.5	783.0
New Mexico	58.6	52.9	316.9	279.5
Ohio	44.9	44.7	395.8	418.1
Orlando	103.2	78.0	783.6	696.6
Pacific Northwest	38.4	28.1	366.6	292.2
Palm Beach Life	47.2	43.1	546.9	486.6
Palm Springs Life	50.0	36.8	899.4	772.8
Philadelphia	155.7	141.4	1,066.3	1,116.0
Phoenix	35.2	41.0	342.6	405.1
Pittsburgh	54.3	62.7	517.3	559.0
Rhode Island Monthly	53.3	44.0	442.4	169.2
Sacramento Magazine	59.2	76.0	438.6	519.0
St. Louis	30.7	26.3	364.1	328.3
San Diego	140.4	149.0	1,057.7	1,180.2
San Francisco Focus	110.8	104.8	799.3	722.6
Sarasota	—	—	609.0	520.0
South Florida Magazine	84.2	83.1	852.4	745.5
Texas Monthly	104.5	73.9	735.2	705.6
The Virginian (6X)	—	—	229.4	241.8
Washington (7X)	—	—	349.8	356.7
The Washingtonian	136.8	143.5	1,235.1	1,155.3
Total Group	**3,145.8**	**3,219.3**	**28,968.5**	**28,816.1**
% change	**-2.3%**		**0.6%**	
■ Music/entertainment				
Audio	74.9	74.6	711.2	641.4
Dance Magazine	39.6	38.4	424.3	427.5
Playbill	44.6	44.8	375.9	391.1
Total Group	**159.0**	**157.8**	**1,511.4**	**1,460.0**
% change	**0.8%**		**3.5%**	
■ Outdoor & sport				
Alaska	33.7	31.4	308.2	282.4
The American Handgunner (6X)	—	—	206.0	202.0
American Hunter	29.4	25.3	147.8	169.2
American Rifleman	27.4	26.6	173.5	191.7
Backpacker (6X)	—	23.3	127.5	115.5
Bass Master (10X) A.	—	—	568.4	581.1
Bicycling (9X)	87.3	101.0	873.9	878.0
Cross Country Skier	—	—	87.4	97.5
Ducks Unlimited (6X)	—	—	93.0	105.5
Field & Stream	33.8	45.3	52.8	646.3
Fishing World (6X)	—	—	161.6	168.6
Florida Sportsman	92.9	101.7	1,045.7	1,058.5
Golf Digest	76.6	64.5	1,034.7	908.3
Golf Illustrated	48.0	30.3	398.1	239.5
Golf Magazine	40.2	41.8	911.8	806.0
Gun Dog (6X)	—	—	168.8	136.2
Guns	43.0	37.0	295.0	278.0
Guns & Ammo	35.8	44.1	326.7	363.2
In-Fisherman (7X)	—	—	410.2	348.8
Outdoor Life	55.5	43.1	640.5	588.3
Outside Magazine	47.4	39.3	499.0	448.9
Petersen's Hunting	47.4	44.5	319.8	349.8
Runner's World (12X)	36.4	27.7	309.3	267.6
Salt Water Sportsman	63.3	71.8	1,012.8	990.3
Shooting Times	34.9	35.2	252.0	257.1
Sierra (6X)	—	—	177.1	162.7
Ski (8X) A.	—	—	341.6	293.4
Skiing (7X) A.	—	—	218.7	263.1
Skin Diver	111.0	121.7	946.3	949.0
Southern Outdoors (9X)	—	—	332.3	374.2
Southern Saltwater (8X)	—	—	348.3	237.1
Sport Magazine	24.3	28.8	277.6	287.0
Sports Afield	41.0	48.3	492.3	583.4
Surfing	89.0	75.5	526.5	480.6
Tennis	55.4	53.1	520.8	618.5
Waterski (9X)	63.9	58.4	556.8	501.2
Western Outdoors (10X)	27.9	30.4	269.2	318.0
Wildfowl (6X)	22.5	33.3	70.0	75.7
WindRider (8X)	39.2	47.8	321.1	316.5
Wing & Shot (6X)	—	—	57.5	57.6
World Tennis	30.4	38.8	389.1	428.8
Total Group	**1,337.5**	**1,366.9**	**16,809.8**	**16,425.3**
% change	**-2.1%**		**2.3%**	
■ Photography				
American Photographer	27.0	31.7	245.2	237.1
Peterson's Photographic	19.1	26.4	207.7	202.9
Popular Photography	89.7	74.0	663.6	625.4
Total Group	**135.8**	**132.0**	**1,116.5**	**1,065.4**
% change	**2.8%**		**4.8%**	
■ Science/electronic/mech				
Discover	27.3	27.2	314.8	277.3
Home Office Computing	31.7	25.2	309.6	314.6
Omni	43.7	46.5	444.5	466.5
Personal Computing	155.5	145.7	1,257.5	1,722.0
Popular Mechanics	53.1	59.3	614.0	623.6
Popular Science	41.7	42.2	676.2	528.6
Scientific American	24.8	19.3	301.9	299.1
Spectrum	38.1	34.5	447.5	447.3
Total Group	**415.8**	**400.0**	**4,365.9**	**4,679.0**
% change	**3.9%**		**-6.7%**	
■ Woman/fashion/service				
Beauty Digest (6X)	26.7	22.7	100.3	59.3
Bride's Magazine (6X) A.	652.9	565.4	2,381.9	2,070.0
Cosmopolitan A.	144.4	173.5	1,482.6	1,497.3
Elle Magazine	149.7	175.1	1,256.0	1,255.0
Essence	63.6	68.6	571.9	592.9
Family Circle (17X) A.	135.8	114.1	1,234.1	1,085.9
Glamour	162.2	197.6	1,267.5	1,309.8
Good Housekeeping A.	94.8	98.1	977.4	948.1
Harper's Bazaar	92.4	102.6	770.3	792.1
Health	26.3	26.5	251.5	292.2
Imagen	71.4	60.9	678.5	579.9
Ladies' Home Journal	106.3	98.4	985.8	818.6
Mademoiselle	139.0	191.1	1,052.5	1,124.2
McCall's	82.4	76.0	724.1	596.4
Military Lifestyle (10X)	—	—	351.1	333.0
Modern Bride	516.4	490.7	1,559.6	1,644.3
Ms.	—	21.0	235.3	239.2
New Woman	63.9	67.5	664.9	654.4
Parents Magazine A.	95.7	116.9	915.4	828.0
Redbook	68.8	71.8	720.8	742.6
Savvy	31.7	30.5	362.1	318.1
Self	82.9	85.6	828.8	771.9
Seventeen	251.1	302.8	968.4	1,018.9
Shape	60.2	59.9	541.5	491.7
Soap Opera Digest (26X)	35.2	20.3	300.6	178.7
Soap Opera Update	10.0	5.0	76.8	77.5
Teen Magazine	84.5	102.1	378.6	435.5
True Story A.	58.4	46.8	421.7	367.6
Vogue	221.0	244.3	1,825.7	1,811.0
W Magazine	140.3	115.7	888.9	838.9
Weight Watchers	32.3	23.2	263.0	257.4
Woman (10X)	27.2	43.0	224.6	261.6
Woman's Day (15X) A.	100.1	90.6	1,083.8	952.8
Workbasket	17.1	23.7	162.3	175.4
Working Mother	62.7	88.2	561.4	562.6
Working Woman	57.6	57.1	677.0	674.5
Total Group	**3,965.1**	**4,077.2**	**28,048.6**	**26,657.0**
% change	**-2.7%**		**5.2%**	
■ Youth				
Boys' Life	13.3	10.6	148.3	102.7
Campus Life (10X)	—	—	239.7	244.7
Total Group	**13.3**	**10.6**	**388.0**	**347.4**
% change	**24.8%**		**11.7%**	
■ Business/national				
Barron's	101.9	124.1	1,136.3	1,425.3
Black Enterprise	52.7	42.4	659.1	637.1
Business Month	18.5	—	268.2	222.9
Business Week (52X) A.	192.8	203.7	2,727.5	2,551.5
Entrepreneur	130.2	117.9	1,210.5	831.5
Financial World (26X)	44.2	46.5	435.7	414.5
Forbes (26X)	151.0	124.5	2,070.3	1,900.1
Fortune (26X)	155.3	301.3	2,183.4	1,877.8
Frequent Flyer	30.0	30.3	312.0	369.5
Futures	48.9	46.6	339.0	439.0
Inc. Magazine	80.9	81.6	724.4	714.4
Income Opportunities	—	—	502.6	580.9
Industry Week (23X) A.	76.3	83.2	721.4	625.2
Nation's Business (12X) A.	38.3	23.9	292.2	279.6
Venture	—	—	262.2	443.3
Total Group	**1,120.9**	**1,226.0**	**13,844.7**	**13,312.5**
% change	**-8.6%**		**4.0%**	
■ Business/regional				
Advantage-Nashville's Bus. Mo.	68.0	32.0	562.0	503.0
Arizona Bus. Gazette (52X)	45.5	44.6	455.5	429.6
Baltimore Bus. Jrnl.	81.0	71.7	642.2	653.2
Bus. First of Buffalo	63.7	61.2	612.7	535.9
Bus. Jrnl.-Milwaukee	128.5	99.8	1,164.5	1,027.6
Bus. Jrnl.-Sacramento	88.1	96.1	667.3	638.2
Bus. North Carolina	51.7	28.0	342.2	289.5
Caribbean Business	179.5	158.2	1,039.7	1,066.0
Corporate Rpt. Minnesota	66.0	57.0	522.6	560.0
Crain's Chicago Bus. (52X)	122.5	146.0	1,083.9	1,157.0
Crain's Cleveland Bus. (52X)	61.1	80.7	605.7	540.4
Crain's Detroit Bus. (52X)	65.2	80.8	611.7	611.9
Crain's New York Bus. (52X)	42.0	31.0	426.0	280.0
Florida Trend (13X)	26.9	41.7	432.3	505.6
Georgia Trend	33.8	36.8	362.4	446.9
Grand Rapids Bus. Jrnl.	40.2	62.4	362.3	417.5
Hawaii Business	129.0	110.2	429.8	390.8
Houston Bus. Jrnl. (52X)	81.0	74.0	590.0	505.0
Indianapolis Bus. Jrnl. (52X)	163.5	171.9	1,259.5	1,185.9
Manhattan Inc.	25.3	39.6	327.0	446.1
New England Bus. (12X) A.	26.8	46.4	305.5	426.0
New Orleans City Bus.	37.6	70.8	336.6	390.8
Pacific Bus. News (52X)	116.6	118.9	820.3	843.4
Philadelphia Business Journal	146.6	158.0	1,150.9	1,158.6
Pittsburgh Bus. Times (52X)	83.6	90.5	1,239.4	1,399.6
Providence Bus. News	106.3	121.5	734.3	673.9
Regardie's/Washington Review Publication:	146.0	203.0	1,285.0	1,164.0
Broward Review	42.9	92.1	580.7	445.7
Miami Review	37.4	75.4	470.4	475.8
Palm Beach Review	46.4	73.7	506.9	399.7
St. Louis Bus. Jrnl. (52X)	88.3	128.2	813.3	900.5
Warfield Monthly Baltimore	54.5	50.8	488.6	535.0
Total Group	**2,495.5**	**2,752.9**	**21,231.0**	**21,003.0**
% change	**-9.4%**		**1.1%**	
■ National Sunday mags				
Parade (52X)	42.8	42.6	454.4	430.4
USA Weekend (52X)	42.4	38.0	393.1	372.2
Vista Magazine (52X)	18.0	16.0	154.5	125.7
Total Group	**103.2**	**96.6**	**1,002.0**	**928.2**
% change	**6.8%**		**7.9%**	
■ Newspaper Sunday magazine				
Boston Globe	163.0	171.0	1,546.0	1,556.0
Chicago Tribune	88.5	84.4	831.2	801.3
Cleveland Plain Dealer	45.3	58.8	488.6	491.1
The Dallas Morning News	41.0	50.0	498.0	541.0
Detroit Free Press	31.0	44.4	332.3	374.2
L.A. Times	57.5	52.3	574.0	570.5
Louisville Courier-Jrnl.	32.0	37.0	235.0	271.0
New York Times Mag.	283.4	289.2	2,353.7	2,377.8
Philadelphia Inquirer	74.6	88.2	674.4	712.2
Seattle Times	74.0	75.0	519.0	533.0
St. Louis Post Dispatch	74.9	84.4	614.0	573.9
Toledo Blade Magazine	41.5	38.9	261.9	261.8
Washington Post	73.0	114.4	972.8	970.5
Total Group	**1,079.7**	**1,188.0**	**9,900.9**	**10,034.3**
% change	**-9.1%**		**-1.3%**	
■ Weeklies/bi-weeklies				
The Advocate (26X)	195.7	238.2	1,215.9	1,337.6
Army Times Military Group:				
Air Force Times (52X)	135.1	157.8	1,234.6	1,271.9
Army Times (52X)	131.4	153.0	1,192.8	1,217.0
Navy Times (52X)	154.7	170.1	1,368.0	1,391.4
Capper's (26X)	35.3	25.8	252.1	181.4
Commonweal (22X)	1.9	3.7	52.9	51.2
Golf World (40X)	80.7	93.7	936.7	846.6
Grit (52X) A.	24.1	22.9	264.9	220.2
National Journal (50X)	16.0	34.0	450.8	541.9
National Review (25X)	12.2	32.4	188.7	268.3
New Republic (48X)	24.1	59.9	314.7	313.0
New York Magazine (50X)	174.0	181.9	1,823.0	1,793.7
New Yorker	122.6	103.3	1,237.0	1,288.6
Newsweek (52X) A.	112.2	166.1	1,434.4	1,468.0
People (51X)	193.6	265.0	2,319.7	2,181.7
Rolling Stone (25X)	150.2	143.4	1,219.6	1,236.1
Sporting News (52X)	38.5	54.4	402.7	385.2
Sports Illustrated (52X) A.	162.0	141.4	1,826.4	1,821.1
Time (52X) A.	124.3	147.5	1,638.3	1,480.8
TV Guide (52X) A.	150.9	148.5	1,954.6	2,081.3
US Magazine (26X)	59.5	44.4	478.8	397.5
U.S. News & World Report (50X) A.	136.3	101.3	1,201.7	1,091.5
Total Group	**1,478.5**	**1,623.4**	**16,490.4**	**16,348.7**
% change	**-9.1%**		**0.9%**	

NOTES: (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. All figures represented in this table are supplied by the magazines. *Ad Age* makes no attempt to verify them and therefore is not responsible for inconsistencies or errors. Compiled by Kathy Welytok

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NEWSPAPER

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P&G tops in cosmetics

Purchase of Noxell stings Lintas

By Laurie Freeman and Pat Sloan

Procter & Gamble Co., in agreeing last Friday to buy Noxell Corp. in a $1.3 billion stock swap, instantly moved to the No. 1 ranking in the $3 billion U.S. mass-market cosmetics business.

The move also positions P&G to battle archrival Unilever internationally. Unilever has been on a buying spree over the past few years, adding Chesebrough-Pond's, Calvin Klein Cosmetics and Faberge/Elizabeth Arden to its stable of businesses.

In a memo to P&G employees, Chairman-CEO John G. Smale said the pending Noxell deal gives P&G "a real opportunity" in the growing cosmetics business "by joining strong Noxell brands with P&G's research and development capabilities and international infrastructure."

Mr. Smale said by acquiring Noxell, P&G "is in an excellent position . . . to accelerate the growth of our health and beauty-care business."

The acquisition also immediately put Lintas:USA, New York, on the hot seat. Lintas handles about $60 million in Noxell (Cover Girl and Noxzema) advertising but stands to lose the accounts because of its close relationship with Unilever.

The agency can trace its beginnings to the late 1800s as a Unilever house shop. It currently has $70 million in Unilever billings in the U.S. and works for the company in 37 countries.

Lintas parent Interpublic Group of Cos. has about $250 million in Unilever billings worldwide.

Noxell and P&G have one ad agency in common, however: Leo

(Continued on Page 94)

What will happen to Lintas' Cover Girl? Burnett already has Clarion (l.).

BBDO, 1974: It's Burger King's own version of the Supremes singing the famous "Hold the pickle . . ." jingle to a customer who gets it his way.

JWT, 1982: Lots of close-ups of beef, tomatoes, pickles and onions were featured as consumers were asked, "Aren't you hungry?"

JWT, 1985: It's the promotion man's nightmare as the $40 million search for Herb isn't found amusing. Even nerds didn't like the campaign.

N W Ayer, 1988: Forget the frying pan and go for the burger that tastes like it was grilled outdoors was the background image of "We do it like you'd do it."

The new campaign, the successor to this line of hits and flops, promises to "break the rules" with a mix of emotional image spots and food pitches.

Burger King plan: 'Break rules'

By Scott Hume

Burger King Corp. this week unveils the most eagerly anticipated advertising since its own "We do it like you'd do it" 18 months ago.

But the fast-food chain is also giving birth to a new marketing strategy, nine months after its acquisition by Grand Metropolitan.

Burger King CEO Barry Gibbons and Exec VP-Marketing Gary Langstaff have spearheaded an aggressive strategy to reverse Burger King's fortunes by placing a heavy emphasis on revitalizing the menu.

The "brand identity" advertising from D'Arcy Masius Benton & Bowles and the "brand retailing" creative from Saatchi & Saatchi Advertising both reportedly carry the theme "Breaking the rules." And one of the industry rules Burger King plans to break is that the menu shouldn't change too often.

Over the next six months, Burger King's menu will change repeatedly and significantly.

Next week, Burger King introduces a new line of branded sandwiches called BK Doubles. The five-item group includes three existing sandwiches—Double Cheeseburger, Bacon Double Cheeseburger and Bacon Double Cheeseburger Deluxe—plus two additions: Salsa Double Cheeseburger and Barbecue Bacon Double Cheeseburger.

Memos from Burger King marketing executives have promised franchisees to support BK Doubles with "a totally new in-store marketing concept" and a total "branded line" approach to its menu.

On Nov. 15, Burger King will roll out a second new "branded line," this time a variety of finger foods called Pick 'Em Ups.

Initially, the line will include a reformulated version of Chicken Tenders and new Fish Tenders (wedges of fish with a Japanese-style breading).

Five sauces—barbecue, honey, sweet and sour, tartar, and ranch—will be available with the line.

Those changes are the beginnings of a menu overhaul management found to be long overdue.

Looking at sales changes over the past two years, Burger King's new management found its signature Whopper sandwich has been very strong, but sales of specialty burgers—especially some double burgers—and non-entree items have been weak.

According to franchisee re-

(Continued on Page 94)

LAST MINUTE NEWS

DDB eyes West Coast

SAN FRANCISCO—DDB Needham Worldwide is negotiating to buy two West Coast agencies. Elgin Syferd, a $35 million Seattle agency, said it has no "concrete offer" from DDB Needham and its DDB Needham Retail unit but that a deal "very well may" happen. Deulofeu-Wilson, a $12 million Culver City, Calif., retail shop, said a deal with DDB Needham Retail is "close."

Coors to buy Stroh assets

GOLDEN, Colo.—Adolph Coors Co. this week will announce the purchase of major assets of financially troubled Stroh Brewery, sources said. Coors declined comment, and Stroh couldn't be reached. Coors agencies include Foote, Cone & Belding, Chicago, and GSD&M, Austin, Texas. Stroh agencies inciude Hal Riney & Partners, San Francisco, and Ross Roy Inc., Bloomfield Hills, Mich.

Marriott, Hertz set contest

WASHINGTON—Marriott and Hertz plan a contest offering $90 million in prizes. The contest starts Oct. 16. Promotion is handled by Porter/Novelli and Hill & Knowlton, New York.

Pru invites shops

NEWARK, N.J.—Prudential Insurance Co. of America invited D'Arcy

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INSIDE

Chrysler's new strategy ..... P. 2
Chrysler plans to stomp out blandness and go for more of a niche marketing strategy.

'Sun's' up ..... P. 62
Ralph Ingersoll II talks about his thinking behind starting up the *St. Louis Sun*.

Life goes on ..... P. 66
Joe Winski looks at the people who are making Lord Einstein O'Neill a success.

Chrysler declares war on blandness

New marketing style for 1990's: risky business

By Raymond Serafin

In a dramatic shift, Chrysler Motors is making a commitment to take more risks in the 1990s by adopting more niche marketing strategies.

Some executives within Chrysler are calling the shift an "anti-vanilla" movement. The goal is to eliminate blandness in everything from products to advertising.

"If you do cars that just blend into [a] homogenous surface, you're not going to get attention anymore," said Chrysler Motors President Robert Lutz, who cited the attention-getting Mazda Miata as an example of a product that drew attention for being "manifestly different" from the competition.

"There's much more willingness [at Chrysler now] to take risks on very radical designs," Mr. Lutz said in an interview during last week's preview of Chrysler's 1990 model products.

Along with Mr. Lutz, others regarded as among the prominent proponents of the new direction are Tom Gale, VP-product design, and Laurel Cutler, vice chairman of FCB/Leber Katz Partners, New York, who added the title of VP-consumer affairs at Chrysler last November.

R. Lutz

L. Cutler

"There is no future for products everyone likes a little, only for things that somebodies like a lot," Ms. Cutler said. "Products designed to offend no one will die."

One likely future product that fits the bill at Chrysler is the Dodge Viper, a two-seater that may be powered by a V-10 engine, both now under development.

As in the case of the Viper, brand personality will play a bigger role in developing future products, from sensible Plymouths to sophisticated Eagles.

With that idea in mind, Chrysler overhauled much of its advertising for the 1990 model year (AA, Sept. 4). "We've produced middle-of-the-road advertising" in the past, Mr. Lutz said. "1990 is the first year where the agency and ourselves and our dealers believe we've produced breakthrough advertising."

Among the changes: Dodge has adopted a hellbent-for-humor style in TV spots directed by Joe Pytka, Plymouth has enlisted Tina Turner as spokeswoman and Chrysler brand has dropped longtime spokesman Ricardo Montalban.

Eagle, however, has retained the breezy style it adopted early in 1989, and Jeep continues as a premium, one-of-a-kind line.

Jeep "taught us the power inherent in a brand that's truly differentiated and consistent over time," Ms. Cutler said.

Campbell-Mithun-Esty, Southfield, Mich., handles Jeep/Eagle; BBDO Worldwide, Southfield, handles Dodge; and Bozell, Birmingham, handles Chrysler/Plymouth.

Chrysler has undergone "a fundamental reversal in our attitude toward consumer research" on products and advertising, Ms. Cutler said. "A good average score has become a directional arrow to nowhere. The only right numbers on a scale of 10 have become 10, and maybe zero. Polarization is good. When enough people love it, the people who hate it don't matter."

As an advertising example, some consumers may dislike Tina Turner, Ms. Cutler said, but she will appeal "intensely" to others.

Brand personality will be a big-

(Continued on Page 92)

Time package is pricey

By Judith Graham

Time Inc. Magazine Co.'s groundbreaking "Target Select" ad package will carry hefty 70%-125% premiums above standard rates for *Time*, the industry's revenue leader, sources say.

Time Inc. magazine group executives this week will formally introduce "Target Select" to advertisers and their agencies.

Whether the perceived advantages of the program are worth its high price will be closely analyzed as advertisers and agencies review its details.

"It is of interest," said Jan Soderstrom, VP-advertising director at Visa International. "But obviously, the pricing is going to be a consideration compared with other [targeted-marketing] opportunities."

Cost-per-thousand rates for ads directed at "high-income seniors" —one of three groups targeted in the program—will be $67.86 in 1990, compared with an estimated $27.94 rate for *Time* in 1989. Next year's rates for *Time* haven't been announced; the premium estimates assume a 7% increase.

Ads aimed at "recent movers," another target group, will bear a $51.11 CPM in 1990, while those going to "direct responders" will have a per-thousand cost of $19.03, compared with the direct-mail industry average of $300 per thousand.

While cautioning that Philip Morris Cos. hadn't looked closely at "Target Select," Ellen Merlo, VP-marketing services, said, "Promotionally, it could be a good idea. But I'm not sure it would make a lot of sense for general advertising."

Informal discussions with a handful of *Time's* largest advertisers have been taking place for the past six months, sources say.

"We have either already signed or are very close to signing more than two advertisers," confirmed Donald M. Elliman Jr., exec VP-marketing for the magazine group. He said that incremental revenues from "Target Select" are expected to reach $20 million to $25 million in its first year.

Although *Time*, *People* and *Sports Illustrated* are participating in the program, only one issue per month of each magazine will carry the special ads.

Money will also be included in the high-income segment and *Entertainment Weekly* is eventually expected to join the group.

A maximum of eight pages of advertising in each specialized monthly edition, created through the use of selective binding technology, will be devoted to the high-income and recent movers groups. No such limit applies to advertisers targeting the direct responders.

The program will give advertisers the ability to customize advertising. Personalized messages can tell readers, for example, where to find a local dealer or offering special incentives.

Sources say advertisers will pay 35% to 100% above the national page cost of a given magazine for ink jet printing, depending on the complexity of the job. □

Ad Age's 34th annual "100 Leading National Advertisers" report finds advertising and promotional spending on the upswing, as the Top 100 U.S. marketers spent $32.2 billion in advertising in 1988, up 6.7% from 1987, when the Top 100 recorded 4.3% growth. The report will appear as a special issue Wednesday, Sept. 27.

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Chrysler's new campaign for the Eagle Talon is a remarkable series of 16 spots whose display of economy in media budget, time, image and concept produces big results.

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'National' pitches low with ad rates

By Scott Donaton

The National, the daily sports newspaper making its debut this winter, is offering low charter rates designed to attract apprehensive advertisers.

"The rates are at an out-of-pocket price you're likely to take a chance on," said Paul Ducharme, VP-director of print media at Grey Advertising, New York.

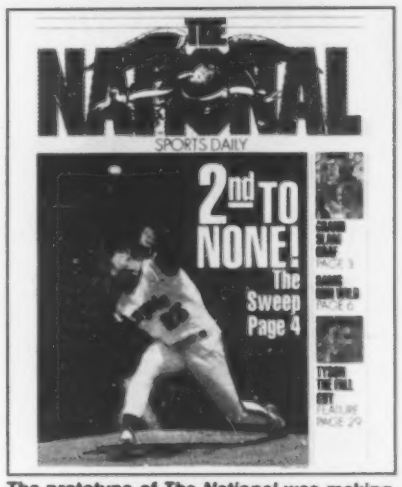
The one-time rate for a b&w page in the national edition is $7,200, and a color page is $9,800. Estimated circulation is 250,000 in three cities. The rate for a b&w page in the New York edition, with a circulation of about 100,000, is $4,000.

By comparison, *USA Today*, expected to be the sports daily's toughest competitor, charges $50,704 for a b&w page and $65,916 for a color page with a circulation base of 2 million.

The National last week named Serino Coyne, New York, as its ad agency, and will break a trade campaign in October.

Initially, *The National* will carry just eight to 12 ad pages a day.

"The readers will carry it," said Peter Price, former publisher of the *New York Post* and *The National's* president and publisher. "If they read it on a regular basis, the advertising will come. But if we based our profitability or relied for our income on advertising, we'd have to stretch too far."



The prototype of *The National* was making the rounds last week at agencies.

"We just started actively making presentations, and we're beginning to see substantial contracts take shape," Mr. Price said. "We have several commit-

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Healthy food pace quickens

Leaving regulatory forces behind

By Julie Liesse Erickson and Judann Dagnoli

NEWS ANALYSIS

The U.S. is entering an era of superfoods, if the government allows.

Food marketers—acting without government guidance or regulation—are facing a once-in-a-lifetime opportunity to create products that they claim can help improve consumers' health rather than just offer them good taste or convenience.

"Healthy products have the potential to change the face of the whole consumer-product business," said Timothy Ramey, a industry analyst with County NatWest Securities. "You can envision a time when there are subcategories of healthy products in areas throughout the supermarket."

But the problem is that food marketers' research and development is outpacing government efforts to create health-claim guidelines for the new products.

Research is yielding new ingredients, and new uses for potentially potent foods.

Psyllium, an East Indian seed, is the key active ingredient in General Mills' Benefit cereal and Kellogg Co.'s Heartwise. And the Rice Council of America is hurrying to finish research on rice bran that could lead to health claims by brown rice marketers and an influx of new products using rice bran as a soluble fiber ingredient.

In October, Kraft General Foods Group will introduce Sealtest Free, a non-fat, cholesterol-free ice cream that uses cellulose gel as a fat substitute. Cellulose gel, derived from tree cellulose, is yet another fiber source.

Ralston Purina Co.'s Protein Technologies International unit this month began selling in retail stores its Fibrim high-fiber agent. Soybean-based Fibrim offers soluble and insoluble fiber at four times the concentration of oat bran and can be used in baking or in beverages.

These developments surely will feed the fire that's enveloping labeling and claims, a controversy that moved into the courts this month when the Texas attorney general sued Quaker Oats Co. over its oat-product

(Continued on Page 92)

Consumers go 'green'

By Scott Hume and Patricia Strnad

The "green revolution" is real.

The moves by Wal-Mart Stores and now K mart Corp. to spotlight manufacturers' products and packaging improvements designed to protect the environment are likely to win broad consumer approval.

According to a national survey conducted for *Advertising Age* by the Gallup Organization, consumers are deeply concerned about potential environmental damage caused by consumer products and packaging.

Further, they say they're willing to back their beliefs with a change in buying habits.

The national random telephone survey of 1,000 adults was conducted early last month, shortly before Wal-Mart first said it would give special in-store merchandising support to marketers trying to "help prevent lasting environmental problems." Last week, K mart Corp. disclosed a similar program.

Respondents were asked to rank the level of their concern about environmental damage caused by consumer products and packaging from 1 (not at all concerned) to 5 (very concerned). The survey has a margin of error of 3.1%.

Overall, the mean ranking was 4.14, and nearly half the sample (49%) ranked their level of concern as 5.

Significantly, less than 1% of those surveyed had no opinion on this issue, indicating the high level of interest in environmental issues.

Nine out of 10 respondents said they'd be willing to make a special effort to buy products from companies trying to protect the environment.

That degree of commitment held true across all demographic categories, with better than 90% of respondents in all age groups, income groups, regions and races.

Consumers are more willing to give up convenience than to spend extra money to buy environmentally responsible products, but overwhelming majorities claim they're ready to make both changes.

Only 3% of the sample said they'd be unwilling to give up some convenience, such as disposability, in return for environmentally safe products. Among men, 96% said they'd forgo some convenience, compared with 94% of the women polled.

Most consumers surveyed also said they're willing to pay more for those products, though the size of the majority dips a bit to 88%. Slightly more women (90%) than men (87%) said they're willing to make financial sacrifices for more environmentally safe items.

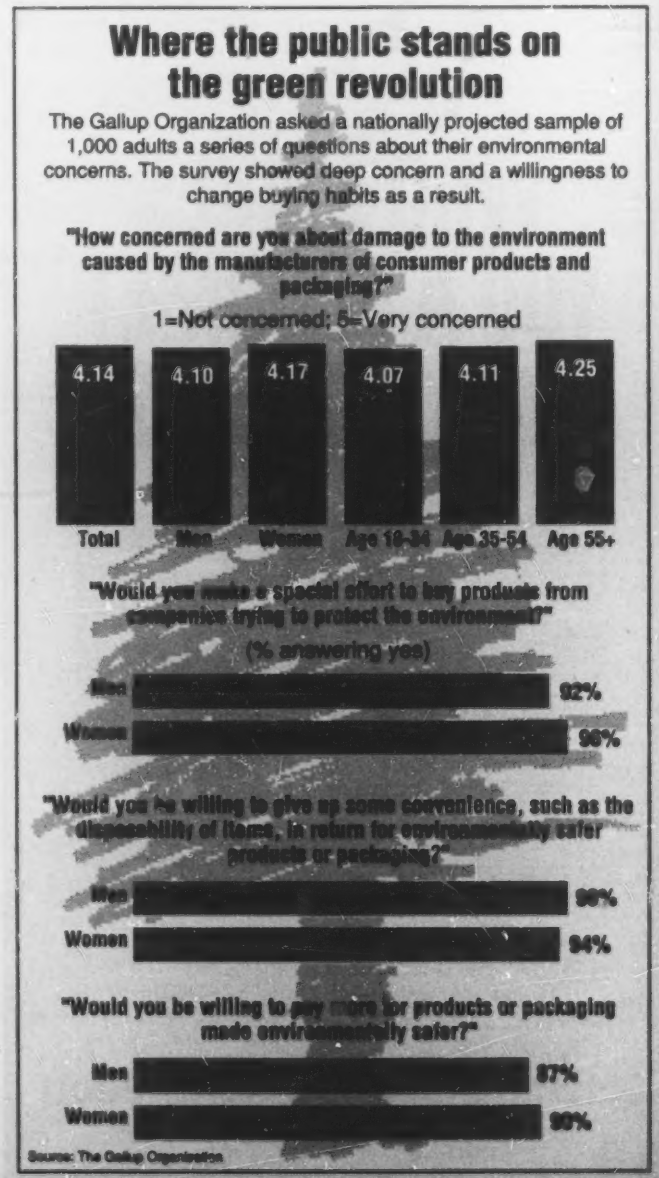
Support was highest among consumers ages 18 to 34 (90% saying they'd pay more) and weakest among respondents ages 55 and older (85%).

But the clear message is that

(Continued on Page 92)

Where the public stands on the green revolution

The Gallup Organization asked a nationally projected sample of 1,000 adults a series of questions about their environmental concerns. The survey showed deep concern and a willingness to change buying habits as a result.



Source: The Gallup Organization

Holly Bagsiao, John Holland

Artificial logs catch fire

By Kate Fitzgerald

The artificial-firelog market is starting to crackle again.

Absent from TV for several years, artificial-firelog advertising is coming back because the logs are said to be environmentally safer to burn than wood.

"People are more concerned about pollution and the environment, so now we're starting to promote the fact that our logs are safer and cleaner for the air," said Brad Hertz, VP-sales and marketing for Pine Mountain Corp. "We think it's going to help sales tremendously."

In the past year, the industry has formed the Firelog Manufacturers Association to promote independent test results showing that artificial firelogs produce 66% less particulate matter, 78% less carbon monoxide and 50% less visible smoke than regular firewood.

"People usually think real firewood is the best, but now we're trying to tell them that artificial logs are actually much safer to burn from the standpoint of kreosote buildup in your chimney and also the air you breathe," said Chris Caron, product manager for market leader Duraflame.

Pine Mountain will break its first 30-second TV spot on cable networks Oct. 29.

"Pine Mountain Firelogs are significantly cleaner to burn than real wood," the spot claims, over shots of flames and blue skies. Creighton Younnel Advertising, Stockton, Calif., handles.

Two national free standing insert coupon drops will support in November and January.

The artificial-firelog industry has been growing again, after faltering in the late 1970s and early

(Continued on Page 86)

Nike nearly does it in ad recall

By Scott Hume

August is a vacation month, so it's appropriate that among the ranks of the best-recalled advertising there was a lot of activity without much significance.

When the music stopped, many of the traditionally best-recalled advertisers had changed places in the monthly adWatch survey, but the names remained the same.

Coca-Cola moved up from second place into the top position in August, the first time its advertising has registered the best top-of-mind recall since the June 1988 survey.

Pepsi-Cola, which had held the top spot for the previous five months, fell to fifth.

Procter & Gamble Co.'s Tide rejoined the top 10, in the No. 9 slot, after finishing out of the money the previous month.

And a few advertisers that made surprise appearances among the top 10 earlier in the summer dropped from the list. AT&T Co., for example, No. 9 in July on the strength of its new campaign, didn't make it in August.

Neither did Sears, Roebuck & Co., seventh in June.

August just isn't a big month for splashy new campaigns that catch the attention of viewers, listeners and readers.

But there was at least one highly touted new campaign. And it was noticed.

Nike's "Just do it" TV spot featuring football and baseball star Bo Jackson playing hockey, tennis, basketball and electric guitar (with rock 'n' roll legend Bo Diddley) is one of the summer's most talked-about ads.

It didn't propel Nike into its first appearance among the top 10, but it came as close as an advertiser can—No. 11.

General Motors Corp. managed to turn a rare double play, placing not only ads for Chevrolet in the No. 6 spot but also corporate ads at No. 8.

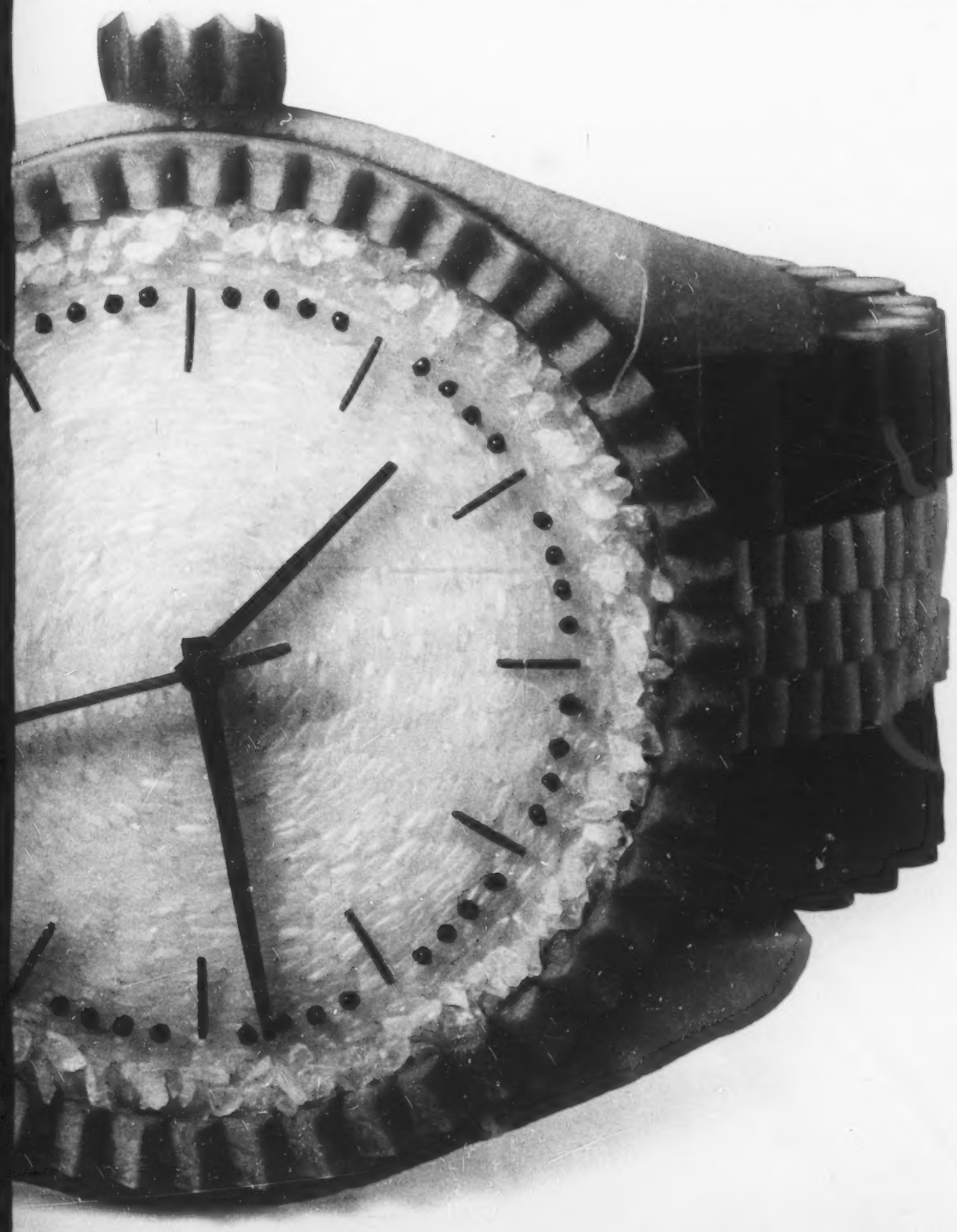
Overall, August was just marking time until the fall, when a flood of new advertising traditionally does battle for the top of consumers' minds and things really get interesting.

AdWatch survey of advertising awareness top 10 in August

Last month, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? Source: Gallup Organization, Lincoln, Neb.

Rank 8/89	Rank 7/89	Advertiser	Agency
1	2	Coca-Cola	McCann-Erickson Worldwide
2	6	Budweiser Bud Light	D'Arcy Masius Benton & Bowles DDB Needham Worldwide
3*	4	Ford	J. Walter Thompson USA
3*	5	McDonald's	Leo Burnett USA
5	1	Pepsi-Cola	BBDO Worldwide
6	3	Chevrolet	Lintas Campbell-Ewald
7	7	Miller	Backer Spielvogel Bates Leo Burnett USA
8	—	General Motors	N W Ayer
9	—	Tide	Saatchi & Saatchi Advertising
10	—	Toyota	Saatchi & Saatchi DFS Pacific

*Indicates tie



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AdWatch is a joint project of *Advertising Age* and the Gallup Organization. Ad awareness is measured by asking a nationally projectable sample of adults to name the first advertiser that comes to mind, overall and in several categories, from among all ads seen, heard or read in the previous 30 days.

Last month, 1,000 adults were polled by phone. The margin of error is plus or minus 3.1%.

Among other changes of interest in the August survey:

- Advertisers have been playing "Can you top this?" with discounts in the **fast-food** category, but overall recall in the category was down last month.

McDonald's Corp., playing its "Blast Back With Mac" game, remained No. 1, of course, but its share of first mentions dipped slightly to 44.9% from 45.5%. No. 2 Wendy's International slipped to 12.7% from a 13.5% share in July.

No. 3 Burger King Corp. saw the biggest slide, dropping to 9.9% of first mentions from 12.1%.

Worth noting is the performance of Hardee's Food Systems, No. 4 overall with a 6.1% share in August. Hardee's has a strong store and advertising presence in the Southeast and Midwest but is weak in the Northeast and invisible in the West.

If recall of its advertising in its two strong regions were consistent nationally, Hardee's would have finished ahead of Burger King and only slightly behind Wendy's.

- Apple Computer suffered a 5.7-point decline in recall in the **computer** category, falling to a 27.2% share of first mentions, but remained ahead of No. 2 IBM Corp. (20%) and No. 3 Radio Shack (3.3%).
- Michelin Tire Corp. had picked up 4.9 share points in July but lost them again in the August survey. With a 14.8% share last month, it ranked second in the **tire** category, behind Goodyear Tire & Rubber Co. (26.5%). Firestone Tire & Rubber Co. remained No. 3 with 8%. □

For more information, contact the Gallup Organization, 301 S. 6th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

Group to boycott doll

TUPELO, Miss.—The American Family Association is organizing a boycott of both Matchbox Toys (USA) and stores that sell a new doll based on the steel-clawed Freddy Krueger character from the "A Nightmare on Elm Street" films.

Matchbox is planning to have the $24.99, 17-inch doll on shelves by Halloween (AA, Aug. 28). □

Cereal market up, No. 1 Kellogg down

By John C. Maxwell Jr.

Despite the market share problems Kellogg Co. is facing, the cold-cereal industry as a whole is looking forward to a strong 1989.

The industry's total volume is expected to rise between 4.5% and 5% to about 2.6 billion pounds; dollar sales are likely to grow 14% to $6.7 billion.

Last year, volume rose 4.5% to 2.47 billion pounds, and dollar sales climbed 11% to about $5.9 billion. Significant price hikes for breakfast cereal ingredients accounted, in part, for the substantial dollar increases.

Leader Kellogg saw market share slip last year to 41% from 42.25% in tonnage and to 40.9% from 42% in dollars. High-volume products such as Frosted Flakes, Corn Flakes and Rice Krispies were down in sales as people moved to what they consider healthier brands.

Such "healthy" Kellogg brands as Mueslix and Nutrific did very well, with both these relatively new brands capturing more than a 1% market share.

In addition, Common Sense Oat Bran, with a 0.3% share in 1988, had a 2% market share in the first quarter of 1989.

General Mills gained 0.5 percentage points in tonnage market share due in part to the strength of Honey Nut Cheerios, Total and several of its newer products. These new entries, such as Benefit, should help the company end its fiscal year with record share. So far in 1989, General Mills has about 23% of the cold-cereal market.

General Foods USA's overall share continued to erode (to 11.9%), partly due to the decline of some of its leading brands, including Grape-Nuts and Post Raisin Bran.

However, one of its newly reintroduced products, Fortified Oat Flakes, is proving to be a strong performer, capturing a 0.6% market share in the first quarter of 1989.

Quaker Oats Co.'s top brands, Cap'n Crunch, Life and 100% Natural, increased in share last year. And the new Quaker Oat Squares continues to grow, with a 1.2% share in the first quarter of this year.

But other products, including Life, are now showing declines.

The company's performance in 1988 showed lower dollar share than tonnage share. That's because Quaker didn't pass on two price increases to consumers and because of its aggressiveness with "buy one, get one free" promotions.

Both Ralston Purina Co. and Nabisco Brands basically maintained their market shares in 1988. Their leading brands lost share, but new-product entries helped offset the loss.

One new Ralston product, Muesli, is performing well this year with about a 0.5% share.

The "All Other" category increased 1.3 share points to 6.7% last year, due in large part to private labels cashing in on the oat bran craze. This category will likely decline to the 4%-to-5% level it held in the mid-1980s. □

Mr. Maxwell is with Wheat First Securities, Richmond, Va.

Market shares of the top 10 cold cereals

Brand	1987 Lbs.	1987 $	1988 Lbs.	1988 $
Corn Flakes (K)	6.3%	4.2%	5.8%	3.5%
Frosted Flakes (K)	5.9	5.5	5.3	4.8
Cheerios (GM)	4.6	4.9	4.5	4.6
Raisin Bran (K)	4.3	3.7	4.1	3.5
Rice Krispies (K)	3.6	3.8	3.4	3.5
Shredded Wheat (NAB)	3.9	3.6	3.2	3.0
Chex (RAL)	3.6	3.6	3.2	3.2
Cap'n Crunch (OAT)	2.9	3.2	3.2	3.0
Honey Nut Cheerios (GM)	2.9	3.2	3.1	3.4
Bran products (K)	3.5	2.8	3.0	2.5
Total	**41.5**	**38.5**	**38.8**	**35.0**

Source: John C. Maxwell Jr.

Cold cereal market shares

Brand	1986 Lbs.	1986 $	1987 Lbs.	1987 $	1988 Lbs.	1988 $
Kellogg						
Corn Flakes	6.6%	4.5%	6.3%	4.2%	5.8%	3.5%
Frosted Flakes	6.0	5.7	5.9	5.5	5.3	4.8
Raisin Bran	4.5	4.1	4.3	3.7	4.1	3.5
Rice Krispies	3.6	4.0	3.6	3.8	3.4	3.5
Bran products	3.5	2.8	3.5	2.8	3.0	2.5
Frosted Mini-Wheats	2.0	2.1	2.2	2.1	2.2	2.2
Froot Loops	2.4	3.2	2.3	2.9	2.1	2.6
Nutri-Grain	1.5	1.1	1.7	1.8	1.5	1.7
Special K	1.4	1.9	1.6	2.0	1.5	1.7
Apple Jacks	1.2	1.6	1.1	1.5	1.1	1.4
Squares	1.1	1.2	1.4	1.6	1.1	1.1
Mueslix	—	—	0.2	0.3	1.1	1.5
Nutrific	—	—	0.1	0.2	1.1	1.4
Crispix	1.0	1.0	1.0	1.2	0.9	1.1
Corn Pops	1.0	1.1	0.9	1.1	0.9	1.1
Just Right	0.9	0.9	0.8	1.0	0.9	1.1
Product 19	0.9	1.1	0.8	1.0	0.8	1.0
Honey Smacks	1.2	1.3	1.0	1.0	0.8	0.8
Cocoa Krispies	0.7	0.9	0.6	0.8	0.5	0.6
Apple Raisin Crisp	0.4	0.5	0.4	0.4	0.3	0.3
Fruity Marshmallow Krispies	0.3	0.4	0.4	0.4	0.3	0.3
Common Sense Oat Bran	—	—	—	—	0.3	0.3
Cracklin' Oat Bran	0.3	0.4	0.5	0.6	—	—
Fruitful Bran	0.9	1.0	0.4	0.4	—	—
Pro Grain	—	—	0.2	0.2	—	—
Frosted Rice	0.2	0.2	0.2	0.2	—	—
Honey Nut Corn Flakes	0.3	0.4	—	—	—	—
Others	0.7	0.6	1.1	1.3	2.0	2.9
Total	**42.6**	**42.0**	**42.5**	**42.0**	**41.0**	**40.9**
General Mills						
Cheerios	4.9	5.1	4.6	4.9	4.5	4.6
Honey Nut Cheerios	2.9	3.2	2.9	3.2	3.1	3.4
Total	2.1	2.5	2.1	2.6	2.3	2.7
Lucky Charms	1.7	2.1	1.5	1.8	1.6	1.9
Wheaties	1.6	1.4	1.6	1.4	1.5	1.3
Raisin Nut Bran	0.6	0.7	1.0	1.0	1.2	1.2
Trix	1.4	1.8	1.1	1.5	1.1	1.5
Golden Grahams	1.0	1.1	1.0	1.1	1.0	1.1
Oatmeal Raisin Crisp	—	—	0.4	0.4	0.9	0.9
Cinnamon Toast Crunch	0.6	0.7	0.6	0.7	0.7	0.8
Kix	0.6	0.8	0.6	0.8	0.7	0.8
Cocoa Puffs	0.6	0.8	0.6	0.8	0.6	0.8
Crispy Wheats 'n Raisins	0.7	0.9	0.6	0.7	0.6	0.6
Monsters	0.5	0.7	0.4	0.6	0.5	0.6
Fiber One	0.5	0.4	0.4	0.4	0.3	0.4
S'Mores	0.4	0.5	0.3	0.3	—	—
Circus Fun	0.4	0.4	0.3	0.4	—	—
Clusters	—	—	0.2	0.2	—	—
Rocky Road	0.4	0.5	0.1	0.2	—	—
Buc Wheats	0.1	0.1	0.1	0.1	—	—
Others	0.2	0.4	0.3	0.5	0.6	1.3
Total	**21.2**	**24.1**	**20.7**	**23.6**	**21.2**	**23.9**

Brand	1986 Lbs.	1986 $	1987 Lbs.	1987 $	1988 Lbs.	1988 $
General Foods						
Grape-Nuts	2.3	1.7	2.6	1.8	2.4	1.7
Raisin Bran	2.5	2.0	2.5	2.2	2.3	2.0
Pebbles	1.4	1.5	1.5	1.9	1.5	1.9
Post Fruit & Fibre	1.5	1.6	1.4	1.4	1.1	1.3
Super Golden Crisp	1.1	1.1	1.1	1.1	1.0	1.0
40% Bran Flakes	0.8	0.8	0.8	0.7	0.8	0.6
Honeycombs	0.7	0.8	0.8	0.9	0.7	0.9
Post Toasties	0.8	0.6	0.7	0.5	0.5	0.2
Alpha-Bits	0.5	0.6	0.5	0.7	0.5	0.5
Raisin Grape-Nuts	0.3	0.3	0.2	0.2	0.3	0.3
Crispy Critters	—	—	0.3	0.3	0.2	0.2
Horizon Trail Mix	0.2	0.2	0.1	0.1	—	—
Smurfberry	0.1	0.2	0.1	0.1	—	—
CW Post	0.1	0.1	0.1	0.1	—	—
Fortified Oat Flakes	0.4	0.4	—	—	—	—
Others	0.1	0.1	0.1	0.1	0.6	0.8
Total	**12.8**	**12.0**	**12.8**	**12.1**	**11.9**	**11.4**
Quaker Oats						
Cap'n Crunch	2.6	3.1	2.9	3.2	3.2	3.0
Life	1.8	1.7	1.5	1.4	1.6	1.5
100% Natural	1.3	1.2	1.2	1.1	1.3	1.2
Oh's	0.5	0.6	0.9	1.0	0.9	1.0
Quaker Oat Squares	—	—	0.1	0.1	0.6	0.6
Crunchy Bran	0.6	0.6	0.5	0.5	0.5	0.4
Others	0.3	0.2	0.7	0.6	0.4	0.3
Total	**7.1**	**7.4**	**7.8**	**7.9**	**8.5**	**8.0**
Ralston Purina						
Chex	3.4	3.5	3.6	3.6	3.2	3.2
Almond Delight	0.7	0.7	0.7	0.7	0.6	0.6
Dinersaurs	—	—	—	—	0.5	0.6
Cookie-Crisp	0.5	0.7	0.4	0.6	0.4	0.5
Sun Flakes	0.5	0.4	0.2	0.2	—	—
Fruit Islands	—	—	0.2	0.3	—	—
Ghostbusters	0.4	0.4	0.1	0.2	—	—
Nerds	0.3	0.4	0.1	0.2	—	—
Rainbow Brite	0.1	0.1	—	—	—	—
Freakies	—	—	0.1	0.2	—	—
Others	—	—	0.1	0.1	0.7	1.0
Total	**5.9**	**6.2**	**5.5**	**6.1**	**5.4**	**5.9**
Nabisco						
Shredded Wheat	4.1	3.6	3.9	3.6	3.2	3.0
Fruit Wheats	—	—	0.7	0.7	0.8	0.7
100% Bran	—	—	0.5	0.4	0.5	0.4
Frosted Wheat Squares	—	—	—	—	0.5	0.5
Others	0.9	0.9	0.2	0.2	0.2	0.2
Total	**5.0**	**4.5**	**5.3**	**4.9**	**5.2**	**4.8**
All others	5.4	3.8	5.4	3.4	6.8	5.1
TOTAL	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Source: John C. Maxwell Jr.

S&A takes restaurant taste to supermarkets

By Christy Fisher

S&A Restaurant Corp., parent of the Steak & Ale and Bennigan's chains, is expanding into supermarkets.

The chain is taking some of its popular restaurant sauces and dressings and packaging them for national grocery sale, targeting markets where it has a concentration of restaurants.

S&A quietly introduced Steak & Ale steak sauce and Bennigan's barbecue sauce into six markets last January and is now working to get distribution for its Steak & Ale steak and chicken marinade, as well as Steak & Ale salad dressings, in honey mustard, island spice and blue cheese.

Radio, print and outdoor ads for the steak and barbecue sauces broke Aug. 28 in Dallas, Houston, Minneapolis and Jacksonville, Orlando and Tampa, Fla. A free standing insert drops Oct. 22.

Hall, Northway & Scofield, Dallas, handles.

S&A hopes that by moving into the retail market, it can build sales and expand awareness of its 387 restaurants, said Janet Smith, manager of special projects.

Advertising is themed "Just tell them you know the chef at Steak & Ale [or Bennigan's]" to tie the products to the restaurants.

Chris Wolf, editor of Noble Communications Co.'s *The Food Channel*, a foodservice newsletter, said "cross-pollination" between the foodservice and retail sectors is becoming more common. Retail marketers increasingly are promoting their products on restaurant menus while restaurant chains are creating specialty products to be sold at the grocery, he said.

"S&A Restaurant Corp. runs little risk of cannibalizing its restaurant sales [with the retail product] because the consumer mindset is different with each," he said. "If you want to eat dinner now, you go to a restaurant. But if you've got time and you want to save money, you wouldn't go out to a restaurant anyway."

S&A is developing other products, Ms. Smith said, but she declined to name them or say whether the company would expand its offerings outside of sauces and dressings. □

Gitlitz

(Continued from Page S-2)

apolis.

Now we are going to test . . . piggy-backing with magazines. So if you have a product, catalog or mail-order offer that's compatible with the audience of a magazine, you have some really good targeting. There are presently about 14 consumer magazines such as *Better Homes & Garden, Life, Metropolitan Home* and *Popular Science* that present some really good opportunities for our members to ride-along. The first one was out last August when *Endless Vacation* rode-along with *Golf*.

In addition to our tests, United Delivery Systems and some of our members have been doing things on their own. Quill Corp. [and others] have been developing their own knowledge and marketing information on how to use alternate delivery.

AA: *When do you think you'll get beyond the test phase?*

Mr. Gitlitz: We're calling it a test phase because we have so much to learn.

It's embryonic, but it's something we're committed to . . . we're in it for the long run.

AA: *What has been the U.S. Postal Service's reaction?*

Mr. Gitlitz: At one time our efforts were being totally ignored, but they're realizing [private delivery] is a threat now.

[The United States Postal Service is] starting to let their field people know about it, and that shows that they're taking it seriously. They are saying, "Look, it's not business as usual. There's something going on out here that we better pay attention to and if we don't do our job right, and we don't give people the service they want and the rates they want and operate efficiently, we are going to start losing some customers." And that is what's happening.

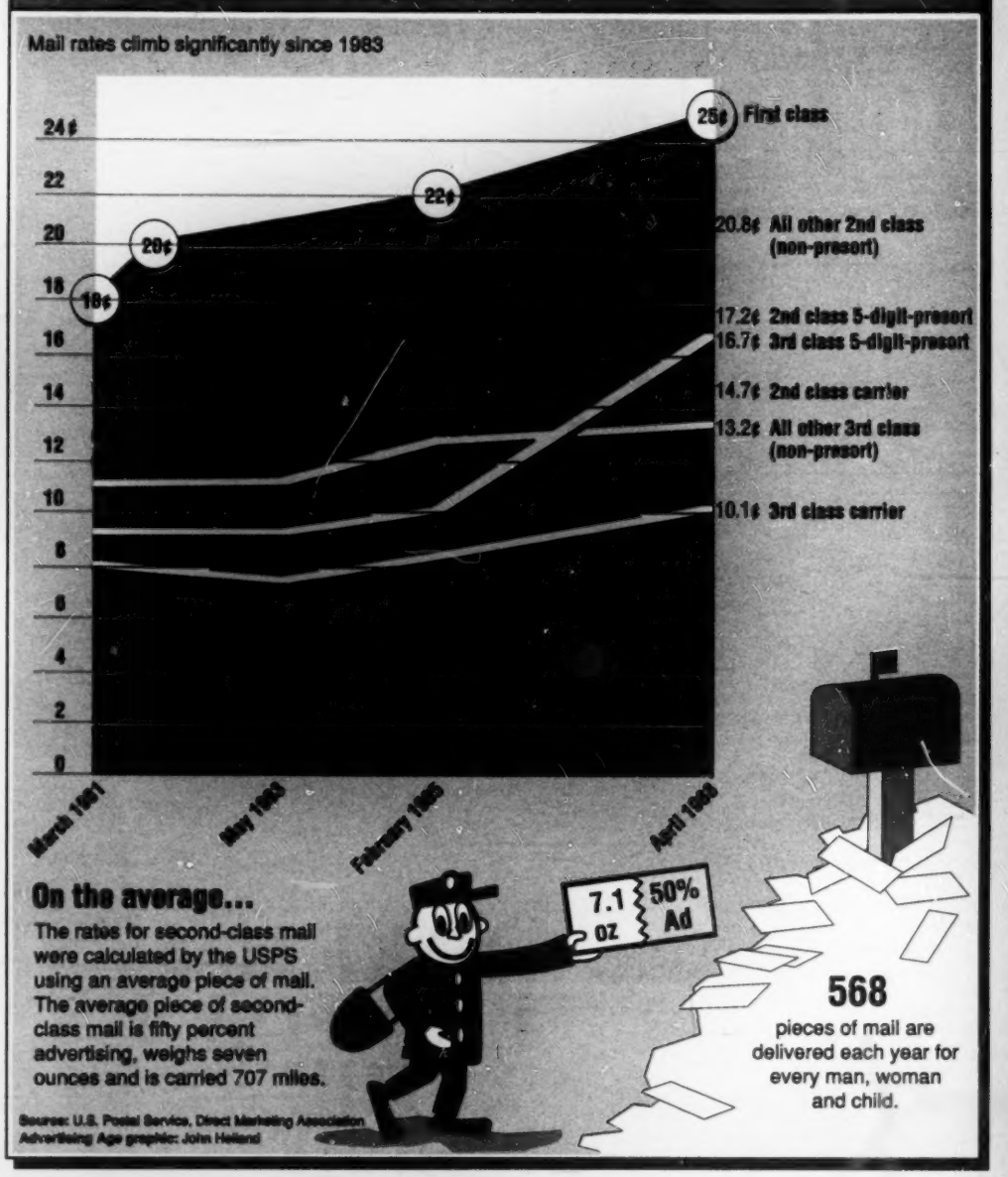
AA: *What do you think about Postmaster General Frank's program to bar code mailings?*

Mr. Gitlitz: His plans for bar coding—where almost everything is going to be bar coded by 1994-95—should cut costs. We're hoping that all the attempts at automation will produce productivity gains.

They have spent a lot of money on automation and, according to the studies by the Postal Rate Commission, there have been very little, if any, productivity gains that can be identified.

Fifty-five percent of third-class mail is through carrier route,

Postal increases rate another look



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PERSPECTIVAS

Imports roll over Detroit

By Ed Fitch

When American Honda Motor Co.'s first Hispanic effort—sponsorship of Mexico City's Ballet Folklorico's U.S. tour—kicked off this month, it followed in the footsteps of other Japanese automakers in aggressively pursuing Hispanic sales.

As a result, the Japanese imports are dancing all over Detroit in chasing the Hispanic car buyer.

According to R.L. Polk & Co. data on 1988 model year purchases, the leading two brands among Hispanics in the compact and subcompact categories are Japanese.

Not coincidentally, said Raul Torano, Univision Network s senior VP-sales, the Japanese automakers are bigger Hispanic market advertisers.

The domestic automakers are vacillating about whether to enter the market, continuing to question whether Hispanics can afford a $15,000 car, Mr. Torano said. He calls that question "one of the biggest myths in the market."

"I don't know why Detroit believes that," Mr. Torano said. "They have the same data as the imports."

In the 24 Polk-surveyed U.S. markets, Hispanic vehicle purchases climbed 9% while non-Hispanic purchases dropped 2%; the average cost of a 1988 model was $14,100.

Among domestic automakers, Chevrolet is becoming more aggressive, Mr. Torano said. Meanwhile, Chrysler Corp. plans to break a campaign next month via Montemayor & Asociados, San Antonio.

But the domestics' efforts will be met by new creative from Conill Advertising for Toyota Motor Sales next month and continuing spot activity by Nissan Motor via Casanova, Pendrill Publicidad. Mazda Motors of America is expected to enter the market in 1990.

Honda already has big plans to increase its activity. Specializing in fancy footwork, the company is expected to move from Ballet Folklorico to a more than $1 million sponsorship of the 1990 World Cup soccer tournament. La Agencia de Orci & Asociados handles. □

A driving force

1988 Hispanic vehicle registration

	Units	% chg. 1987-1988	% share of Hispanic sales
Passenger Cars	245,872	8.9	66.7
Trucks	122,938	10.2	33.3
Sub-compacts			
Hyundai Excel	20,528	11.2	8.3
Nissan Sentra	14,867	2.9	6.0
Ford Escort	11,882	30.9	4.8
Compact			
Honda Accord	9,998	27.5	4.1
Toyota Camry	5,741	53.1	2.3
Chevy Cavalier	5,189	–6.2	2.1
Standard/Intermediate			
Ford Taurus	4,244	–10.2	1.7
Olds Cutlass Ciera	3,108	–2.2	1.3
Chevrolet Corsica	3,071	131.1	1.2
Luxury			
Cadillac DeVille	1,757	–9.4	0.7
BMW 300	1,226	–16.5	0.5
Lincoln Town Car	1,116	–3.0	0.5

Source: R.L. Polk & Co.; Univision Network

JOHN HALL

MEDIA MOVES

National ambitions: *El Nuevo Herald* Publisher Roberto Suarez says taking the *Miami Herald* free-distribution supplement national has become a constant topic of discussion.

El Nuevo's success has introduced a lot of questions, he says. One relates to independence from the *Herald* and another concerns expansion. "There are certain U.S. markets that are very appropriate for a Spanish-language newspaper."

Some papers in those markets have their own ideas.

El Diario/La Prensa, New York's leading Spanish-language newspaper—recently sold to management by Gannett Co.—is investigating East Coast expansion.

Nuestro Tiempo, the *Los Angeles Times* free-distribution, Spanish-language insert, is moving from twice-monthly to weekly next March and has set its sites on becoming a daily, said Retail Advertising Coordinator Joe Coveto.

If Knight-Ridder takes *El Nuevo* national, "it will wake up a sleeping giant at *Diario las Americas*," *El Nuevo's* Miami competitor, said Strategy Research Corp. President Dick Tobin.

Diario's Advertising Director Miguel Suarez, Roberto's brother, admits there is room for growth. Brother Roberto concedes that if *El Nuevo* goes national, *Diario las Americas* most likely will be right behind them.

A suave move: Pending approval, Miami's WSUA-AM, "Radio Suave," will be sold to North Miami Broadcasting for an undisclosed price, said WSUA owner Herb Levin. "WSUA will serve the specialty Hispanic audience," concentrating on South Florida's growing Nicaraguan, Colombian and Argentine communities, he said.

—Anne Moncreiff Arrarte

HISPANIC CONSUMER
PROFILE:
José Luis Lopez
Age 21
Occupation Pharmacist
Annual Income $ 21,151
Favorite Activities Soccer & Car Shows
I REALLY LIKE
Reading to my daughter at night
Playing soccer with the guys
Family dinners on Saturdays
Cookouts at the lake
Customers who let me know that I make a difference in their lives
SPANISH RADIO
SPANISH RADIO SPEAKS HIS LANGUAGE
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EL DIARIO / LA PRENSA	263,000 (38%)
N.Y. NEWS	185,000 (27%)
N.Y. POST	56,000 (8%)
N.Y. TIMES	37,000 (5%)
TOTAL ADULTS	692,000 (100%)

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Kent plans don't include BBDO

By Judann Dagnoli and Gary Levin

NEW YORK—Lorillard's determination to revive its struggling Kent cigarettes has led to a split with BBDO Worldwide on the $10 million account.

The marketer is eyeing a restaging of the brand to a low-price or generic line, a strategy that BBDO strongly resisted, said Philip Dusenberry, ceo of the agency's office here.

"We had a basic difference of opinion on that and a myriad of other issues," Mr. Dusenberry said.

He said Lorillard discontinued ad support for Kent in August and said that in the past two years, out-of-home media placement in just four major markets "means that 75% of the country has not had the benefit of meaningful ad support."

Mr. Dusenberry said BBDO presented seven Kent campaigns in the past 12 weeks to Lorillard and would have been owed $350,000 in creative fees if the split hadn't occurred.

Sara Ridgway, VP-public relations at Lorillard, said Kent has "taken a hit" from low-price and generic cigarettes but said the split stemmed from "creative differences." She said there's been no decision to convert the brand, but didn't rule it out.

She said the company will re-evaluate creative and strategies for Kent.

Low-price cigarettes now account for 11.4% of the $34 billion market, and Lorillard is the lone holdout from that growing segment.

In seeking a new shop, the company said it would consider its other two agencies—Saatchi & Saatchi Advertising and Ally & Gargano—as well as unidentified others.

Saatchi, a Lorillard agency since 1980, handles True and Spring Lemon Lights. Ally has worked with the company since 1975 and now is the agency for Newport, Newport Stripes and Harley-Davidson cigarettes.

Should Lorillard trade its brand down to a low-price entry, it would be in good company.

Just this year, older established brands have been converted to price brands by Philip Morris USA (Alpine), Liggett Group (Chesterfield Lights) and Brown & Williamson Tobacco Corp. (Viceroy).

Lorillard has steadfastly refused to enter the segment, because "they feel they'll never make money on it," said Wheat First Securities analyst John C. Maxwell Jr.

But that attitude could change under the company's new chairman-ceo, Andrew Tisch.

Ms. Ridgway said Mr. Tisch, a former Lorillard brand manager, intends to have a hands-on approach to the business.

Mr. Tisch's family owns Lorillard through parent Loews Corp.

Kent has slowly but steadily lost share. Mr. Maxwell's figures show Kent had a 2.3% share in 1988 and inched up to 2.4% in the second quarter of 1989, ranking 13th in the U.S. □

Healthy food

(Continued from Page 3)

advertising, and Quaker quickly countersued.

The Quaker/Texas battle may force national regulatory action if the proliferation of health claims alone doesn't.

"I feel there's massive confusion with all these health claims for food," said Phil Sokolof, president of the National Heart Savers Association, a consumer advocacy group. "You can't rely on these marketers' health claims."

If consumers are confused, marketers are frustrated.

"With the states jumping in, [food labeling] has become like playing baseball with 50 referees: It's hard to play competitively and on a level playing field," said George M. Burditt, an attorney specializing in food-labeling issues with Burditt, Bowles & Radzius, Chicago, one of the law firms handling the Quaker case. "In fact, it's hard to play at all."

While the Federal Trade Commission and Food & Drug Administration start anew the process of formulating guidelines for the labeling and marketing of food products, marketers are "operating in a vacuum of federal regulation," said Charles Mitchell, staff attorney with Center for Science in the Public Interest, a consumer advocacy group.

Into that void has stepped everyone from individual states to the American Heart Association.

"The food industry ought to do its best to convince the FDA that, given current views in this country on food and its importance to a healthy lifestyle, we ought to be able to communicate that to consumers," said Luther McKinney, senior VP-law and corporate affairs for Quaker. "If we prohibit health claims, we are condemning the public to ignorance, condemning competition and discouraging further research."

Trends in cereal sales indicate that, for their part, consumers support products that might help them be healthier.

While the cereal industry as a whole grew 14% to $7.2 billion, sales of oat or bran cereals (hot and cold) were up 35.6%, to $2.26 billion for the year ended July 14, said Arbitron/SAMI consultant Alan Miller. Oat or bran products now account for 31.4% of cereal sales.

The newer segment of cereals combining oats and bran, including Kellogg's Common Sense Oat Bran and Heartwise, Quaker Oat Bran and General Mills' Benefit, grew about 369% to $271.2 million from $57.9 million, Mr. Miller said.

"We know consumers are interested in this area—and because they are, we feel responsible to publish information on the effect of diet on health," said Alta Engstrom, General Mills' director of nutrition.

Even the FDA agrees.

"Consumers are demanding more information about the products they buy, and we [the FDA] haven't quite caught up with those expectations," said L. Robert Lake, director of the Office of Compliance at FDA's Center for Food Safety & Nutrition.

The FDA plans public hearings on food labeling and health claims in October and November, with next spring a target for completed guidelines.

"With the states jumping in, [food labeling] has become like playing baseball with 50 referees: It's hard to play competitively and on a level playing field."

That would be nearly a year after General Mills' Benefit first hit store shelves.

"Absolutely, the FDA has to get involved," said one food company president. "But with the way the FDA works, it will take an order practically from Bush himself" to get the guidelines out.

Some expect the FTC, with Bush administration commissioners coming on board, to take a more active role.

"For better or worse, the FTC clearly has jurisdiction over health claims in advertising, and the new commissioners will be more active in the health area," said David Versfelt, advertising attorney with Donovan, Leisure, Newton & Irvine, New York, and counsel to the American Association of Advertising Agencies.

"Just as the Supreme Court reads election returns, the FTC is not unmindful" of public pressure, he said.

The reality for at least the next few months, however, is action at the state level.

"It's going to be very hard to stop the states from . . . [acting on their interest in] protecting their citizens," said Steve Durschlag, an advertising law attorney with Winston & Strawn, Chicago.

Some marketers, however, suggest government officials could hurt consumers as much by holding back good health claims as by preventing bad ones.

"We do not as a company create the news," said former Kellogg President Horst Schroeder in an interview last month. "Scientists are saying finally that foods and diet are a key issue of the 1990s."

Mr. Schroeder resigned his post last week *(see story on Page 6)*.

Said Quaker's Mr. McKinney: "If I were a politician, I would think long and hard before I tell my constituents I am going to ban messages that bring them the truth about products that can help their lifestyle."

Private industry is making a stab at self-regulation. In the past month, Kellogg and Quaker have outlined suggestions for internally monitoring proper and improper health claims.

"The recent concern about how to deliver a health message . . . is getting in the way," Kellogg Chairman-CEO William LaMothe said in announcing his company's health messages policy late last month.

But consumer groups question the selflessness of food marketers' interest in making health claims.

In addition to cereals, oils and margarines are at the center of the controversy over health-oriented marketing. And with frozen prepared meals called Healthy Choice from ConAgra Consumer Frozen Food Co. and Right Course from Stouffer Foods Corp. now moving into national distribution, frozen-foods marketers are just a step behind.

Others will jump in as not only new products but new ingredients are discovered. Procter & Gamble Co.'s olestra fat substitute, for example, is now awaiting FDA approval.

The bottom line in all this is to decide what information should be passed on to consumers and in what fashion. And as quickly as possible.

"This isn't that difficult to solve," Quaker's Mr. McKinney said. "We've advanced a lot in dietary options and the medical profession's perception of the relationship between diet and health. Now we need to resolve the relatively simple matter of communicating those ideas." □

Laurie Freeman and Jane Meyers in Washington contributed to this story.

Chrysler

(Continued from Page 2)

ger determinant than ever of a product's design, Mr. Lutz said. For instance, the new Chrysler Imperial unabashedly is pointed at older buyers who like conservative styling.

For the 1990s, Chrysler brand is being positioned as a traditional American luxury marque; Dodge as affordable, youthful performance; Plymouth as a smart buy; Eagle as a sophisticated, import-like choice; and Jeep as the premium sport-utility line.

Chrysler's major sales successes during the 1980s have been with unique vehicles such as Jeep trucks, minivans and convertibles. More often, however, the company has been the K mart of the automotive world, offering discounted imitations of products developed by its bigger rivals, General Motors Corp. and Ford Motor Co.

With at least 40 brands battling for share of the U.S. market, Chrysler's derivative-looking products have gotten a lukewarm reception from the automotive press and the buying public.

Through August, Chrysler's 1989 car market share was 10.8%, compared with 11.9% during the same period in 1988, *Automotive News* reported. An increase in Jeep sales has enabled Chrysler to hold steady at 21% of the light-duty truck market.

The biggest hurdle facing the "anti-vanilla" movement may be time. It will take about four years to overhaul virtually the entire product lineup—and insiders are worried that Chrysler's current belt-tightening will take its toll.

Chrysler is committed to cutting operating costs by $1 billion within 15 months (AA, July 31). So far, no new-product programs have been delayed or abolished, but the company's product planners privately are concerned that cautious financial officers will try to put the brakes on risky programs.

Mr. Lutz said Chrysler hopes to achieve its $1 billion in savings without trimming anything that affects the customer or the product. Chrysler is asking its ad agencies, like other suppliers, to propose ways to save money. Those proposals are expected to center on such issues as media buying and production costs.

"We don't want to cut their margins; we just want to help them cut their costs," Mr. Lutz said. "There are no current plans to ask them to reduce fees or reduce margins."

Mr. Lutz also said there are no plans to trim media budgets. □

Green

(Continued from Page 3)

companies seeking to reward manufacturers' efforts to minimize environmental damage are endorsing a principle consumers have already embraced.

K mart, the No. 2 retailer, announced its program with a page ad in the Sept. 20 issue of *USA Today* that outlined its plans to work with and encourage manufacturers and suppliers to provide "environmentally compatible products."

Wal-Mart also ran a page newspaper ad when it disclosed its program (AA, Aug. 21).

K mart has been meeting with several marketers, including Procter & Gamble Co., to discuss ways of improving products. One early result is that starting Oct. 1, all K mart stores in Florida will use photodegradable shopping bags, a switch that eventually may be extended to all K mart stores.

K mart is also developing a consumer campaign to promote its involvement in environmental preservation and educate customers on ways they can become involved.

"We're still exploring a number of different options," said Michael Wellman, VP-marketing. "I see no reason why we, too, wouldn't tag" products that are more environmentally safe, as Wal-Mart does.

Ross Roy Inc., Bloomfield Hills, Mich., and sister agency Calet, Hirsch & Spector, New York, handle K mart advertising, though last week's ad in *USA Today* was produced in-house.

Wal-Mart is "pleased" that K mart "decided to join the initiative," said Brenda Lockhart, coordinator of public relations. She said one of the retailer's goals "was to encourage others to take a stand."

Wal-Mart said it has received "tremendous" response from consumers and vendors so far. Many vendors are making plans to change packaging or content of products, Ms. Lockhart said. □

Contributing to this story: Christy Fisher in Dallas, Laurie Freeman in Washington and Kate Fitzgerald in Chicago.

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Advertising Age

September 27, 1989

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100 LEADING NATIONAL ADVERTISERS

Philip Morris ad spending muscles past $2 billion

Top 100 marketers tip ad scales at $32.2 billion as acquisitions and flood of retailers jumble rankings, and spot media and new product growth cool

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By R. CRAIG ENDICOTT

Philip Morris Cos. became the first company to crack the $2 billion mark in annual advertising and promotional spending in the U.S. with an increase of 7.2% to $2.06 billion in 1988, according to the 34th annual *Advertising Age* 100 Leading National Advertisers' report.

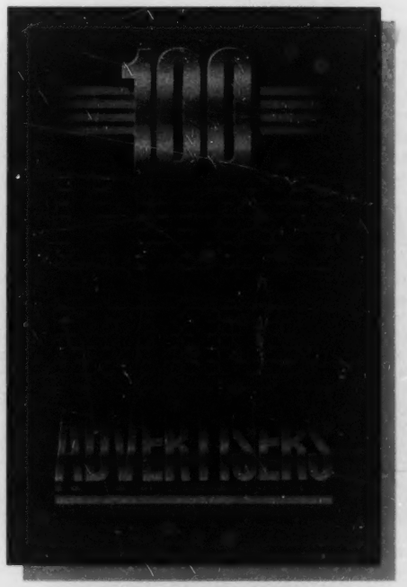
The company's mammoth Kraft General Foods division with combined sales of $22.5 billion accounted for about 60% of total Philip Morris advertising. About 25% of the ad budget was for cigarettes and 15% for the Miller beer unit. The *Ad Age* report folded into the company ad totals full-year spending for Kraft Inc., purchased for $13.1 billion in December 1988. Kraft, last year's 22nd largest U.S. advertiser, claimed close to half Philip Morris' ad expenditures for food.

Procter & Gamble, dominant ad spender until edged out of No. 1 by Philip Morris in last year's report, retained the No. 2 spot with ad spending of $1.51 billion, up only 2.8%. General Motors Corp., No. 3, remained in striking distance of P&G at $1.29 billion, a dramatic 34% increase over 1987, and Sears, Roebuck & Co. filled out the billion-dollar ad club at $1.05 billion, up 4.4%.

The leading four marketers together accounted for 18% of the Top 100's $32.21 billion aggregate, up 6.7% from 1987 totals recorded by these same companies. As a group, the Top 100 represented 27.3% of all advertising in the U.S. in 1988, down slightly from 27.5% in 1987. Total U.S. advertising in 1988 is estimated at $118.05 billion by Robert J. Coen, McCann-Erickson U.S.

The price of admission to the Top 100 this year climbed steeply to $108 million in advertising, the level recorded by No. 100, Subaru of America, a new entry to the chart. Last year, No. 100 was Ameritech at $83.4 million.

National media ad spending accounted for $17.98 billion, or 55.7% of the Top 100 total volume. The remainder was "unmeasured" advertising and promotion not monitored by national tracking services *(See Methodology, Page 2)*, such as all forms of direct marketing and promotions.



Cover design: AVID PRODUCTIONS/CHICAGO

Acquisitions, as evidenced by ad expansion at Philip Morris (PM's ad total was $1.56 billion without Kraft in 1987), heavily influenced rankings within the Top 100 in 1988. Grand Metropolitan PLC soared to No. 6 from No. 40 based on its buyout of last year's No. 19, Pillsbury Co. SmithKline Beecham checked in at No. 39, up from Beecham Group PLC's rank of 54 last year. A merged Bristol-Myers Squibb reached No. 21. Squibb Corp., not a major consumer advertiser, contributed enough to help lift Bristol-Myers from No. 26 a year ago. Buyout activity continued this fall with P&G's planned $1.3 billion purchase of No. 79 Noxell Corp.; No. 53 Adolph Coors Co.'s buyout for $425 million of Strohs Brewery Co., and No. 81 Sony Corp.'s offer to purchase Columbia Pictures Entertainment, No. 85.

Retailers shot into the Top 100 en masse because newspapers, their main ad medium, are now a measured medium. *Ad Age* historically picks its 100 companies on the basis of their measured media expenditures. *(See Methodology, Page 2)*, but re-ranks them by their total ad expenditures, which includes our subsequent estimates of unmeasured spending. Twelve retailers reached the Top 100 up from five in 1987.

Network TV continued to dominate spending totals. The 100 increased their network expenditures 7.5% to $6.99 billion. They remain the networks' lifeblood, contributing 72.9% of the medium's total in 1988, down slightly from 73.7% in 1987. The medium accounted for 21.7% of all measured media expenditures for the Top 100 in 1988, up from 21.5%. General Motors' overall ad increase of 34% went largely into network TV and it wrested the top spot from P&G.

GM spent $443.4 million, up 62.4%, compared to Philip Morris's $388.6 million, an increase of 3.2%, while last year's network leader, P&G, fell to third, at $370.2 million, down 2%.

There was a slight erosion in spending on spot TV, the 100's second medium of choice, as total spending reached $3.45 billion, off 0.8%. As a result, spot TV accounted for 10.7% of the measured total for the Top 100, down from 11.5%. The Top 100 accounted for 40.1% of spending by all advertisers on spot TV in 1988, down from 41.4% in 1987. PepsiCo, ninth lar-

(Continued on Page 2)

100 Leading National Advertisers

Rank	Advertiser	Ad spending	Rank	Advertiser	Ad spending	Rank	Advertiser	Ad spending
1	Philip Morris Cos.	$2,058.2	35	Hershey Foods Corp.	$298.6	69	Kroger Co.	$144.1
2	Procter & Gamble Co.	1,506.9	36	U.S. Government	295.1	70	Seagram Co.	143.1
3	General Motors Corp.	1,294.0	37	General Electric Co.	276.6	71	Volkswagen AG	140.3
4	Sears, Roebuck & Co.	1,045.2	38	Toyota Motor Corp.	272.9	72	Paramount Communications	139.2
5	RJR Nabisco	814.5	39	SmithKline Beecham	264.2	73	News Corp.	139.1
6	Grand Metropolitan PLC	773.9	40	Schering-Plough Corp.	262.2	74	CPC International	134.4
7	Eastman Kodak Co.	735.9	41	Campeau Corp.	260.5	75	Wm. Wrigley Jr. Co.	134.2
8	McDonald's Corp.	728.3	42	American Cyanamid Co.	256.2	76	Bayer AG	132.2
9	PepsiCo Inc.	712.3	43	American Stores Co.	250.5	77	E.I. du Pont de Nemours & Co.	131.4
10	Kellogg Co.	683.1	44	American Express Co.	247.2	78	Texas Air Corp.	128.8
11	Anheuser-Busch Cos.	634.5	45	Honda Motor Co.	243.3	79	Noxell Corp.	126.7
12	K mart Corp.	632.0	46	Tandy Corp.	232.0	80	American Dairy Farmers	126.6
13	Warner-Lambert Co.	609.2	47	Dayton Hudson Corp.	230.2	81	Sony Corp.	125.9
14	Unilever NV	607.5	48	Pfizer Inc.	230.1	82	Goodyear Tire & Rubber Co.	124.6
15	Nestle SA	573.8	49	Nissan Motor Co.	224.9	83	Loews Corp.	123.8
16	Ford Motor Co.	569.6	50	IBM Corp.	214.4	84	Levi Strauss Associates	123.1
17	American Telephone & Telegraph	547.5	51	Hyundai Group	204.5	85	Columbia Pictures Entertainment	122.4
18	Chrysler Corp.	474.0	52	Campbell Soup Co.	202.5	86	Dr Pepper/Seven-Up Cos.	121.9
19	General Mills	470.1	53	Adolph Coors Co.	200.8	87	AMR Corp.	120.7
20	Johnson & Johnson	468.8	54	B.A.T. Industries PLC	184.1	88	Marriott Corp.	120.2
21	Bristol-Myers Squibb	430.7	55	BCI Holdings Corp.	180.2	89	UAL Corp.	120.2
22	J.C. Penney Co.	426.6	56	Revlon Group	177.3	90	Hallmark Cards	119.8
23	Quaker Oats Co.	423.4	57	American Brands	168.7	91	Citicorp	118.4
24	Ralston Purina Co.	421.0	58	Nestle Inc.	164.5	92	ITT Corp.	115.9
25	Time Warner	409.7	59	Gillette Co.	160.5	93	Franklin Mint	114.8
26	May Department Stores Co.	399.7	60	Ryans Corp.	160.4	94	Wendy's International	114.2
27	American Home Products Corp.	393.2	61	Carter Hawley Hale Stores	159.8	95	Bell Atlantic Corp.	113.2
28	Coca-Cola Co.	385.1	62	Dow Chemical Co.	156.7	96	Delta Air Lines	112.6
29	H.J. Heinz Co.	340.1	63	Mobil Corp.	155.9	97	Whitman Corp.	111.7
30	Mars Inc.	339.7	64	Montgomery Ward & Co.	155.3	98	S.C. Johnson & Son	111.6
31	Sara Lee Corp.	326.9	65	MCA Inc.	153.7	99	Borden Inc.	110.5
32	Macy Acquiring Corp.	308.8	66	Clorox Co.	148.3	100	Subaru of America	108.0
33	Colgate-Palmolive Co.	306.6	67	Mazda Motor Corp.	146.7			
34	Walt Disney Co.	300.6	68	Philips NV	144.3			

Note: Dollars are in millions.

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Philip Morris fuels Top 100

(Continued from Page 1)

gest spender among the 100, retained its lead in the spot TV medium although its spending dipped 4.8% to $258 million.

Spot TV, the only measured medium where totals dipped for the Top 100 in 1988, was affected by the renewed strength of network and increased buying in syndicated TV—both diverting dollars from spot.

Magazine spending by the 100 rose 10% to $2.60 billion as the group boosted its share of total national magazine advertising to 44.1% from 43.8% in 1987. Magazines accounted for 8.1% of all measured media of the leaders, up from 7.8%. Philip Morris retained its title as top advertiser in magazines with a tobacco-heavy expenditure of $270.3 million, down 0.3%, far outdistancing General Motors Corp. at $190.8 million, up 24%.

Spending in newspapers reached $2.35 billion for the Top 100, up 9.1% from the prior year. Newspapers took 7.3% of the total measured media pie of the Top 100, up from 7.1% in 1987. Newspapers are a retailer's medium and five retailers from the Top 100, led by No. 26 May Department Stores, took the top five spots among all advertisers in the medium.

Measured media ad spending returns for the first half of 1989 show the Top 100 probably is not priming the ad pump. Total for the period for all advertisers was $18.3 billion, up 5.2% from the comparable period in 1988, according to LNA/Arbitron, which monitors nine media. This compares with the 1988 mid-year increase of 15.7% over mid-year 1987.

The figures, however, seem to demonstrate a renewed emphasis in more localized media. Spot TV returned to the growth column, up 5.2% to $4.24 billion, as network TV dropped to $4.68 billion, down 1.2%, according to LNA/Arbitron, which also reported newspapers up 2.7% to $4.16 billion and magazines up 13.3% to $3.18 billion. Spot radio, monitored separately by Radio Expenditure Reports, improved 17.3% to $850.3 million.

The increase in spot radio and TV is affected by the retailing category's virtual blanket emphasis on every day low prices, a message of immediacy if there ever was one, and possibly new product launches, which would mark a reversal in new product trends. The market experienced lackluster growth in new products in 1988 as new entries built the market total 3.7% to 10,558, compared with a 26.6% increase in 1987 over the prior year, according to *New Product News*. That growth represented only 376 new products, compared with 2,141 intros in the prior year.

There was very little new category development, too, as most new products were new or enhanced versions of existing brands. For example, RJR Nabisco, No. 5, introduced "new" products bearing such franchised brand names as Oreos and Honey Graham Crackers.

Less-oily light salty snacks like PepsiCo's Ruffles Light from Frito-Lay, upscale pet foods from Grand Met's Alpo, No. 15 Nestle S.A.'s Carnation and No. 24 Ralston Purina, fresh refrigerated food lines like Philip Morris' Chillery line from Kraft and anything NutraSweet were in, as were the calorie-packed products health conscious consumers reward themselves with for being good most of the time—No. 30 Mars Inc.'s new Snickers and 3 Musketeers ice cream bars.

Then, of course, whether breads, crackers, cereals, potato or tortilla chips, pasta, pretzels or flavored flakes in a shaker, new products in 1988 could be summed up in two words: "Oat bran," says Lynn Dornblaser, *NPN* editor. This fed the population's concern about cholesterol levels.

Marketers also expanded their non-media advertising, from outlays for instore promotions and pricing in toiletries and beauty aids to incentive rebates by car manufacturers to move inventory. Such expenditures grew 5.8% to $14.2 billion for the Top 100.

Special event marketing captured the fancy of the Top 100 characterized by No. 28 Coca-Cola's giveaway of 20 million pairs of 3-D glasses to enable Super Bowl telecast viewers to see in vivid 3-D Coke's 45-second commercial. Walt Disney Co., No. 34, staged the 60th anniversary of Mickey Mouse, spending an estimated $100 million in promotional dollars.

Hershey Foods Corp. handed out 750,000 full-sized candy bars on 170 college campuses for sampling. Such blanket marketing programs pushed Hershey's worldwide promo budget up 34.5% as it rose from No. 69 to No. 35 in 1988.

Cross-ties influenced the heavy promotional, or non-media spending, because of licensing fees and other non-media costs. Disney repeatedly was on the receiving end as the Top 100 tied-in with its various movies and cartoon characters.

Mars' M&M/Mars division shifted media dollars to promotion in 1988 and this year, including an upcoming tie-in with Disney's video release of "Bambi." Disney's "Who Framed Roger Rabbit" was linked to in-store promos with No. 8 McDonald's Corp. and No. 65 MCA Inc.'s Universal Pictures' "E.T." starred in PepsiCo spots. To promote the network's new prime-time fall schedule, K mart, No. 12, linked with CBS in a sweepstakes promotion, and Sears did the same with NBC.

Ralston Purina launched its Dunkin Donuts cereal, and Grand Met struck a licensing agreement to use the Garfield cartoon character for its $70 million campaign launching Alpo brand cat food this November.

Retailing became so competitive and me-tooish that K mart; Sears, Roebuck & Co. and Montgomery Ward & Co., No. 64, each now promote every day low prices. Federated and Allied stores tried to adjust to their takeover by Campeau Corp., No. 41, but cash flow problems late this year led Campeau to seek a buyer for Bloomingdale's. Parent of Saks Fifth Avenue and Marshall Field & Co., B.A.T. Industries, No. 54, continues to resist a takeover by Sir James Goldsmith, with the possible outcome a forced sale of Field's or Saks.

Stiff competition and large inventories saw auto marketers adopt massive profit-reducing incentives to move cars out of showrooms. Ford Motor, No. 16, lost an average $900 a vehicle through rebate schemes. Subaru of America's incentives ranging from $1,000 to $3,000 per vehicle cost the company nearly $100 million. Incentive promotions helped boost car advertising volume in the U.S. by an average 12.8%, while their U.S. sales advanced only 0.3% on average.

Advertisers continued to find ways to cut costs while seeking to build strong brand franchises. A number of the Top 100 linked product performance to agency compensation. Nestle's Carnation even tied agency fees to ad performance of products in test.

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Methodology & sources

Improvements in monitoring services' methodology, partially the result of mergers, added several twists in the data compilation for this year's issue.

First, retail advertising in newspapers is being measured in almost 50 major U.S. markets. In previous issues newspaper retail advertising was not measured at all, but for national retailers was included in unmeasured figures.

Also, a new and growing medium—syndicated TV—was added to the list. In previous years, syndicated buys were included in either spot TV or unmeasured figures.

Selection process

The 100 leaders are selected on their measured ad spending only—that's ad expenditures in national consumer media that are monitored by various services (see below). *AA* reporters and free-lance writers then research company spending trends and estimate the amount each company spends on unmeasured advertising—couponing, direct mail, catalogues, sales promotion, etc.

The ranking is based on the total of measured and unmeasured ad spending.

Media monitoring services

LNA/Arbitron Multi-Media Service reports supply most of the measured media information in this report. The service consists of two separate companies (Leading National Advertisers and Arbitron's Broadcast Advertisers Reports) that join forces to provide ad spending in nine media by company, brand and category.

Publishers Information Bureau (part of LNA) supplies magazine and newspaper Sunday supplement data. Media Records (recently purchased by LNA) provides newspaper spending. Outdoor Advertising Association of America and Institute of Outdoor Advertisers supply outdoor spending, through LNA. Network TV, spot TV, nationally syndicated TV, cable TV networks and network radio are monitored by Broadcast Advertisers Reports, now a subsidiary of Arbitron Ratings Co.

Radio Expenditure Reports compiles spot radio data by company, brand and category. Farm publication spending is monitored by Agricultural Marketing Information Services (AGRICOM).

Because several sources compile ad spending data, some categories do not match. In the table on Page 8, category totals are matched as closely as possible to PIB classifications given by LNA.

Unmeasured spending

Unmeasured advertising figures are *Ad Age* estimates and include direct mail, promotion, co-op, couponing, catalogues and special events, to name a few. Annual Reports, Form 10-Ks, corporate sources and *Ad Age* beat reporters provide assistance in computing this number. Unmeasured advertising DOES NOT include corporate overhead, overseas ad spending or local advertising.

Sales & earnings

Worldwide, domestic and division sales and earnings are taken from public documents, wherever possible. Where companies will not divulge this information and a reliable estimate is not available, an "NA" is used. Foreign currencies are converted at the rates given in each company's annual report.

Corporate composition

Folded into parent company totals for both 1988 and 1987 is 100% of the ad spending of companies they either acquired or reached an agreement to acquire as of Aug. 1, 1989. A company's divisional makeup and advertised brands are shown in its marketing structure breakdown at the end of its profile.

U.S. Government figures

Ad spending figures for the U.S. Government are compiled from ad agencies of the federal government, rather than sources listed above.

—Kevin Brown

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Top 100 ad spending picks up steam

Leading advertisers lay out $32.2 billion in 1988 for a 6.7% increase; volume exceeds 4.3% growth posted in 1987

RANK **57**

American Brands

Old Greenwich, Conn.

ADVERTISING: $168.7 MILLION

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	11,980	10,077	18.9
Earnings	580	522	11.2
U.S.	**1988**	**1987**	**% chg**
Sales	4,460	3,740	19.3
Operating income	458	315	45.2
Division sales	**1988**	**1987**	**% chg**
Tobacco	7,019	6,144	14.2
Life insurance	923	924	(0.0)
Distilled spirits	759	599	26.6
Office prods.	883	516	71.1
Hardware	437	165	164.5
Specialty businesses	1,959	1,728	13.4

U.S. advertising by media

($ in thousands)

Media	1988	1987	% chg
Magazine	35,886	38,545	(6.9)
Newsp supp	8,829	1,068	726.7
Newspaper	9,463	6,154	53.8
Outdoor	11,831	19,732	(40.0)
Network TV	8,027	6,778	18.4
Spot TV	494	2,107	(76.6)
Synd TV	0	12	NA
Network cable	212	195	8.8
Network radio	246	356	(31.0)
Spot radio	326	463	(29.5)
Measured	75,316	75,411	(0.1)
Unmeasured	93,400	73,900	26.4
Total	168,716	149,311	13.0

American Brands, with its cash-rich tobacco holdings among an assortment of businesses, continues to draw unwanted suitors, the latest being the Liggett Group. Unilever NV is believed to be standing in the wings.

The company remains heavy in debt, however, after spending $2.1 billion in 1988 to buy out E-II Holdings. American Brands bought E-II using the so-called Pac-Man defense in consuming the raider.

American Brands media advertising remained flat in 1988 even with the addition of the home products and office supplies units that comprised E-II. These operations seldom advertised much anyway. They included Waterloo Industries, Day-Timers, Vogel Peterson, Master Lock Co. and AristoKraft among others.

Little changed in the concentration of American Brands' advertising as 82% of its media budget went for tobacco and liquor advertising in 1988, compared to 74% in the prior year.

However, the focus of advertising shifted to American Tobacco Co. (accounting for nearly 13% of AB sales worldwide) as its media spending increased 64% to $47 million, compared to distilled spirits' 59% drop to $15 million.

The drop in distilled spirits advertising, a budget commanded by AB's Jim Beam Brands Co. (6% of all sales), came despite acquisition in May 1987 of the distilled spirits division of National Distillers & Chemical Corp.

Despite the absence for the second straight year of Pall Mall, the company's star performer, from U.S. tobacco industry's Top 10 cigarettes, AB maintained a 6.9% market share in 1988 and 1987, according to analyst John C. Maxwell Jr. of Wheat First Securities, Richmond, Va. Media spending for Pall Mall dropped 22.4% to $9.9 million, according to LNA/Arbitron.

Carlton cigarettes dominated tobacco spending with $22.6 million, up 58% as America Brands spending on the Carlton filter line jumped from $7.8 million in 1987 to $22 million in 1988. Carlton filter's market share didn't budge from 1.7% although unit sales of the brand declined 1.2%.

Malibu, a low-price brand, saw its spending grow tenfold to $12.2 million in 1988 from only $1.2 million. Pall Mall Red and Lucky Strike Regular continued to dominate the non-filter category with a combined 56% share, the company said. Tareyton maintained its position as the leading charcoal filter cigarette with a 56% market share.

Jim Beam Brands held its place as third-largest U.S. distilled spirits company and seventh-largest worldwide. Its Jim Beam Bourbon, Windsor Canadian Supreme, Gilbey's gin, Gilbey's vodka and Kamchatka vodka and its DeKuyper family of cordials and liqueurs are among the 30 top-selling domestic labels, according to the company.

AMERICAN BRANDS
1700 E. Putnam Ave.
Old Greenwich, Conn. 06870-0811
(203) 698-5000

American Tobacco Co.
Stamford, Conn.

Coroprate personnel: C.H. Mullen, chmn-ceo.

Marketing personnel: W.J. Moore, sr vp-mktg; R.E. Smith, vp-brand mgmt; M.J. O'Neill, mktg devel dir; J.J Mellett, media dir; C.E. Willoughby, mktg rsch dir; E.T. Bonnett, mktg resources mgr; M.G. Holmes, rsch analyst; William Degenhardt, asst to media dir; M.P. Rose, sr media planner; M.J. DeMato, asst media planner; J.M. Ockers, group prod mgr; T.M. Keane, sr prod mgr, new brands; K.P. Noone, sr prod mgr, Carlton; M.J. Burns, prod mgr, Lucky Strike; J.M. Murray, prod mgr, Pall Mall; E.M. Ashkin, prod mgr, Malibu; J.E. Vyse, mktg budget & planning mgr; D.S. Johnston, sr vp-sales; E.J. Gesell, vp-exec sales.

Brands/services by agency of record:
Carlton
Lucky Strike
Pall Mall
Tayreton
Sylva Thins
American Lights
Malibu

Ad agency: Laurence, Charles, Free & Lawson, New York: Albert Magnane, exec vp; Douglas Bomeisler, Richard Goldschmidt, sr vps.

Franklin Life Insurance Co.
Springfield, Ill.

Marketing personnel: Jack Watson, exec vp-coo; David Vanselow, vp-comm.

Brands/services by agency of record:
Franklin Life Insurance Co.

Ad agency: Squires Advertising Agency & Art Studio, Springfield, Ill.: Stan Squires, vp.

Jim Beam Brands Co.
Chicago

Marketing personnel: Ralph Hallquist, vp-mktg & adv; Michael Lintner, group prod dir, bourbons & whiskies; Ed Moser, group prod dir, cordials & white goods; Gayle Seinfeld, media mgr.

Brands/services by agency of record:
DeKuyper cordials
Windsor Canadian
Pusser's Rum
Beam decanters
San Tropique

Ad agency: BBDO, Chicago: Steve Smith, mgmt super.

■

Jim Beam bourbon
Gilbey's gin

Ad agency: Fallon McElligott, Minneapolis: Joseph Culligan, mgmt super.

■

Old Grand-Dad bourbon
Kamora
Imports & specialties

Ad agency: Cramer-Krasselt, Chicago: Dan Brashears, sr vp.

ACCO/Swingline
Wheeling, Ill.

Marketing personnel: Gordon L. Zdeblick, vp-sales & mktg, commercial prods div; William S. Carvell, vp-genl mgr, retail prods div; J. William Hubbell, mktg dir, genl office prods; Duane Ischay, mktg dir, info processing prods; Fred Weiss, vp-mkt devel & admn, Swingline; Alan Green, mktg dir, Swingline.

Brands/services by agency of record:
Computer accessories & furniture
Genl office prods
Staplers

Ad agency: Davis-Harrison Advertising, Chicago: Doug Davis, Sue Harrison, partners.

Day-Timers Inc.
East Texas, Pa.

Marketing personnel: Mark LaDouceur, vp-mktg; Keith Snyder, dir-adv.

Brands/services by agency of record:
Time mgmt prods

Ad agency: Della Femina, McNamee WCRS, Chicago: Tom Lewy, vp-acct super.

Kensington Microware
New York

Marketing personnel: Pamela A. Miller, president-coo; Peter DuPont, vp-sales; Catherine Ullmann, creative dir; Jeff Hunter, art dir.

Brands/services by agency of record:
Computer accessories

Ad agency: (In-house): Catherine Ullmann, creative dir.

Farma Products Co.
Dallas

Marketing personnel: Melinda Denny, adv coord.

Brands/services by agency of record:
Permanent Record storage prods

Ad agency: (In-house): Melinda Denny, adv coord.

Vogel Peterson
Elmhurst, Ill.

Marketing personnel: Stephanie Messick, dir-mktg; Janet Serrano, mgr-prod mktg.

Brands/services by agency of record:
Office furniture

Ad agency: McKee Advertising, Elk Grove Village, Ill.: Tom Behan, vp; Bill Makely, vp-pr.

Wilson Jones Co.
Chicago

Marketing personnel: Gregory A. Carlson, dir-mktg; Paul Barret, mktg mgr; Jeannette Marsland, new prod devel mgr; Richard Lange, mktg systems & admin mgr; Marvin A. Rosenfeldt, adv mgr.

Brands/services by agency of record:
Wilson Jones office prods

Ad agency: Storey, Gordon & Freere, Chicago: Jane Storey, president.

Master Lock Co.
Milwaukee

Marketing personnel: Peter U. Jung, vp-mktg & sales; Jett Anderson, dir-mktg; James Donegan, dir-sales.

Brands/services by agency of record:
Consumer trade adv

Ad agency: Cramer-Krasselt, Milwaukee: William Faude, acct super.

20th Century Cos.
Wheeling, Ill.

Marketing personnel: John Wills, Dan Stuart, vps-mktg & sales; Charles (Skip) Moran, vp-natl key accts; Vince Pellettieri, vp-natl hardware accts.

Brands/services by agency of record:
20th Century plumbing & repair prods

Ad agency: McKee Advertising, Elk Grove Village, Ill.: Ted McKee, president; Ken Krause, acct exec.

AristoKraft Inc.
Jasper, Ind.

Marketing personnel: Gary Lautzenhiser, sr vp-mktg & sales.

Brands/services by agency of record:
AristoKraft cabinets & vanities

Ad agency: Juhl Advertising, Elkhart, Ind.: Howard Blackwood, president; Steve Blaising, vp.

Waterloo Industries
Waterloo, Iowa

Marketing personnel: John Trebel, vp-mktg & sales; Mike Strickland, dir-mktg svcs; R.C. Wojan, dir-intl sales, dir-professional group; Michael Quilline, dir-consumer div.

Brands/services by agency of record:
Waterloo tool storage prods

Ad agency: Connell Communications, Waterloo, Iowa: Connie Sisson, president; Betty Hellman, sr vp.

Acushnet Co.
New Bedford, Mass.
Golf Division

Marketing personnel: David E. Overmyer, sr dir-mktg; John W. Hoaglund, dir-sales; P.L. Kellum, sr prod mgr, Sportswear, WW; Gerald M. Bellis, sr prod mgr, golf balls, WW.

Rubber Division

Marketing personnel: James G. DeMello, sr vp-sales mktg; Charles C. Gregory, regional mgr; Jack W. Wagner, mgr-natl accts, auto.

Foot-Joy Division

Marketing personnel: Chuck Quinn, vp-mktg, golf; Richard Woodworth, prod mgr, golf prods.

Brands/services by agency of record:
Golf div
Rubber div
Foot-Joy div

Ad agency: Della Femina, McNamee WCRS, Boston: John McNamara, sr vp-mgmt super.

RANK **42**

American Cyanamid

Wayne, N.J.

ADVERTISING: $256.2 MILLION

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	4,592	4,166	10.2
Earnings	306	276	10.9
U.S.	**1988**	**1987**	**% chg**
Sales	2,831	2,618	8.1
Operating income	228	190	19.9
Division sales	**1988**	**1987**	**% chg**
Medical	1,831	1,636	11.9
Agricultural	1,066	919	16.0
Chemicals	1,102	1,042	5.8
Shulton	594	566	4.9

U.S. advertising by media

($ in thousands)

Media	1988	1987	% chg
Magazine	8,652	7,929	9.1
Newsp supp	0	89	NA
Newspaper	1,675	2	NA
Outdoor	76	194	(60.9)
Network TV	23,396	23,501	(0.4)
Spot TV	14,264	16,109	(11.4)
Synd TV	4,516	2,821	60.1
Network cable	1,774	2,124	(16.4)
Network radio	0	2,330	NA
Spot radio	2,881	2,891	(0.4)
Farm pub	5,631	5,423	3.8
Measured	62,865	63,410	(0.9)
Unmeasured	193,300	195,000	(0.9)
Total	256,165	258,410	(0.9)

American Cyanamid held the line on media spending for most product lines in 1988, yet its popular brands in the men's fragrance and insect control markets gained share points.

The company's big Shulton consumer group, however, stepped up ad spending for Old Spice products to $14.8 million, up 16.5%, according to LNA/Arbitron.

Old Spice aftershave and cologne's share of the men's fragrance market rose to 19.5% from 19% in 1987, while competitor Mennen Skin Bracer came in at 14.1% in 1988.

Old Spice maintained its 6.6% fourth-place share in the U.S. deodorant market. Market leader was Mennen's, whose share rose to 11.8% from 11.7%, followed by Procter & Gamble's Secret at 10.9% from 11%, and Gillette's Right Guard, which jumped to 8.3% from 6.9%.

Old Spice Liquid Stick, with porous dome designed to prevent residue, was launched in midsummer 1988 supported by $9 million in advertising. The deodorant has gained only 0.5% of the market.

Santa Fe, a cologne and aftershave introduced in November, 1988, as a "mass prestige line," adds a stick deodorant this fall. American Cyanamid backed Santa Fe with $3.7 million in measured spending for the two months in 1988.

Early results from the March 1989 introduction of men's haircare line Thrive were disappointing, said James Daniel, an analyst who follows American Cyanamid for Brown Brothers Harriman & Co., New York. American Cyanamid is still holding to its plans to spend $12 million to advertise the product through this year.

Shulton feels Thrive is being denied shelf space because retailers mistakenly considered it in the same category with Rogaine, an Upjohn prescription product for encouraging actual hair growth, Mr. Daniel said.

The Thrive line includes the supplement used before blowdrying, plus a shampoo and hairspray. Competitors are Revlon's Nutrasome, a supplement and shampoo, and Upjohn's shampoo Progaine, also introduced in early 1989.

Combat, which got an estimated $5.6 million in advertising in 1988, down 13.8%, this year added a flea and roach

RANK **50**

Pfabulous Pharmaceuticals

Englewood Cliffs, N.J.

ADVERTISING: $565 MILLION

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	7,000	6,000	16.6
Earnings	700	600	16.6
U.S.	**1988**	**1987**	**% chg**
Sales	5,000	4,000	25.0
Operating income	400	300	33.3
Division sales	**1988**	**1987**	**% chg**
Consumer healthcare	5,000	4,000	25.0
Professional prods.	2,000	2,000	0.0

U.S. advertising by media

($ in thousands)

Media	1987	1988	% chg
Newspaper	140,000	130,000	7.7
Business pub	5,000	4,000	25.0
Magazine	100,000	75,000	33.3
Network TV	150,000	140,000	7.1
Spot TV	50,000	46,000	8.7
Network cable	50,000	50,000	0.0
Spot radio	5,000	5,000	0.0
Measured	500,000	450,000	11.1
Unmeasured	50,000	50,000	16.0
Total	550,000	500,000	11.0

Guide to boxes

Fictitious Pfabulous Pharmaceuticals is ranked 50th among Leading National Advertisers picked by *Advertising Age* in this issue and based on total U.S. ad spending in 1988, which is reported as ADVERTISING in millions of dollars.

Pfabulous Pharmaceuticals is based in Englewood Cliffs, N.J.

Sales and earnings for Pfabulous Pharmaceuticals are for its most current reporting period. Financial data for foreign companies are based on the currency conversion rate either provided by the company in its annual report or published for its country of origin in *Ad Age's* Agency Income Report, March 29, 1989.

Worldwide and U.S. sales, earnings and operating income are reported from public documents wherever possible. Financial figures for private companies are estimates.

Division sales are the business segments as defined by Pfabulous Pharmaceuticals and include revenues for comparable years.

The advertising figures in the tabular breakout under U.S. advertising by media are a composite of Pfabulous Pharmaceuticals's ad expenditures, both measured and unmeasured. See Methodology on Page 2 for an explanation of the tabular breakout.

Ad spending in 1988 by 100 leaders

Rank '88	Rank '87	Company/headquarters	Total spending	'88-'87 % chg	Estimated unmeasured	Subtotal measured	Measured print	Measured TV	Measured radio	Measured outdoor
1	1	**Philip Morris Cos.**, New York	$2,058,223	7.2	$926,200	$1,132,023	$363,961	$657,847	$48,791	$61,425
2	2	**Procter & Gamble Co.**, Cincinnati	1,506,891	2.8	678,100	828,791	102,640	684,158	41,311	682
3	3	**General Motors Corp.**, Detroit	1,294,000	34.0	345,105	948,895	293,515	573,943	78,440	2,997
4	4	**Sears, Roebuck & Co.**, Chicago	1,045,185	4.4	627,100	418,085	195,943	128,295	93,043	804
5	5	**RJR Nabisco**, New York	814,537	(3.4)	356,100	458,437	173,320	222,307	5,443	57,366
6	40	**Grand Metropolitan PLC**, London	773,914	(2.0)	410,800	363,114	75,730	256,498	21,090	7,796
7	7	**Eastman Kodak Co.**, Rochester, N.Y.	735,945	8.5	491,900	244,045	42,615	194,323	6,551	557
8	8	**McDonalds Corp.**, Oak Brook, Ill.	728,320	10.7	322,159	406,161	6,899	387,798	5,158	6,306
9	6	**PepsiCo Inc.**, Purchase, N.Y.	712,347	1.4	252,900	459,447	9,425	414,802	32,140	3,080
10	17	**Kellogg Co.**, Battle Creek, Mich.	683,089	21.8	281,200	401,889	23,335	378,411	73	70
11	10	**Anheuser-Busch Cos.**, St. Louis	634,531	4.4	222,100	412,431	21,720	325,917	58,087	6,708
12	11	**K mart Corp.**, Troy, Mich.	632,000	0.0	422,050	209,950	98,842	92,597	18,388	123
13	15	**Warner-Lambert Co.**, Morris Plains, N.J.	609,156	3.3	398,500	210,656	23,963	168,474	18,015	204
14	12	**Unilever NV**, London/Rotterdam	607,469	(4.0)	243,000	364,469	75,585	274,833	13,337	715
15	28	**Nestle SA**, Vevey, Switzerland	573,820	12.4	269,600	304,220	83,159	210,315	9,957	789
16	9	**Ford Motor Co.**, Dearborn, Mich.	569,783	3.0	132,800	436,983	155,574	255,383	23,870	2,157
17	16	**American Telephone & Telegraph Co.**, New York	547,504	3.1	200,000	347,504	104,021	224,627	18,494	361
18	14	**Chrysler Corp.**, Highland Park, Mich.	474,909	0.1	104,300	369,709	119,017	219,147	30,605	940
19	13	**General Mills**, Minneapolis	470,058	3.0	110,000	360,058	43,623	309,120	7,020	295
20	20	**Johnson & Johnson**, New Brunswick, N.J.	468,835	5.8	233,700	235,135	38,393	195,263	1,402	77
21	26	**Bristol-Myers Squibb**, New York	430,693	1.6	202,800	227,893	50,984	172,151	4,758	0
22	18	**J.C. Penney Co.**, Dallas	426,580	(5.5)	273,000	153,580	87,587	54,442	11,503	49
23	27	**Quaker Oats Co.**, Chicago	423,420	12.6	204,300	219,120	45,592	170,100	2,971	456
24	21	**Ralston Purina Co.**, St. Louis	420,973	(8.5)	264,200	156,773	40,616	108,842	7,155	160
25	NA	**Time Warner**, New York	409,715	17.1	152,400	257,315	108,943	138,673	8,851	848
26	120	**May Department Stores Co.**, St. Louis	399,587	(4.5)	139,900	259,787	228,661	29,982	1,024	120
27	23	**American Home Products Corp.**, New York	393,221	(0.3)	168,300	224,921	21,589	197,981	5,350	0
28	25	**Coca-Cola Co.**, Atlanta	385,085	15.2	154,100	230,985	13,993	196,758	15,696	2,538
29	38	**H.J. Heinz Co.**, Pittsburgh	340,089	22.1	190,000	150,089	31,506	118,222	337	24
30	24	**Mars Inc.**, McLean, Va.	339,657	(14.0)	151,800	187,857	15,731	163,430	8,673	23
31	31	**Sara Lee Corp.**, Chicago	326,944	19.6	170,500	156,444	49,038	105,756	1,586	64
32	NA	**Macy Acquiring Corp.**, New York	308,879	2.8	108,100	200,779	184,463	15,651	289	376
33	30	**Colgate-Palmolive Co.**, New York	306,624	4.9	194,100	112,524	18,876	90,794	1,509	1,344
34	36	**Walt Disney Co.**, Burbank, Calif.	300,581	26.6	144,300	156,281	44,865	103,050	7,823	543
35	69	**Hershey Foods Corp.**, Hershey, Pa.	298,631	17.5	200,100	98,531	19,362	69,137	10,001	32
36	29	**U.S. Government**, Washington	295,100	(5.2)	119,828	175,272	53,321	88,671	22,140	11,140
37	32	**General Electric Co.**, Fairfield, Conn.	276,611	3.3	149,100	127,511	67,207	55,270	3,506	1,527
38	33	**Toyota Motor Corp.**, Toyota City, Japan	272,945	18.3	81,900	191,045	42,200	141,469	6,554	822
39	NA	**SmithKline Beecham**, London	264,199	19.9	120,300	143,899	16,339	122,868	4,460	232
40	35	**Schering-Plough Corp.**, Madison, N.J.	262,173	(0.6)	133,200	128,973	41,902	74,466	12,458	148
41	104	**Campeau Corp.**, Toronto	260,457	(8.3)	112,000	148,467	126,965	17,590	3,891	20
42	34	**American Cyanamid Co.**, Wayne, N.J.	256,165	(0.9)	193,300	62,865	15,959	43,950	2,881	76
43	131	**American Stores Co.**, Salt Lake City, Utah	250,518	3.6	128,600	121,918	62,083	51,416	7,243	1,176
44	44	**American Express Co.**, New York	247,201	5.9	72,200	175,001	59,756	105,663	9,542	41
45	37	**Honda Motor Co.**, Tokyo	243,258	11.1	66,200	177,058	51,247	112,104	13,256	451
46	42	**Tandy Corp.**, Fort Worth, Texas	232,026	0.4	147,000	85,026	42,183	36,485	6,222	136
47	113	**Dayton Hudson Corp.**, Minneapolis	230,196	1.1	106,400	123,796	90,849	27,032	5,732	184
48	46	**Pfizer Inc.**, New York	230,052	17.8	137,900	92,152	28,653	63,119	381	0
49	47	**Nissan Motor Co.**, Tokyo	224,947	40.7	47,600	177,347	44,278	123,460	8,633	977
50	39	**IBM Corp.**, Armonk, N.Y.	214,381	(3.5)	102,300	112,081	51,759	54,653	5,647	22
51	52	**Hyundai Group**, Seoul, S. Korea	204,497	25.2	58,600	145,897	25,498	111,571	8,459	369
52	41	**Campbell Soup Co.**, Camden, N.J.	202,460	(4.7)	64,800	137,660	23,261	90,093	22,767	1,539
53	61	**Adolph Coors Co.**, Golden, Colo.	200,812	28.0	74,300	126,512	4,791	103,383	15,442	2,897
54	83	**B.A.T. Industries PLC**, London	184,186	(10.1)	82,200	101,906	68,397	5,321	3,855	24,333
55	43	**BCI Holdings Corp.**, Chicago	180,191	16.0	93,700	86,491	16,852	64,930	4,579	131
56	51	**Revlon Group**, New York	177,348	2.4	88,200	89,148	49,760	38,436	933	19
57	57	**American Brands**, Old Greenwich, Conn.	168,716	13.0	93,400	75,316	54,180	8,733	572	11,831
58	67	**Hasbro Inc.**, Pawtucket, R.I.	164,491	7.8	32,900	131,591	4,398	127,176	16	1
59	85	**Gillette Co.**, Boston	160,452	31.3	74,600	85,852	18,545	66,424	543	340
60	62	**Nynex Corp.**, New York	160,375	23.6	77,000	83,375	34,142	42,800	6,252	180
61	NA	**Carter Hawley Hale Stores**, Los Angeles	159,817	31.9	71,900	87,917	76,106	10,513	1,298	1
62	65	**Dow Chemical Co.**, Midland, Mich.	156,670	14.5	38,400	118,270	26,002	88,210	3,981	76
63	50	**Mobil Corp.**, New York	155,947	9.4	106,800	49,147	13,822	28,215	7,084	26
64	NA	**Montgomery Ward & Co.**, Chicago	155,329	7.9	76,700	78,629	63,535	4,849	10,232	13
65	93	**MCA Inc.**, Universal City, Calif.	153,658	31.7	61,800	91,858	26,920	57,305	6,083	1,550
66	87	**Clorox Co.**, Oakland, Calif.	148,251	35.9	37,100	111,151	15,514	92,206	3,429	2
67	56	**Mazda Motor Corp.**, Hiroshima	146,655	(4.7)	39,300	107,355	34,787	68,633	3,934	0
68	82	**Philips NV**, Eindhoven, The Netherlands	144,311	46.6	72,400	71,911	15,034	54,557	2,301	18
69	73	**Kroger Co.**, Cincinnati	144,084	(22.5)	80,100	63,984	23,854	36,223	2,094	1,813
70	70	**Seagram Co.**, Montreal	143,102	13.3	36,000	107,102	38,485	57,594	1,745	9,278
71	49	**Volkswagen AG**, Troy, Mich.	140,336	(2.6)	42,100	98,236	37,613	48,652	11,906	64
72	116	**Paramount Communications**, New York	139,241	26.1	55,400	83,841	26,666	55,748	1,372	55
73	127	**News Corp.**, Sydney	139,140	4.6	17,100	122,040	26,593	72,272	23,094	82
74	72	**CPC International**, Englewood Cliffs, N.J.	134,417	21.7	82,900	51,517	13,339	36,564	1,378	237
75	77	**Wm. Wrigley Jr. Co.**, Chicago	134,155	12.5	11,200	122,955	6,080	111,669	4,986	220
76	60	**Bayer AG**, Leverkusen, W. Germany	132,188	(7.6)	52,100	80,088	8,711	52,421	18,791	166
77	59	**E.I. du Pont de Nemours & Co.**, Wilmington, Del.	131,435	0.4	41,900	89,535	42,150	44,592	2,719	74
78	68	**Texas Air Corp.**, Houston	128,820	5.2	22,100	106,720	84,997	11,521	8,765	1,437
79	66	**Noxell Corp.**, Hunt Valley, Md.	126,698	(9.9)	53,400	73,298	25,994	45,453	1,808	43
80	53	**U.S. Dairy Farmers**, Arlington, Va.	126,604	(12.2)	38,300	88,304	1,384	76,068	10,093	759
81	108	**Sony Corp.**, Tokyo	125,928	29.2	50,400	75,528	63,335	11,564	601	29
82	90	**Goodyear Tire & Rubber Co.**, Akron, Ohio	124,644	25.9	74,800	49,844	15,447	33,316	974	106
83	74	**Loews Corp.**, New York	123,821	21.4	54,500	69,321	36,427	93	0	32,802
84	105	**Levi Strauss Associates**, San Francisco	123,107	39.4	71,800	51,307	6,184	44,473	573	77
85	NA	**Columbia Pictures Entertainment**, New York	122,374	23.4	36,900	85,474	23,532	60,955	971	17
86	75	**Dr Pepper/Seven-Up**, Dallas	121,947	3.6	42,800	79,147	2,417	70,584	5,515	532
87	55	**AMR Corp.**, Fort Worth	120,650	(6.9)	32,300	88,350	37,746	39,208	11,203	194
88	94	**Marriott Corp.**, Washington	120,189	9.7	75,800	44,389	15,860	26,133	1,446	950
89	64	**UAL Corp.**, Elk Grove Village, Ill.	120,176	3.4	38,500	81,676	17,504	52,589	11,481	101
90	91	**Hallmark Cards**, Kansas City, Mo.	119,840	29.6	48,600	71,240	22,373	43,664	5,[illegible]	1
91	136	**Citicorp**, New York	118,362	24.5	34,500	83,862	22,970	58,237	2,[illegible]	65
92	58	**ITT Corp.**, New York	115,940	(17.8)	77,500	38,440	15,461	21,240	[illegible]6	1,263
93	95	**Franklin Mint**, Franklin Center, Pa.	114,992	55.2	24,700	90,102	84,128	5,974	0	0
94	81	**Wendy's International**, Dublin, Ohio	114,211	5.1	27,300	86,911	163	84,399	603	1,747
95	63	**Bell Atlantic Corp.**, Philadelphia	113,189	(15.1)	64,600	48,589	8,520	32,224	7,248	597
96	80	**Delta Air Lines**, Atlanta	112,589	7.1	33,900	78,680	25,915	31,488	19,948	1,329
97	48	**Weltman Corp.**, Chicago	111,700	(10.5)	44,700	67,000	5,485	50,571	10,864	79
98	89	**S.C. Johnson & Son**, Racine, Wis.	111,571	8.8	49,500	62,071	21,041	35,166	4,595	269
99	96	**Dentsu Inc.**, New York	110,470	48.4	72,900	37,570	12,439	20,144	4,873	114
100	78	**Subaru of America**, Cherry Hill, N.J.	109,029	2.6	31,600	76,429	15,284	58,886	2,257	1

Note: Dollars are in thousands. Print includes newspaper, magazine, newspaper supplement and farm publication spending. TV includes network, spot, cable and syndicated TV time. Radio includes network and spot. See "Methodology and sources," P. 2 for more information.

AA chart: Kevin Brown

Total national ad spending by media

Category	100 Leading National Advertisers Ad spending 1988	1987	% chg	% total 1988	1987	All U.S. advertising expenditures Spending in measured media 1988	1987	% chg	Leaders' % measured 1988	1987	Coen estimates* 1988	1987
Magazine	$2,597.1	$2,360.4	10.0	8.1	7.8	$5,884.7	$5,389.8	9.2	44.1	43.8	$6,072.0	$5,607.0
Newspaper supplement	186.4	138.5	34.6	0.6	0.5	638.0	422.1	51.1	29.2	32.8	NA	NA
Newspaper	2,351.9	2,155.3	9.1	7.3	7.1	8,313.6	8,456.0	(1.7)	28.3	25.5	31,197.0	29,412.0
Outdoor	274.8	257.0	6.9	0.9	0.9	718.2	702.6	2.2	38.3	36.6	1,064.0	1,025.0
Network TV	6,985.7	6,499.8	7.5	21.7	21.5	9,580.3	8,814.5	8.7	72.9	73.7	9,172.0	8,500.0
Spot TV	3,452.0	3,479.6	(0.8)	10.7	11.5	8,609.9	6,395.7	2.6	40.1	41.4	14,417.0	13,679.0
Syndicated TV	685.6	570.6	20.2	2.1	1.9	900.0	761.8	18.1	76.2	NA	901.0	762.0
Cable TV	402.1	331.2	21.4	1.2	1.1	748.0	607.2	23.2	53.8	54.5	1,196.0	963.0
Network radio	420.5	391.7	7.4	1.3	1.3	657.2	609.5	7.8	64.0	64.3	425.0	413.0
Spot radio	592.7	531.3	11.6	1.8	1.8	1,620.4	1,445.5	12.1	36.6	36.8	7,373.0	6,793.0
Farm publications	32.0	32.3	(1.1)	0.1	0.1	165.2	163.4	1.1	19.4	19.8	196.0	196.0
Subtotal measured	17,980.8	16,747.7	7.4	55.8	55.5	37,835.5	35,768.1	5.8	47.5	46.8	72,013.0	67,350.0
Estimated unmeasured	14,227.6	13,446.2	5.8	44.2	44.5	80,214.5	73,881.9	8.6	17.7	18.2	46,037.0	42,300.0
Total ad spending	32,208.5	30,193.9	6.7	100.0	100.0	118,050.0	109,650.0	7.7	27.3	27.5	118,050.0	109,650.0

Note: Dollars are in millions. **Sources:** LNA/Arbitron and Radio Expenditure Reports. * Total U.S. advertising volume as estimated by Robert J. Coen, McCann-Erickson. See "Methodology and sources," Page 2 for more information.

AA chart: Kevin Brown

National ad spending by category

Category	Year	Total spending	Magazine	Newspaper supp.	Newspaper	Outdoor	Network TV	Spot TV	Syndicated TV	Cable TV	Network radio	Spot radio
Retail	1988	$5,715.0	$172.7	$83.4	$3,530.3	$83.1	$271.9	$1,355.2	$13.4	$22.7	$89.9	$92.5
	1987	5,584.3	140.3	23.7	3,642.0	69.8	194.8	1,328.7	13.4	20.6	75.7	75.3
Automotive	1988	4,931.3	880.1	26.4	819.3	59.9	1,331.8	1,538.5	30.5	57.2	72.8	196.5
	1987	4,317.8	677.7	15.7	810.0	57.9	1,044.1	1,424.7	28.2	45.3	57.9	156.3
Business, consumer svcs.	1988	3,725.7	463.7	34.5	1,330.9	63.6	720.0	747.2	21.5	69.1	70.8	204.5
	1987	3,507.9	494.1	26.9	1,413.6	56.8	569.8	645.6	19.5	40.2	64.7	176.7
Food	1988	3,655.9	376.5	21.7	48.7	13.3	1,573.7	918.4	229.6	89.4	75.8	308.7
	1987	3,552.5	376.7	13.4	60.2	15.0	1,544.7	950.2	192.4	76.2	69.4	260.4
Entertainment	1988	2,482.5	27.8	2.3	492.5	44.5	714.9	1,095.1	39.9	32.4	3.7	29.4
	1987	2,314.7	30.1	2.6	434.4	40.4	654.0	1,070.9	20.2	27.7	4.0	30.5
Toiletries, cosmetics	1988	2,086.1	565.4	28.9	7.1	3.7	941.9	289.8	133.4	70.4	26.0	19.6
	1987	1,936.4	468.4	14.4	8.7	2.0	947.4	273.5	118.1	55.8	24.7	23.4
Travel, hotels	1988	1,955.4	303.4	36.6	886.1	55.3	192.9	268.7	3.3	18.5	35.7	134.8
	1987	1,834.9	272.9	20.1	880.7	54.9	150.0	264.7	2.9	20.3	20.4	148.1
Drugs & remedies	1988	1,534.6	144.1	9.1	91.4	11.5	783.3	248.3	85.3	52.2	73.4	33.9
	1987	1,464.1	142.2	5.9	83.4	13.2	757.9	235.9	75.0	38.3	77.8	34.5
Beer, wine & liquor	1988	1,298.5	212.8	12.9	30.1	58.0	493.3	264.4	27.7	37.9	16.3	145.1
	1987	1,342.0	207.7	9.1	39.3	69.5	529.5	244.4	26.3	40.0	23.9	152.2
Snacks & soft drinks	1988	1,173.5	51.1	2.7	15.9	7.4	492.8	370.6	99.8	39.7	36.9	56.5
	1987	1,148.8	43.0	0.9	22.1	9.6	451.5	410.3	76.7	42.6	43.6	48.4
Direct response cos.	1988	1,046.8	446.3	187.5	110.1	4.7	34.7	142.8	15.0	57.7	48.0	NA
	1987	959.7	405.3	139.7	130.7	3.6	29.6	157.9	9.9	41.5	41.5	NA
Insurance & real estate	1988	859.7	126.8	19.4	306.4	32.6	212.3	98.8	1.6	11.6	17.4	32.9
	1987	832.4	122.1	17.1	260.6	36.1	209.7	124.7	1.3	11.2	16.8	32.8
Apparel, footwear	1988	760.1	350.6	27.8	11.8	6.9	208.4	66.1	13.1	25.5	2.1	47.8
	1987	644.0	310.2	20.9	19.5	6.1	158.3	58.6	11.5	13.9	4.6	40.4
Publishing & media	1988	693.3	198.8	6.3	228.1	48.0	11.8	138.4	2.4	13.4	16.9	52.0
	1987	693.5	186.1	25.5	225.4	45.0	9.7	133.8	1.4	11.9	9.5	45.3
Cigarettes, tobacco	1988	656.3	351.7	49.9	55.5	184.6	1.4	7.6	0.4	0.9	3.6	0.8
	1987	599.5	333.6	27.0	63.8	164.7	1.2	5.5	0.3	0.4	1.6	1.3
Household equip.	1988	613.2	101.3	7.7	23.1	0.7	269.8	124.3	28.1	22.6	14.2	21.5
	1987	646.7	97.5	7.0	31.1	0.9	291.4	151.1	24.2	14.3	12.0	17.3
Computers, office equip.	1988	602.1	250.7	7.6	56.6	2.2	197.4	29.9	2.2	10.0	18.3	27.2
	1987	561.2	241.2	2.3	64.5	2.5	167.9	32.4	1.7	7.7	17.8	23.2
Soaps, cleansers	1988	572.8	50.8	1.0	2.7	1.9	310.3	131.1	41.4	21.2	3.9	9.5
	1987	570.0	51.4	2.2	1.6	0.1	317.9	132.0	40.8	12.9	2.6	8.5
Sporting goods, toys	1988	559.2	117.3	1.9	7.6	0.3	120.0	210.3	63.1	22.0	1.2	15.3
	1987	551.6	89.6	1.8	6.2	0.2	132.4	227.7	60.3	22.1	1.7	9.5
Building materials	1988	393.3	87.4	9.8	56.8	1.6	112.2	79.9	1.7	12.9	6.8	25.0
	1987	362.5	76.8	3.9	63.8	2.2	93.4	81.7	2.5	9.3	7.7	21.3
Jewelry, cameras	1988	375.5	136.7	6.6	12.1	2.2	124.8	45.6	7.1	8.4	1.6	30.3
	1987	364.2	116.9	5.0	12.7	2.5	137.3	45.1	4.5	10.5	2.2	27.4
Electronic entertainment	1988	312.4	88.4	7.7	8.9	1.3	65.0	80.2	10.0	22.6	19.8	11.7
	1987	253.8	78.2	13.7	15.2	1.7	46.9	63.4	3.4	15.8	7.1	8.5
Household furnishings	1988	306.4	114.2	23.4	36.9	0.9	78.2	49.3	0.5	1.9	1.1	NA
	1987	273.0	111.4	8.7	38.5	1.1	51.4	58.6	0.8	1.6	0.9	NA
Miscellaneous	1988	306.3	156.7	16.1	53.2	22.5	0.2	12.5	1.6	1.9	0.2	41.5
	1987	289.2	154.0	9.1	30.7	37.9	15.8	7.3	3.4	1.8	1.0	28.2
Gasoline, lubricants	1988	292.1	22.7	0.4	21.3	4.7	55.1	124.3	0.3	0.1	3.1	54.1
	1987	279.1	16.4	0.6	21.0	5.7	52.3	123.5	2.7	8.0	4.1	44.9
Pets, pet foods	1988	247.8	51.1	1.2	3.8	0.2	126.8	42.2	23.9	9.4	6.8	1.8
	1987	280.6	24.2	2.2	5.4	0.2	164.9	51.0	18.2	6.7	7.0	0.9
Horticulture & farming	1988	219.3	23.5	3.8	48.9	2.0	39.4	67.0	2.9	5.4	5.5	21.1
	1987	230.4	21.1	1.7	43.2	1.3	41.5	75.1	2.1	6.4	7.8	25.1
Freight, industrial	1988	144.7	41.8	1.8	11.2	0.2	65.9	21.4	0.0	2.4	0.9	NA
	1987	82.4	33.8	0.2	10.6	0.1	27.3	7.0	NA	2.2	1.3	NA
Industrial materials	1988	108.6	53.5	0.5	9.0	1.0	31.5	11.4	0.2	1.5	NA	NA
	1987	79.9	40.7	0.4	7.6	0.9	21.8	7.0	0.2	1.3	NA	NA
Business propositions	1988	35.2	13.1	0.3	2.5	0.3	NA	4.1	0.1	0.8	0.5	4.8
	1987	27.6	14.6	0.6	2.5	0.9	NA	3.4	NA	0.4	NA	5.2
Airplanes, aviation	1988	16.2	12.5	NA	2.6	0.1	0.3	0.5	NA	0.3	NA	NA
	1987	14.2	11.9	NA	2.1	0.1	NA	0.0	NA	0.1	NA	NA
TOTAL	1988	37,579.2	5,084.7	638.8	8,313.6	718.2	9,580.3	8,609.9	900.0	748.0	657.2	1,620.4
	1987	35,604.6	5,389.8	422.1	8,456.0	702.6	8,814.4	6,395.7	731.8	607.2	609.5	1,445.5

Note: Dollars are in millions. **Sources:** LNA/Arbitron and Radio Expenditure Reports. See "Methodology and sources," Page 2 for more information.

AA chart: Kevin Brown

fogger and aerosol sprays for ants and roaches and flying insects. Combat climbed to a 14% share, from 12%, in the household pesticide market. The company estimates Combat's strong sales in 1989 have elevated its market share another two points.

Raid (S.C. Johnson & Son) continues to dominate the market, however, with 49% of the market compared to 53% in 1987, although Shulton sources believe Raid has built back three share points already this year. Black Flag, which Combat nudged out of second place in 1988, took about 14% of the market in both 1987 and 1988, and about 13% so far this year.

Pine-Sol, which began advertising its reformulation in February 1989, continues to lead the all-purpose liquid cleaners category. It dipped to 12% in 1988 from 12.5%, but by this July, was registering about a 13% share, said K.M. Freeman, VP-general manager for household products. LNA/Arbitron estimates 1988 ad spending at $9.5 million.

A line extension, Pine-Sol Spruce-Ups, disposable moist wipe cleaners, begins shipping in October and will be backed beginning in December with a $7 million one-year TV and print campaign.

Introduced two years ago, FiberCon lags behind bulk laxative leader Metamucil, but continues to gain market share. FiberCon's first quarter growth in manufacturer's dollar sales hit 30%, and the product is believed to be neck-in-neck with Dow Chemical's Citrucel for the No. 2 spot. In March of this year, FiberCon's share was estimated at 7%, up from 5.8% at the same period a year earlier. Citrucel was 7%, up from 6.4% and Metamucil was 52%, from 51.7%.

Centrum vitamins, reformulated to include beta carotene, were backed by an estimated $7.9 million in ad spending in 1988.

AMERICAN CYANAMID CO.
One Cyanamid Plaza
Wayne, N.J. 07470
(201) 831-2000

Agricultural Group

Marketing personnel: Thomas J. Raser, comm mgr; Lisa J. Dry, adv & sales promo mgr, VPC Ventures; James Modica, prod info mgr, crop protection chemicals; Jeffrey A. Winton, adv mgr-crop protection chemicals; Christine B. Cannon, adv & sales promo mgr, animal nutrition & health, VPC Ventures; David Butterfield, dir-public affairs.

Brands/services by agency of record:
Cythion
Malathion

Ad agency: H.T. Fenton Inc., Somerville, N.J.: Harry Fenton, acct mgr; Karna Godridge, acct super; Andrea Bestul, acct exec.

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Aastar
Scepter
Thimet
Pursuit
Pursuit Plus & H prods
VPC prods

Ad agency: Miller-Meester, Minneapolis: Paul Durham, acct super, prod publicity.

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Amdro
Assert
Avenge
Counter
Cygon
Cyprex
Prowl

Ad agencies: Tucker Wayne/Luckie & Co., Atlanta: L.E. Ver Steegh, Mark Kirpatrick, sr vps; Mike Butler, acct super.

Duduyk Co., Horsham, Pa.: Marilyn Cummins, acct super.

Chemicals Group
Chemical/Industrial Products
Chemical International Divisions
Wayne, N.J.

Marketing personnel: Diane L. Flood, mgr-mktg comm.

Brands/services by agency of record:
Chemical & industrial prods

Ad agency: Marketing Communications Associates, Conshocken, Pa.: Harry Blynn, president.

Venture Chemicals
Polymer Products Division
Wayne, N.J.

Marketing personnel: Jayme Kulesz, mgr-mktg comm.

Brands/services by agency of record:
Venture chemicals
& polymer prods

Ad agency: Marketing Communications Associates, Conchocken, Pa.: Harry Blynn, president.

Fibers Division

Marketing personnel: Jeanne B. Simmons, mgr-mktg comm.

Brands/services by agency of record:
Creslan acrylic fibers

Ad agency: Beaumont-Bennett, New York: Ira Berkowitz, president; Robin Sidwa, acct super.

Lederle Laboratories
Wayne, N.J.

Marketing personnel: Jack E. Dorsey, dir-mktg svcs, pharmaceuticals; Mark D. Perrin, vp-genl mgr, consumer health prods; R.C. McLauchlin, vp-genl mgr, pharmaceuticals; T.S. Lytle, vp-mktg, pharmaceuticals; Raymond W. Tiedmann, vp-genl mgr, standard prods.

Brands/services by agency of record:
Pharmaceuticals

Ad agencies: (In-house): Lederle Dedicated Agency: J. Kashiwabara, exec dir.

Dugan/Farley Communications, Montvale, N.J.: E.J. Farley, exec vp.

Trunk, Shea & McCaffrey, New York: Paul Trunk, president; Tom Shea, exec vp.

Harrison, Star, Weiner & Beitler, New York: Tom Harrison, president.

Dorritie & Lyons, New York: John Dorritie, president; Michael Lyons, exec vp.

Consumer Products
Shulton USA Division
Clifton, N.J.

Marketing personnel: Toiletries & fragrances: G.S. Balkema, vp-genl mgr; T.J. Kuhn, vp-mktg. Household prods: K.M. Freeman, vp-genl mgr; A.B. Lowry, vp-mktg. Lederle consumer health prods: M.D. Perrin, vp-genl mgr; R.M. Lynch, vp-mktg; L.. Lent, dir-mktg svcs; J.B. Gibbs, dir-adv & promo; J.M. Loyd, dir-mkt rsch.

Brands/services by agency of record:
Old Spice
Night Spice
Pierre Cardin
Santa Fe
Breck
Thrive

Ad agency: Scali, McCabe, Sloves, New York: J.K. Green, exec vp; Ueli Morant, sr vp.

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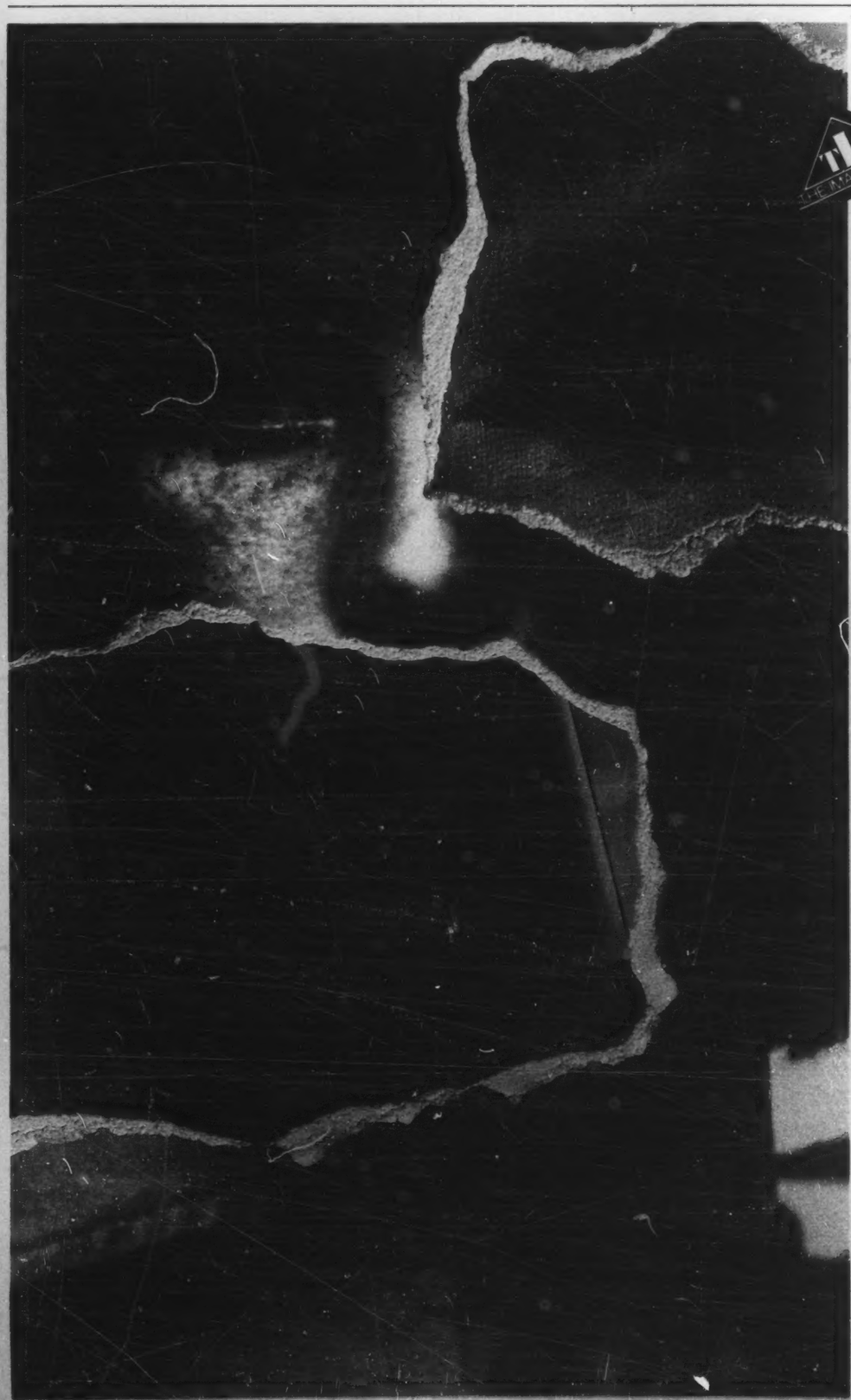
Centrum
Centrum Jr.
Caltrate
FiberCon
Lady's Choice
Pine-Sol
Combat

Ad agency: Carrafiello, Diehl & Associates, Irvington, N.Y.: A.L. Carrafiello, president; R.C. Brandt, exec vp; E.R. Petray, sr vp.



RANK **44**

American Express Co.

New York

ADVERTISING: $247.2 MILLION

Sales & earnings
($ in millions)

■ Worldwide	1988	1987	% chg
Sales	22,934	17,655	29.9
Earnings	1,038	533	94.7
■ U.S.	1988	1987	% chg
Sales	19,079	14,572	30.9
Operating income	1,076	1,375	(21.7)
■ Division sales	1988	1987	% chg
Travel related services	7,356	6,037	21.8
IDS financial	3,534	3,000	17.8
American Express Bank	1,730	1,733	0.3
Shearson Lehman Hutton	10,529	3,749	180.8

U.S. advertising by media
($ in thousands)

■ Media	1988	1987	% chg
Magazine	27,816	28,012	(0.9)
Sweep supp	1,080	2,687	(16.7)
Newspaper	30,291	29,286	3.1

Media	1988	1987	% chg
Outdoor	41	50	(17.8)
Network TV	76,961	66,126	16.4
Spot TV	24,189	29,509	(18.0)
Synd TV	1,781	2,135	(16.6)
Network cable	2,733	1,410	93.8
Network Radio	3,681	4,038	(8.8)
Spot radio	5,861	4,541	29.1
Measured	175,001	165,134	6.0
Unmeasured	72,200	68,200	5.9
Total	247,201	233,334	5.9

American Express, which long has cultivated its prestige image in advertising, is starting to go a tad downscale.

As the 30-year-old AmEx credit card battles to increase usage, tests are under way to accept the card at fast-food chains, discount stores and movie theaters. Currently, about 2.5 million merchants are signed up with AmEx compared with 6.5 million for Visa.

The AmEx strategy for the 1990s is to cultivate a dozen marketing segments, including colleges, small businesses, women and seniors.

Several industry analysts are less than enthusiastic about AmEx's prospects. Spencer Nilson, publisher of the "Nilson Report," a credit-card industry newsletter, believes AmEx will lose about one-third of its 22 million cardmember base by 1995. Other analysts also agree that lower fee bank cards will take an increasingly larger share of the premium card market.

In the hot gold card market, Visa Gold has 12.2 million card members with Gold MasterCard second at 11 million. American Express has 6 million, although it has always boasted that its customers carry higher incomes. However, the income gap between the average household of American Express' cardmember base and that of its bank competitors has narrowed. The average household income of American Express' cardmember is $48,175 compared with $43,250 for bank cardholders.

AmEx's gold card focus now is more pedestrian as it seeks growth through baby boomers via advertising from new agency Chiat/Day/Mojo, New York.

New campaigns have shifted from the exotic locations and luxurious dining settings of the past to healthcare and family dining.

American Express also is looking at an audience where money is an object. AmEx is testing in the Chicago area an "Express Weekend" program for travelers who want to take advantage of last-minute air fare, hotel or car rental discounts on short notice.

American Express also is joining with travel/entertainment marketers in co-op programs. As part of a year-long joint program with Hilton Hotels, extra points were awarded hotel guests who charged their stays on American Express.

AmEx has increased significantly its spending on travelers checks under a new program which hand delivers refunds anywhere in the world at no charge by simply making a phone call. The ad campaign, at $32 million, is up 60%.

Although American Express has been the target of both Visa and MasterCard in the gold card wars, the AmEx travelers checks campaign was the company's first slap at the banks. "If your bank doesn't sell them, go to one that does," the spots urge.

The company, meanwhile, has taken its billing process high tech, offering not only a consumer benefit, but one with great marketing potential. AmEx can track charge slips to identify cardholders as frequent travelers to a particular region, enthusiasts of a certain hobby or sport or even type of restaurant.

AMERICAN EXPRESS CO.
American Express Tower
World Financial Center
New York, N.Y. 10285-3130
(212) 640-4940

Marketing personnel: Carlos Ordonez, vp-adv, personal card; Lewis Taffer, sr vp, establishment svcs mktg, U.S. & natl accts; Joan Bonette, vp, personal card comm; Pam Guyot, vp, gold card comm & adv; Mary Miller, vp, platinum card mktg; Ann Busquet, sr vp-genl mgr, Optima Card div; Thomas F. Cash, sr vp, FSI mktg & sales, Travelers Cheque div; Pamela Paul, vp-worldwide mktg; Barbara Barsa, vp, travel mgmt svcs mktg; Leo Toralballa, sr vp, personal card acquisition.

Brands/services by agency of record:
Gold Card

Ad agencies: Chiat/Day/Mojo, New York: Steven Friedman, group mgmt super; Virginia Pirie, mgmt super; Patty Reis, acct super.

Perkins/Butler, New York: Sandra Finley, mgmt super; Roxanne Takara, Anne DeSalvo, acct supers.

■

American Express card

Ad agency: Ogilvy & Mather, New York: Brendan Ryan, exec dir; David Warden, sr vp-group dir.

Shearson Lehman Hutton
New York

Marketing personnel: Joseph Plumeri, sr exec vp, dir-mktg & sales; Cathleen B. Stewart, exec vp, dir-consumer mktg; Catherine Kaputa, first vp, dir-adv; Barbara Glasser, assist vp-adv mgr.

Brands/services by agency of record:
Shearson Lehman Brothers

Ad agency: Ally & Gargano, New York: Amil Gargano, chmn; Bill Bishop, president.

IDS Financial Services
Minneapolis

Marketing personnel: Jeffrey Steifler, exec vp-mktg & sales; Reed Saunders, sr vp-financial planning; Michael J. Rothmeier, sr vp-mktg; Laura Zimmerman, segment mktg mgr.

Brands/services by agency of record:
IDS Financial Services

Ad agency: Ogilvy & Mather, New York: Brendan Ryan, exec dir; David Warden, sr vp-group dir.

Portland, Oregon is the second most popular test market in the United States.*

The daily newspaper here: The Oregonian. For more information on Portland's attractive demographic profile, call John Mannex, General Advertising Manager, at (503) 221-8302. Experienced guinea pigs are standing by.

The Oregonian

Represented nationally by Newhouse Newspapers
*Source: Scantch & Scantch DPS Compton.
Based on actual new products tested.

American Home Products Corp.
RANK **27**
New York
ADVERTISING: $393.2 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	5,501	5,028	9.4
Earnings	932	845	10.3
U.S.	**1988**	**1987**	**% chg**
Sales	3,789	3,536	7.2
Operating income	1,038	1,006	3.1
Division sales	**1988**	**1987**	**% chg**
Pharmaceuticals	2,609	2,359	10.6
Consumer healthcare	921	863	6.8
Medical supplies	609	566	7.6
Food prods	651	575	13.2
Household prods	711	665	6.9

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	13,516	13,907	(2.8)
Newsp supp	75	103	(27.4)
Newspaper	7,998	222	3,498.0
Outdoor	0	3	NA
Network TV	163,363	182,057	(10.3)
Spot TV	22,551	14,917	51.2
Synd TV	3,895	3,450	12.9
Network cable	8,174	7,254	12.7
Network Radio	4,323	2,534	70.6
Spot radio	1,027	1,208	(15.0)
Measured	224,921	225,654	(0.3)
Unmeasured	168,300	168,800	(0.3)
Total	393,221	394,454	(0.3)

American Home Products Corp., a major competitor in the red hot analgesics marketing wars, continues to shuffle its advertising agencies.

Most recently, AHP yanked $40 million of business from its long-time agency of record, Campbell-Mithun-Esty, New York, after balking at the agency's new style. A year earlier, a battery of products was taken from N W Ayer and Saatchi & Saatchi and scattered among other agencies, with McCann-Erickson gaining most.

The $25.7 million Anacin business at CME was turned over to Young & Rubicam, New York, which also handles Advil. Marketed under AHP's Whitehall Laboratories, Anacin holds a 7% share in the $2.4 billion pain relief arena led by Johnson & Johnson's Tylenol.

Within the aspirin segment, Anacin produces 16% of sales. Aspirins account for 40% of all pain relief sales while acetaminophens produce another 40%. Fledgling ibuprofens account for 20%, according to Nielsen Marketing Research, which says ibuprofen sales increased 14% last year while the other segments posted declines.

Whitehall's acetaminophen entry, Anacin-3, also was turned over to a new agency, Partners & Shevack, which is in charge of the $13.6 million account since acquiring Kornhauser & Calene.

Whitehall has been pleased with Y&R's efforts to keep Advil the leading ibuprofen. It was the first to enter the market in 1984 and has held an impressive 64% of the business ever since. Bristol-Myers' Nuprin is second with a 22% share, according to Charles Kline & Associate figures; J&J's Medipren has about 13%.

Measured spending for Advil totaled $47.5 million in 1988, down 1.9%. Industry sources expect Whitehall will rev up spending in 1989 to stave off competition from B-M's Nuprin and Upjohn's newly released Motrin IB. B-M executives have stated they want to make Nuprin the No. 1 brand and will spend $31 million to do so. Upjohn has earmarked $30 million for Motrin, to be spent in just the second half of the year.

Retailers said Whitehall plans to capitalize on its strong Advil franchise with a Co-Advil cold product. Whitehall already has a strong entry in the cold, allergy and sinus classification with Dristan. Two new Dristan items debuted last year, Maximum Strength Dristan Caplets with a no-drowsiness formula and long-lasting and regular formulations of Dristan Nasal Spray. Total Dristan spending was $17.6 million, up 14.3% from 1987, according to LNA/Arbitron.

Other products falling under the Whitehall umbrella are Primatene, Denorex shampoo, Riopan, Anbesol, Preparation H, Clearblue pregnancy tests and the Today Sponge, which was acquired in 1987 and was extended with a Today condom.

AHP's Wyeth-Ayerst Laboratories' Triphasil remained the second-most frequently prescribed low-dose triphasic oral contraceptive with a 37% share, behind J&J's Ortho. W-A's Premarin remains a market leader in estrogen replacement, although the entire category is undergoing health scrutiny.

W-A's jewel, Phenergan, was poised to make the jump from ethical to OTC in 1989. However, the non-narcotic versions of the product—the No. 1 prescribed cough remedy for over 30 years—hit snags with the FDA. Trade ads announced the launch before Wyeth found out the product would not be rolled out in July as planned. When it does make it to retailers' shelves, Phenergan should be a big player in the $1.9 billion market. A $10 million ad budget is in reserve for the debut.

AHP's food division, leader in the $500 million prepared pasta market, was strengthened by the national introduction of Chef Boyardee Microwave Meals. Chef Boyardee's line of canned pastas was expanded by the addition of two varieties of Dinosaur Pastas. All canned pastas were backed with almost $9 million in measured media spending in 1988. Chef Boyardee, which celebrated its 50th anniversary, spent $18.4 million in measured media, up 27%.

The cholesterol concern sweeping the country fueled sales of sodium- and cholesterol-free Pam cooking spray. Measured spending amounted to $9.3 million, down 6.1%.

Under the aegis of American Home Food Products, Wheatena and Maypo were acquired in 1988, giving American Home an entry into the $600 million hot cereal market.

Last year, AHP agreed to purchase A.H. Robins Co. for $700 million in AHP stock and a payment of $2.3 billion into a trust fund to be created to settle claims by users of the Robins, Dalkon Shield. The merger cannot be completed, however, until appeals filed against the plan are resolved.

AMERICAN HOME PRODUCTS CORP.
685 Third Ave.
New York, N.Y. 10017
(212) 878-5000

Corporate media buying: John F. Murray Advertising Agency: Richard Feldheim, president; Marianne McArdle, sr vp, dir-natl tv; Kathleen Margaritov, vp-natl tv super; Thomas Del Priore, vp-cable tv; Katie Coke, vp-radio; Judith Bloedorn, vp-spot tv; Patricia Stern, natl tv super.

Boyle-Midway
New York

Corporate personnel: T.J. Host, president.

Marketing personnel: G.L. Fotiades, sr vp-mktg; Rick Donnelly, vp-category dir; Ken Lagana, adv dir.

Brands/services by agency of record:
Black Flag
Depend-O
Easy-On starch
Griffin shoe polish
Old English
Plastic Wood
Sani-Flush, various prods
Snarol
3-in-1 Oil
Zud

Ad agency: Partners & Shevack, New York: Brett Shevack, president.

■

Easy-Off glass cleaner
Easy-Off Mildew Stain Remover
Easy-Off oven cleaner
Noxon
Red Devil Lye
Woolite cold water wash
Woolite Gentle Cycle

Ad agency: McCann-Erickson, New York: Linda Joselow, sr vp-mgmt rep.

■

Dry Breeze
Gulf Light charcoal lighter

Holiday
Butter Buds
Pam
Wizard air freshener
Wizard charcoal lighter
Woolite Rug & Upholstery Cleaners
Ad agency: Young & Rubicam, New York: Jordan Stanley, vp-mgmt super.

Whitehall Laboratories
New York

Corporate personnel: L. Randall Yates, president.
Marketing personnel: Andrew Davis, sr vp-mktg; Lyn Ciocca, vp-mktg; J. Schmitt, vp-new prods; Steve Palmisano, adv dir.
Brands/services by agency of record:
Compound W
Dermoplast
Dristan nasal spray
Dristan tablets
Momentum
Oxipor
Posture
Preparation H
Ad agency: McCann-Erickson, New York: George Biavz, sr vp-group acct dir; Michael Mainthow, Pat Quagliano, vps-mgmt reps; Bob Rivituso, vp-acct super; Barbara Guiffre, acct super.

■

Anacin-3
Denorex medicated shampoo
Freezone
Outgro
Primatene
Riopan
Trendar
Youth Garde
Ad agency: Partners & Shevack, New York: Alan Yarnoff, exec vp-acct dir; Bob Ballerini, Martin Bowen, Mike Fleishman, Debra Kohn, vps-acct supers.

■

Advil
Anacin/Maximum Strength Anacin
Anbesol
Arthritis Pain Formula
Clearblue Easy
Clearplan
Neet
Semicid
Today Sponge
Ad agency: Young & Rubicam, New York: Patrick Knisley, sr vp-mgmt super; Margaret McKinley, vp-acct super; Catherine Damico, Cathy Lasowski, acct supers.

Fort Dodge Laboratories
Fort Dodge, Iowa

Corporate personnel: E.T. Corcoran, president.
Marketing personnel: P.A. Brown, vp-sales & mktg; D.C. Sandvig, vp, Franklin Lab.
Brands/services by agency of record:
Fort Dodge Laboratories
Ad agency: Brady Co., Menomonee Falls, Wisc.: Bert Hutchinson, sr vp.

American Home Food Products
New York

Corporate personnel: David P. Jaicks, president; Charles E. LaRosa, exec vp; John Hittson, sr vp-mktg; Albert Soricelli, sr vp-new ventures; Karl Becker, vp-mktg svcs; Dennis O'Donnell, vp-prod mgmt; Jules Neuberger, adv dir.
Brands/services by agency of record:
Chef Boyardee pizza mix
Chef Boyardee Hamburger Italiano
Dennison's Chili, new prods
Gulden's mustard
Jiffy Pop popcorn
Ad agency: Jordan, McGrath, Case & Taylor, New York: Judy Niedert, vp-mgmt super.

■

Wheatena
Maypo
Mafiex
Foodservice
Ad agency: Ketchum Advertising, New York: Matt Seiden, vp-acct super.

■

Chef Boyardee canned pasta
Chef Boyardee microwave meals
Franklin Crunch 'n Munch
Luck's Beans
Ranch Style Beans, new prods
Ad agency: Young & Rubicam, New York: Jane Brite, exec vp-group genl mgr; Jordan Stanley, sr vp-mgmt super; Kevin Rhodes, vp-acct super.

Sherwood Medical Co.
St. Louis

Corporate personnel: David A. Low, president.
Marketing personnel: Robert Egan, exec vp-domestic mktg; Thomas Cekoric, vp-genl mgr, API.
Brands/services by agency of record:
Sherwood
Ad agency: FBA Marketing Communications, St. Louis: Robert Brace, acct exec.

Wyeth-Ayerst Laboratories
Radnor, Pa.

Corporate personnel: Bernard Canavan, chmn; Fred Hassan, president.
Marketing personnel: Thomas Cavanagh, exec vp-sales & mktg; Martin Meaney, sr vp-sales & mktg; John Leone, vp-mktg, professional prods; David Swingle, vp-sales, professional prods; Walter Dymarczyk, vp-managed care; Edward Marcoon, vp-genl mgr, pediatric & consumer healthcare.
Brands/services by agency of record:
Bicillin
Oral antibiotics
Ad agency: Dorland & Sweeney, Philadelphia: Barbara Zehender, acct super.

■

Ativan injections
Cerubidine
Ad agency: Harrison, Star, Wiener & Beitler, New York: John Sullivan, acct super.

■

Ativan oral
Cycrin
Grisactin
Mysoline
Orudis
OTC Phenergan
Prelnarin
Serax
Sumycin
Ad agency: Klemtner Advertising, New York: Paul Nani, acct super.

■

Inderal LA
Inderide LA
Isordil
Tuber
Ad agency: Lally, McFarland & Pantello, New York: Paul Hansen, acct super.

■

Nursoy
Resol
SMA
Ad agency: William Douglas McAdams, New York: Patricia Plonski, acct super.

■

Collyrium
Phenergan suppositories
Phenergan syrups (Rx)
Phenergan syrups
Wyanoids Relief Factor
Ad agency: Roberts & Raymond Associates, Philadelphia: Jay Bolling, acct super.

■

Cordarone
Sectral
Ad agency: Vargas Levy Zules, New York: Thomas Vargas, acct super.

■

Gestodene
Lo/Ovral
Nordette
Norplant
Ovral
Triphasil
Ad agency: Vicom Associates, Philadelphia: Steve Schmidt, acct super.

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RANK **43**

American Stores Co.

Salt Lake City
ADVERTISING: **$250.5 MILLION**

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	18,475	14,272	29.4
Earnings	98	154	(36.3)
Division sales	**1988**	**1987**	**% chg**
American Drug Stores...	3,190	3,050	4.6
Lucky Stores	5,420	4,960	9.3
Alpha Beta Co.	2,610	2,540	2.8
American Food & Drug..	2,190	2,010	9.0
American Superstores...	6,980	6,650	5.1

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	262	48	449.7
Newsp supp	17	0	NA
Newspaper	61,803	65,659	(5.9)
Outdoor	1,176	446	163.9
Spot TV	51,416	46,228	11.2
Spot radio	7,243	5,266	37.6
Measured	121,918	117,646	3.8
Unmeasured	128,600	124,100	3.6
Total	250,518	241,746	3.6

■ *These are full-year figures. Only operations since June 2, 1988 are included in American Stores' totals

American Stores Co., enjoined at least temporarily in California from combining its Alpha Beta Stores supermarkets with newly-acquired Lucky Stores, reorganized operations into a centralized structure and moved headquarters back to Salt Lake City after a year in Irvine, Calif.

American Stores in 1988 purchased for $2.5 billion Lucky's 347 stores in California and Nevada and sought to consolidate them into the 220-store Alpha Beta operations. But the California attorney general blocked the move, arguing that operations must remain separate to not undermine competition. Last month, Supreme Court Justice Sandra Day O'Connor granted the request to halt the merger until the full Court could consider the state's antitrust claims, possibly this October.

American's buyout of Lucky gives the combination a 26% share of the retail food market in California, placing it just ahead of Safeway, whose acquisition in 1988 of Von's pushed its share to about 26%. Campeau Corp.'s Ralph's has 13%.

The consolidation plan carries cost ben-

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efits which American Stores could use. In 1988, earnings fell 37% due largely to costs associated with the acquisition. Company officials also plan to marry the two similar marketing themes: Lucky pushes a "Low Price Leader" image; Alpha Beta stresses variety as well as price.

American Stores inherits a large ad budget with Lucky, whose $38.4 million in measured spending in 1988, up 33%, doubled the $19 million spent by Americans' Jewel Food Stores (down 20%), according to LNA/Arbitron. Drawing $10 million each were Acme Food Stores, down 9% from the prior year and Alpha Beta, down 16%.

During 1989, American Stores veered from a two-year planned decentralization to a "holding company strategy" that concentrates management and resources at its Salt Lake City headquarters. In 1987 the company had relocated to Irvine and talked of spinning off one or more of its subsidiaries into autonomous, publicly-held companies. Such structural changes are common at American Stores, which has had to alter regional definitions and cost-center locations in the past to integrate buyouts into its corporate structure, according to analysts.

Regardless of its new bent toward centralization, the company remained structured mostly along regional lines. The largest of five operating units remains American Superstores, a holding for Acme Markets, Jewel Food Stores, Star Market and Jewel Osco. Marketing and advertising are handled individually by each subsidiary.

American Drug Stores, which changed its name from Osco Drug in December 1988, continues to operate under the Osco Drug name except in California and Nevada, where it reverted to the old Sav-on moniker after two years as Osco because of better name recognition. American Drug plans to enter the growing field of mail-order prescription sales in 1990, under the banner "Rx America."

Sales at Lucky Stores increased 9%, up to $5.42 billion for the full year. In 1989, when a full year of Lucky's sales will be included, American Stores is expected to pull ahead of Kroger as the nation's sales leader. Kroger in 1988 counted $19.1 billion in sales.

Lucky lost some of its top management during the hostile takeover. John M. Lillie, who headed Lucky Stores before the takeover as chairman-CEO, was replaced by former Lucky Stores President Lawrence A. Del Santo. Other personnel changes included company founder L.S. Skaggs, who gave up his CEO title but agreed to continue serving as chairman until 1993.

AMERICAN STORES CO.
5201 Amelia Earhart Dr.
Salt Lake City, Utah 84116
(801) 539-0112

Corporate personnel: L.S. Skaggs, chmn & president; Jonathan L. Scott, vice chmn-ceo.

Acme Markets
Philadelphia

Marketing personnel: Robert Neslund, president; Jim Horn, sr vp-mktg & distribution.

Jewel Food Stores
Melrose Park, Ill.

Marketing personnel: Joseph Bugos, president; William Bolton, vp-mktg; Robert Lutz, dir-sales & adv.

Brands/services by agency of record:
Jewel food stores
Ad agency: Lois/GGK, Chicago: Brad Beechen, mgmt super; Valerie Sanders, sr acct exec; Lori Fewster, acct exec.

Star Markets
Cambridge, Mass.

Marketing personnel: Martin A. Scholtens, president; Brian Pijanowski, dir-mktg; Bill Paul, vp-sales & mktg.

Brands/services by agency of record:
Star Markets
Ad agency: Rossin, Greenberg, Seronick & Hill, Boston: Jim Rowean, vp-acct svcs; Carole Alexander, acct exec.

American Drug Stores
Oakbrook, Ill.

Marketing personnel: Terry Hanson, president; Dominic Cavallo, sr vp-mktg; Ron Grove, vp-mktg; John Kromer, adv.

Brands/services by agency of record:
American Drug Stores
Ad agency: Lois/GGK, Chicago: Ed Holzer, chmn-ceo; Nancy Nevel, acct exec.

Alpha Beta Co.
La Habra, Calif.

Marketing personnel: Roger Wilhelm, acting president-south region; William Wade, sr vp-adv; Don Bates, vp-mktg.

Brands/services by agency of record:
Alpha Beta Co.
Ad agency: Bozell Inc., Los Angeles: Dick Hamblin, president-ceo.

Skaggs Alpha Beta
Richardson, Texas

Marketing personnel: Neill Crowley, president; Warren Ivie, vp-adv.

Brands/services by agency of record:
Skaggs Alpha Beta stores
Ad agency: Bloom Agency, Dallas: Paul MacMahon, chmn; Sherry Babcock, sr vp-mgmt super; Mary Glynn, vp-acct super; Tracy Gray, acct exec.

Buttrey
Great Falls, Mont.

Marketing personnel: Edward Agnew, president; Lynn Weight, adv mgr; Dione Leidholt, dir-adv & mktg.

Brands/services by agency of record:
Buttrey stores
Ad agency: Wendt Advertising, Great Falls, Mont.: Bruce Day, acct exec.

American Telephone & Telegraph Co.

RANK **17**

New York
ADVERTISING: **$547.5 MILLION**

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	35,210	33,768	4.3
Earnings	(1,669)	2,044	NA
Division sales	**1988**	**1987**	**% chg**
Services	20,833	19,830	5.1
Products	11,334	10,206	11.1
Rentals	3,043	3,732	(18.5)

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	66,193	76,270	(13.2)
Newsp supp	5,139	6,691	(23.2)
Newspaper	32,690	32,610	0.2
Outdoor	361	114	216.5
Network TV	173,912	146,418	18.8
Spot TV	36,753	34,790	5.6
Synd TV	6,190	4,165	48.6
Network cable	7,773	6,440	20.7
Network Radio	12,311	15,004	(17.9)
Spot radio	6,184	6,864	(9.9)
Measured	347,504	329,365	5.5
Unmeasured	200,000	201,900	(0.9)
Total	547,504	531,265	3.1

AT&T began marketing itself like a packaged goods product in 1989 by offering new accounts a money-back guarantee for long-distance service. The corporate campaign emanated from a general promotion ad budget that in 1988 allocated $92.1 million in media dollars, up 17% from the prior year, according to LNA/Arbitron.

The unusual approach, which followed an early corporate advertising phase stressing service through testimonials by AT&T employees, shows the extreme competitiveness of the long-distance market where it is becoming more difficult to separate the players by the services they offer.

AT&T is retaining a strong but slightly diminishing lead in the long-distance market in 1989 with a 68% share, compared to 71% in 1988, this despite a 38% decrease since divestiture.

This compares with 11.5% at MCI, up from 10.3%; and 7.5% at US Sprint, up from 6.8%, according to Northern Business Information, New York, which notes the market is growing at a rate that supports all the major players.

AT&T spent $141.4 million to advertise long-distance services for domestic, overseas and business in 1988. By comparison, MCI spent $39 million in advertising in 1988 on long-distance, and US Sprint $23 million, according to LNA/Arbitron.

Of the AT&T long-distance total, $71.5 million was for "long-distance," up 14%; $24.2 million for long lines overseas, down 25% and $45.7 million for long-distance business, up 129%. A new service, USA Direct, was introduced, providing direct access to AT&T operators for overseas calls.

Most of the AT&T general promotion spending of $92.2 million supported the so-called "anxiety" campaign on TV, that evolved in 1989 into the money-back deal —directed to customers who experimented with rival long-distance companies. Current spots ask consumers to make the switch to AT&T and offer to pay for the reconnection fee back to the current supplier if they are unhappy with the service.

Just this summer, federal Judge Harold Greene waived restrictions prohibiting AT&T's entry into electronic publishing. The decision is spurring AT&T's involvement in videotex and other information services. It is thought that AT&T's entry into the arena could finally develop that industry into a mass market service.

AT&T ended its five-year alliance with Olivetti this summer and entered into an agreement with Intel Corp., Santa Clara, Calif. AT&T's computer philosophy now relies less on selling stand-alone computers and more on networking. The computer segment is expected to break even in 1990 after years of losses.

In 1988, AT&T won the U.S. Air Force account, its largest computer contract in its five years in the business. The contract could ultimately total $1 billion.

AT&T beefed up its consumer product-related advertising in 1988 as it targeted the market for its answering machines, cordless telephones and advanced feature phones at $3.8 billion. Its 425 AT&T phone centers were recently redesigned. The operation was backed with $14 million in ad spending in 1988, up from only $3 million in 1987.

Ad spending for AT&T Information Systems grew 13% to $28.1 million from $24.9 million in 1987, virtually all in network TV.

AT&T lists its 1988 ad expenditures at $773 million, including salaries and other expenses which AA estimates exclude.

During 1988, the company agreed to buy up to 20% of Sun Microsystems. In July, it announced a joint venture with GTE Corp. It acquired Paradyne Corp., a data communications company, for $250 million in February. It also purchased Eaton Financial Corp., an office equipment financing company and U.S. Trusts Advanced Information Service subsidiary, a financial services company.

AMERICAN TELEPHONE & TELEGRAPH CO.
550 Madison Ave.
New York, N.Y. 10022-3297
(212) 605-5500

Marketing personnel: J. Kent Planck, corp vp-adv; Robert W. Watson, dir-adv svcs; Ross Markwardt, dir-corp adv; R. Zack Manna, corp adv/events mktg dir; Mary Lou Floyd, mgr-corp adv & cultural programs; Linda Urben, mgr-adv svcs; Karen Vereb, div mgr-corp adv; Steve Cross, dist mgr-corp event mktg; Douglas Ritter, corp broadcast mgr; Maryann Seduski, corp media mgr.

Brands/services by agency of record:
Corp adv
Ad agency: N W Ayer, New York: Amanda Hahn, vp-mgmt super.

■

Corp arts & underwriting
Ad agency: Serino Coyne, New York: Dale Barlow, exec vp-acct mgmt.

■

Black adv
Hispanic adv
Ad agency: UniWorld Group, New York: Herman Morales, sr vp; Linda Dukette, vp-acct super.

AT&T Consumer Markets

Marketing personnel: Kim Armstrong, dir-adv.

Brands/services by agency of record:
Consumer long-distance
Ad agency: N W Ayer, New York: Diane Whitehead, sr vp-mgmt super.

■

Ethnic adv
Ad agency: Bermudez & Associates, New York: Marguerite Cueto, vp-mgmt super.

■

Business svcs
Ad agency: McCann-Erickson, New York: Tom Driscoll, sr vp.

■

Business products
Computers
Small & large business phone systems
Ad agency: Ogilvy & Mather, New York: Cynthia Round, sr vp-group dir.

AT&T Corporate International

Marketing personnel: Ross Markwardt, dir-corp adv.

Brands/services by agency of record:
AT&T Intl corp adv
Ad agency: Ogilvy & Mather, New York: Cynthia Round, sr vp-group dir.

■

Special svc long-distance
Ad agency: Young & Rubicam, New York: Mort Lowenstein, exec vp-worldwide group dir.

AT&T Consumer Products

Marketing personnel: A. Lee Blitch, adv mgr.

Brands/services by agency of record:
Consumer telephones
Ad agency: N W Ayer, New York: Peter Varvara, vp-mgmt super.

AT&T Business Markets

Marketing personnel: Charles L. Mitchell Jr., dir-adv & sales promo.

Brands/services by agency of record:
Business long-distance
Ad agency: McCann-Erickson, New York: Hank O'Brien, sr vp-group mgmt dir.

■

Business mkts
Business PBX
Business phone systems
Ad agency: Ogilvy & Mather, New York: Kelly O'Dea, sr vp-group dir.

■

USA Direct calling card
Ad agency: Young & Rubicam, New York: Mort Lowenstein, exec vp-worldwide group dir.

AT&T Network Systems/ Technologies

Marketing personnel: Dick Martin, dir-adv.

Brands/services by agency of record:
AT&T Network Systems/ Technologies
Ad agency: FCB/Leber Katz Partners, New York: Jim Bernegger, sr vp-mgmt dir.

AT&T American Transtech

Marketing personnel: Michael N. Granieri, dir-corp comm.

Brands/services by agency of record:
AT&T American Transtech
Ad agency: Husk, Jennings & Overman, Jacksonville, Fla.: Gary Husk, sr vp.

AMR Corp.

RANK **87**

Dallas-Fort Worth Airport
ADVERTISING: **$120.7 MILLION**

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	8,824	7,198	22.6
Earnings	477	198	140.3
Division sales	**1988**	**1987**	**% chg**
Passenger	7,677	6,151	24.8
Other	1,147	1,047	9.6

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	8,760	4,600	90.5
Newsp supp	314	58	441.9
Newspaper	28,671	36,654	(21.8)
Outdoor	194	246	(21.3)
Network TV	22,264	26,115	(14.7)
Spot TV	16,301	23,971	(32.0)
Network cable	643	809	(20.6)
Network Radio	541	976	(44.6)
Spot radio	10,662	16,106	(33.8)
Measured	88,350	109,535	(19.3)
Unmeasured	32,300	20,000	61.5
Total	120,650	129,535	(6.9)

AMR Corp.'s American Airlines subsidiary, which became the nation's top carrier in 1988, will continue its promotion strategy of an overall corporate campaign supported by highly-targeted programs aimed at key demographic groups.

American held an 18.7% share of the U.S. market through the first seven months of 1989, up from 16.2% in the same period a year ago, according to PaineWebber, which bases its shares on revenues gained by carrying one paying passenger one mile. Former leader United Airlines dropped to 17.6% from 17.8% in 1988, while No. 3 Delta Air Lines rose a dramatic 2.2 share points to 15.3%.

Part of American's targeted marketing strategy includes a regionalized approach that began in 1988. For the first time, it ran separate campaigns by geographical region.

"We spend larger and larger portions of our promotional dollars in targeted efforts," said Michael Gunn, senior VP-marketing. "As we gain more information about various customers, we communicate differently with them." He cited seniors, golfers, frequent fliers and travel agents as some of the key groups the airline targets through separate programs.

A push to boost leisure travel will continue as ads spotlight "sun" and European destinations.

American will try to make the most of its favorable positioning among business travelers by stressing its service and performance in its ads.

Perhaps one cloud in American's skies was the Department of Justice's decision to turn down the proposed agreement to combine American's Sabre computer reservation system with Delta Air Line's DATAS II. That would have created a global computer reservations system to be marketed by a new and independent partnership.

The other disappointment came when Continental Airlines was awarded the coveted Seattle-Tokyo route that American also had sought. After a bitter court battle, the Texas Air unit won. American apparently will keep its eye on developing the Pacific market but atten-

tion has shifted to Europe, the Caribbean and South America for future growth.

AMR CORP.
P.O. Box 619616
Dallas-Ft. Worth Airport
Texas 75261-9616
(817) 963-1234

Marketing personnel: Michael W. Gunn, sr vp-mktg; Michael Buckman, vp-passenger sales & adv; George Mueller, vp-customer svcs; Jim Simon, mng dir-adv; Donna Coyne, mgr-domestic adv.
Brands/services by agency of record:
American Airlines
Ad agency: Bozell Inc., Dallas: Paul Gold, exec vp-acct dir; Patsy Tryon, sr vp-mng rep; Wanda Brown, Gaylynn Garrett, David Hall, Leslie Parmiter, Anita Wheeler, vp-acct supers.

RANK **11**

Anheuser-Busch Cos.

St. Louis
ADVERTISING: **$634.5 MILLION**

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	9,705	9,110	6.5
Earnings	716	615	16.5
Division sales	**1988**	**1987**	**% chg**
Beer	6,902	6,376	8.3
Food	1,681	1,627	3.3
Diversified	362	366	(1.2)

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	10,563	10,048	5.1
Newsp supp	965	369	161.6
Newspaper	10,192	9,387	8.6
Outdoor	6,708	9,580	(30.0)
Network TV	207,278	186,948	10.9
Spot TV	87,486	83,750	4.5
Synd TV	9,757	5,146	89.6
Network cable	21,397	22,943	(6.7)
Network Radio	15,391	23,456	(34.4)
Spot radio	42,696	43,550	(2.0)
Measured	412,431	395,176	4.4
Unmeasured	222,100	212,800	4.4
Total	634,531	607,976	4.4

While the U.S. beer industry stagnated, Anheuser-Busch Co. in 1988 raised its market share 1.1 points to 40.8%, according to *Beer Marketer's Insights*. Along the way, the company evolved into a new marketing role: innovator.

In a surprise to nearly everyone in the brewing industry, A-B, the world's largest brewer, became the first American brewer to market dry beers.

While others speculated about whether the less sweet, slightly dryer tasting brew that was a success in Japan would go over in the U.S., A-B in less than three months moved Michelob Dry from test to a November rollout.

And as if to prove that wasn't the only trick up its sleeve, it entered 1989 by quickly unveiling a series of additional new products, testing Budweiser Dry, Busch Light Draft, and turning O'Douls, a brand name for an Irish-style ale in test, into a non-alcoholic beer.

Most of the new brands were assigned to DDB Needham Worldwide, Chicago, agency for Bud Light and Busch. DDB Needham made gains at the expense of D'Arcy Masius Benton & Bowles, St. Louis, agency for Budweiser.

But DMB&B benefited from O'Doul's and some A-B moves toward more promotional-oriented advertising tying brands together, most notably a Bud Bowl I promotion on the Super Bowl telecast in January 1989 that pitted Budweiser against Bud Light in a stop-action animated sequence. D'Arcy also picked up Budweiser's ties to rock groups—the Who's "Tommy" concerts and the Rolling Stones.

A-B acknowledged that the move to additional brands represented a change, but said its activity only reflected the beer market and the increasing fickleness of consumers seeking something new. With more niches and more brand changing, beer makers have to offer additional products, company officials said. They offered the example of Anheuser Marzen, a European-style beer test marketed in New Hampshire and now sold in St. Louis. TBWA, St. Louis, handles.

Company officials denied that the new beers indicated concern about Budweiser, but admitted growth may slow for A-B's top beer. Budweiser, the nation's top beer, last year saw sales rise to 50.45 million barrels. Bud alone represents 26.2% of the U.S. beer market. A-B has three other beers among the five top-selling brews and all gained last year. Only Michelob lost sales. This year, the Michelob family is showing strength, however, because of Michelob Dry. Also at midyear there were reports that Bud Light's sales were 18% ahead of the 1988 levels.

A-B upped its advertising for the new brands, but there were growing indications it also was looking for some economies in advertising, with dual brand promotions sometimes replacing individual advertising.

A-B's continuing growth did not come without a hitch. Its high visibility made it a target of various groups concerned about alcoholism, some calling for limiting beer advertising. The use of Spuds MacKenzie, A-B's dog presenter, was said to appeal to children and people not of drinking age, which A-B denied. Surgeon General C. Everett Koop at a 1988 press conference about alcohol used Spuds as a backdrop.

In 1988, A-B moved to limit damage by turning Spuds into a spokesdog for the "Know When to Say When" campaign urging responsible drinking and using the dog sparingly in Bud Light ads. Licensing of Spuds paraphernalia was severely cut back.

This year A-B took an even bigger step by expanding the "Know When to Say When" campaign with a $35 million budget. All of A-B's agencies are contributing.

Hal Riney & Partners, San Francisco, withdrew as an A-B agency last year to take on Stroh Brewery Co., Detroit, after failing to win much new business from A-B.

A-B continued to expand abroad and view other industries and products aside from beer for its future growth. Beer accounted for 77% of its worldwide revenues, up from 70% in 1987.

A-B is expanding its theme parks, now consisting of three Busch Gardens parks, to Barcelona, where a park and resort is to open in 1992-93.

Eagle Snacks and Cape Cod snack foods finally saw national distribution. A-B had problems with the snack foods and delayed opening a Visalia, Calif. plant to allow time to make product and packaging changes. The plant was opened early this year. Several product extensions, including nuts and a cheddar cheese popcorn, were added.

A-B claimed the expanding distribution brought its share of potato chips in the top 17 markets it served continuously to 10.8% through May 1989, up 4 points from a year earlier, while its nut share rose to 12.0% up 4.1 points from a year earlier, all according to Nielsen data.

Snack Food magazine reported that A-B's $125 million to $150 million in sales placed it fifth in sales of salted snacks.

ANHEUSER-BUSCH COS.
One Memorial Dr.
St. Louis, Mo. 63102
(314) 577-2000

Corporate personnel: *Michael Roarty, exec vp, dir-mktg.*
Marketing personnel: Jack MacDonough, vp-brand mgmt; Charles B. Fruit, vp-corp media & sports mktg, vp-coo, Busch Media Group; Thomas Sharbaugh, group brand dir, Budweiser, Bud Light, Bud Dry, Carlsberg, Carlsberg Light, Elephant Malt Liquor; Robert J. Goughenour, group brand dir, Michelob, Michelob Light, Michelob Dry, Michelob Classic Dark; Robert Merz, group brand dir, Busch, Busch Light, Natural Light, LA, King Cobra, O'Douls; Joseph V. Corcoran, sr brand mgr, Budweiser; Robert Lachky, sr brand mgr, Bud Light; William E. Braun, sr brand mgr, Busch; Peter C. Rozzell, sr brand mgr, Michelob, Michelob Light, Classic Dark; Donald Meyer, sr brand mgr, Michelob Dry; Anne Suppinger, sr brand mgr, Natural Light, LA; Brian Porter, sr brand mgr, imports; Al Cummings, sr brand mgr, King Cobra; David English, sr brand mgr, Anheuser Marzen; Jerry Solomon, vp-genl mgr, Busch Media Group, NY; Bill Benz, vp-genl mgr, Busch Media Group, St. Louis; Tony Ponturo, dir-media svcs; Mark Lamping, dir-sports mktg; Tom Barton, mgr-Budsports; Carol Kelleher, mgr-entertainment mktg group; Scott Murdock, dir-merch & sales promo; Michael O'Sullivan, mgr-merch dept. Snacks: Patrick T. Stokes, vp-group exec; Kevin F. Bowler, vp-genl mgr; William H. Opdyke, sr vp-operations; Thomas H. George, vp-brand mgmt. Busch Gardens: Brian D. Smith, vp-mktg. Busch Entertainment: Barry W. Thigpen, group mktg dir.
Brands/services by agency of record:
Budweiser
LA
O'Douls
Natural Light
Corp adv
Ad agency: D'Arcy Masius Benton & Bowles, St. Louis: James Palumbo, sr vp-acct group dir; Stephen D. Nollau, vp-mgmt super, Budweiser; Timothy R. Rodgers, vp-mgmt super, Natural Light, LA, O'Doul's, corp; Richard Lalley, Fred Wolter, vps-acct supers, Budweiser; Bryce McTavish, acct super, Budweiser; Terry Lucas, vp-acct super, corp adv; Carl Strom, acct exec, corp adv.

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Bud Light
Bud Dry
Busch brands
Michelob brands
Busch Entertainment
Corp adv
Ad agency: DDB Needham Worldwide, Chicago: John Greening, group acct dir, beer; Ray Gillette, group acct dir, Busch Entertainment; Bill Syrett, acct super, Busch, Busch Light, new prods; Mark Leitner, acct super, Bud Light; Jack Rooney, acct super, Bud Dry; Ralph Kurek, Michelob, Michelob Light, Michelob Dark; Dave Southern, acct super, Michelob Dry; Ralph Kurek, super, field activities.

■

Carlsberg
Elephant Malt Liquor
Anheuser Marzen
Eagle snacks
Ad agency: TBWA Advertising, New York & St. Louis: Page Murray, acct exec, Carlsberg, Elephant Malt Liquor; Amy Cohen, acct exec, Eagle snacks; Stacie Fryrear, acct dir, Marzen.

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Campbell Taggart's Earth Grains breads
Break Cake
Rainbow bread
Country Hearth
Grant's Farm
Ad agency: Bloom Agency, Dallas: Charles J. Calise, mgmt super.

■

King Cobra
Ad agency: Equinox Advertising, Chicago: Stuart Rankin, partner.

■

Hispanic brand mktg
Ad agency: Castor GS&B Advertising, New York: Robin Robert, acct super.

■

Hispanic corp acct
Ad agency: Sosa & Associates, San Antonio, Texas: Al Aguilar, VP-account services.

■

Black corp adv
Ad agency: Caroline [illegible] Advertising, New York: Gina Ross, vp-acct super.

RANK **54**

B.A.T. Industries PLC

London
ADVERTISING: **$184.1 MILLION**

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	31,276	27,127	15.3
Earnings	1,708	1,184	44.3
U.S.	**1988**	**1987**	**% chg**
Sales	6,251	5,835	7.1
Operating income	936	886	5.6
U.S. sales	**1988**	**1987**	**% chg**
Tobacco	12,407	10,940	13.4
Retailing	4,136	6,224	(33.5)
Paper	3,056	2,667	14.6
Financial svcs	6,851	6,009	14.0
Other	1,630	1,286	26.7

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	30,011	24,643	21.8
Newsp supp	2,471	2,153	14.7
Newspaper	35,915	61,875	(42.0)
Outdoor	24,333	15,381	58.2
Spot TV	5,321	5,345	(0.4)
Network Radio	2,019	823	145.4
Spot radio	1,836	3,157	(41.8)
Measured	101,906	113,376	(10.1)
Unmeasured	82,200	91,500	(10.2)
Total	184,106	204,876	(10.1)

Advertising in 1988 declined more than 10% at B.A.T. Industries' U.S. operating arm, Batus Inc., which seemed to take a rob-Peter-to-pay-Paul approach to advertising for the year.

Batus scooped a huge chunk of media advertising from its department store operation—especially Marshall Field & Co., reducing measured spending in that sector by 45%—but boosted tobacco spending by a whopping 58%.

B.A.T., consumed with matters of debt in 1988 when it bought Farmers Group of Los Angeles for $5.2 billion, half of which was through debt-financing, is believed to have held back on advertising as a result.

The ad budget could continue to reflect outside pressures in 1989. B.A.T. may have to make sell-offs to raise cash to fend off a hostile takeover attempt by Sir James Goldsmith.

Sir James offered this July to buy B.A.T. for $14 a share, or $21.4 billion arguing that B.A.T. executives have frittered away the company's robust tobacco profits on a series of less-than-stunning acquisitions—particularly Farmers. Analysts suggest that Farmers might fetch only $3.5 billion if sold today because a voter referendum recently trimmed insurance rates in California, the heart of Farmers' market.

Batus, which funnels the larger portion of advertising into its tobacco operation, Brown & Williamson Tobacco Corp., boosted tobacco measured spending to $59.9 million.

B&W, which contributes about 22% of B.A.T.'s annual profits, spent most of the heavy increase in media on its ultra-slim cigarette category. Capri, which B&W took national in July 1988, received $32.1 million in measured spending alone, up 110%.

Kool, B&W's flagship brand, received $19.2 million in measured advertising, up 47.7%. Kool ranked fourth among cigarette brands in 1988 with a 6% market share, virtually the same as in 1987, according to John C. Maxwell Jr., analyst with Wheat First Securities. It trailed Philip Morris' Marlboro at 24.9% and two RJR Nabisco brands, Winston at 10.8% and Salem at 7.4%.

B&W's share of the total U.S. cigarette market dropped slightly to 10.9% in 1988 from 11% based on a decline of 2.6% in unit volume sales, according to estimates by Mr. Maxwell, who noted that B&W benefited from its Kool sales and the national introduction of Capri and Richland 20s, a "branded generic." By contrast, Philip Morris was the only major tobacco marketer in 1988 to report a unit sales gain. The PM gain was 1.7%.

B&W's share of the price/value segment continued to decline. B&W products account for 20.5% of all price/value cigarettes sold in the U.S., down from 22.5% in 1987 and 26.6% in 1986, according to Mr. Maxwell. The industry's price/value segment, though, grew from 10% to nearly 11% of all cigarettes sold in the U.S.

B&W's advertising focus included expanding a new marketing and sales program for Kool, which the company said helped to significantly improve the brand's performance in 1988.

That program was based on the "Kool and Mild Today" advertising theme and placed heavy emphasis on nonmedia advertising, including direct mail. B&W also applied special promotional programs to other brands—Barclay, Viceroy, Raleigh and Belair.

Measured advertising for the Richland brand dropped 51% to $6.62 million, virtually all of that on the Richland Light 100s, which fell from $8.4 million in 1987 to $1.1 million in 1988.

In its department store business, Batus significantly decreased measured advertising 45% to $30.2 million, most of that decline coming from Marshall Field & Co. Field's measured spending plunged from $34.6 million in 1987 to only $8.4 million in 1988.

Saks Fifth Avenue, now Batus' largest retail advertiser, drew $19.7 million, up 13.2%. Saks' women's apparel received 65% of that total. Most of the remaining Batus measured retail spending went in support of Breuners, the large West Coast furniture and home furnishings store, which claimed $5.7 million in measured spending, up 5.6%.

In January 1989, Batus sold all its Thimbles women's specialty stores, in addition to two Marshall Field's stores.

B.A.T. INDUSTRIES PLC
Windsor House, 50 Victoria St.
London SW1H 0NL

Batus Inc.
2000 Citizens Plaza
Louisville, Ky. 40202
(502) 581-8000

Appleton Papers
Appleton, Wisc.
Corporate personnel: Gordon Bond, chmn-ceo; Dale H. Schumacker, president-coo.
Marketing personnel: Daniel W. McIntosh, vp-mktg & sales; Steven Buggy, adv mgr.
Brands/services by agency of record:
Carbonless paper
Ad agency: Cramer-Krasselt, Milwaukee: Cory Block, acct super.

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Graphic arts
Ad agency: (In-house): Steven Buggy, adv mgr.

John Breuner Co.
San Ramon, Calif.
Corporate personnel: Thomas G. Grimes, chmn-ceo.
Marketing personnel: Larry Gross, sr vp-mktg; Jim Wisniewski, adv dir.
Brands/services by agency of record:
Breuner stores
Ad agency: Media West, Oakland, Calif.: Gil Macey, president.

Brown & Williamson Tobacco Corp.
Louisville, Ky.
Marketing personnel: R.A. Fitzmaurice, sr vp-mktg; L.W. Butler, sr vp-field sales; I.D. Macdonald, vp-mktg; G.A. Korfhage, vp-field sales support; C.C. Middleton, dir-sales devel & admin; C.G. Newton, dir-mktg rsch; W.T. Carpenter, S.M. Osborne, group prod dirs; R.J. Miller, group dir-mktg svcs; M.S. Kovatch, N.G. Naughton, sr brand mgrs; M.C. Canavan, brand mgr; N.J. Wilkerson, mktg devel mgr; Fran Canary, N.A. Spriggs, mgrs-mktg svcs; G.M. Gratta, dir-value prods; F.L. Crist, merch materials mgr; M.K. Kimmel, special promo mgr; G.L. Lyttle-Green, assoc dir-mktg; D.A. Payton, adv production asst; S.R. Smith, E.A. Paulley, R.G. Stevens, C.L. Barlow, T.M. Leezer, D.E. Seagle, brand assocs; P.W.F. Birch, dir-new prods; R.D. Sharp, group prod dir, new prods; R.M. Grimes, brand mgr-now prods; R.C. Williams, D.J. Anderson, brand assocs, new prods.
Brands/services by agency of record:
Capri
Richland 25s
Richland 20s
Media buying-all brands
Ad agency: Geer DuBois, New York: Michael Garcia, sr vp-mgmt super; Tony Graetzer, acct super.

■

Kool
Raleigh
Belair
Viceroy
Ad agency: Campbell-Mithun-Esty, New York: Vicroy: Philip Shaner, vp-acct super; Elizabeth Barrack, acct exec. Kool: Michael Alrich, Marguerite Hartman, vps-acct supers. Raleigh: Marguerite Hartman, vp-acct super. Belair: Diane Connolly, vp-acct super; Dan Foster, acct exec.

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Barclay
Ad agency: Tatham-Laird & Kudner, Chicago: Raddon Parry, sr partner; Dick Salyer, partner-mgmt super; Stephen Hanika, partner-acct super.

Ivey's Caroline
Charlotte, N.C.
Corporate personnel: Donald Midkiff, chmn-ceo.
Marketing personnel: Richard L. Schwab, sr vp-sales promo.
Brands/services by agency of record:
Ivey's
Ad agency: (In-house): Richard L. Schwab, sr vp-sales promo.

Marshall Field's
Chicago
Corporate personnel: Phillip B. Miller, chmn-ceo; Burnett Donoho, president-coo.
Marketing personnel: Christina Johnson, sr vp, home store; David Bell, vp-strategic planning & direct response; Robert Cappelli, sr vp-sales promo.
Brands/services by agency of record:
Marshall Field's stores
Ad agency: (In-house): Creative Field's: Robert Cappelli, sr vp-sales promo.

Saks Fifth Ave.
New York
Corporate personnel: Melvin Jacobs, chmn-ceo; Burton M. Tansky, president.
Marketing personnel: Paul Le Blang, sr vp, dir-mktg; Helen O'Hagan, vp-pr; William Berta, sr vp-sales promo & adv; Becky Wong Young, creative dir.
Brands/services by agency of record:
Saks Fifth Ave. stores
Ad agency: (In-house): Ross Bonanno, production dir.

RANK **76**

Bayer AG

Leverkusen, W. Germany
ADVERTISING: **$132.2 MILLION**

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	23,156	20,046	15.5
Earnings	1,092	833	31.1
U.S.	**1988**	**1987**	**% chg**
Sales	4,719	4,199	12.4
Operating income	124	123	1.1
Division sales	**1988**	**1987**	**% chg**
Polymers	2,279	1,442	58.0
Organic prods	1,891	1,704	11.0
Industrial prods	2,777	2,382	16.1
Health care	1,215	987	21.9
Agrochemicals	1,225	1,140	7.4
Other	827	726	13.5

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	2,148	2,673	(19.6)

Media	1988	1987	% chg
Newsp supp	569	1,052	(45.9)
Newspaper	2,531	340	645.3
Outdoor	166	167	(0.7)
Network TV	42,189	47,334	(10.9)
Spot TV	6,231	5,987	4.1
Synd TV	886	946	(6.4)
Network cable	3,136	1,697	84.8
Network Radio	18,701	20,221	(7.5)
Spot radio	90	653	(86.3)
Farm pub	3,464	5,647	(38.7)
Measured	80,088	86,715	(7.6)
Unmeasured	52,100	56,400	(7.6)
Total	132,189	143,116	(7.6)

Miles Inc., the big marketing unit of Bayer USA, the Pittsburgh-based subsidiary of Bayer AG, ushered in several new key ethical and OTC drug products and reorganized its sales force.

Miles' moved to bring its consumer healthcare marketing closer to its customer base by tying marketing to functional lines—brokers for food outlets, regional sales representatives for drugstores and a group to call on national accounts.

The division's Alka-Seltzer product line continued to account for the bulk of ad expenditures at Miles, the most advertising-intensive unit within Bayer. The brand accounted for $43.2 million in measured spending, down 17% from the prior year.

Considerable shuffling took place within the brand as Miles shifted ad weight to more recent line extensions. Alka-Seltzer Plus Cold Tablets ad expenditures grew 18% to $22.7 million and Extra Strength Tablets, the antacid, drew $8.1 million, up from only $1.4 million in 1987. Outlays for regular Alka-Seltzer nosedived 141% to $10.2 million, according to LNA/Arbitron.

The increased spending, which helped maintain Alka-Seltzer Plus Cold Medicine's position as the No. 2 cold remedy product in the U.S., also helped push the brand's sales to the top of the Alka-Seltzer line, surpassing regular Alka-Seltzer, which competes in a much smaller category.

Beta-carotene, a form of Vitamin A with the potential to protect body tissue from cancer, was added to the One-A-Day line.

S.O.S steel wool soap, the consumer household products division's largest brand, remains the market leader. S.O.S Glass Works, which claims to be the leading vinegar-based glass cleaner, also introduced an extra-strength ammonia-based formula.

Miles' pharmaceutical division launched Cipro, a broad-spectrum antimicrobial, and Nimotop, a calcium channel blocker. Cipro sales alone mounted to $140 million, equal to 8.2% of Miles' total sales in 1988. The dental division introduced Gluma, a powerful adhesive, and considered by Miles to be that division's most successful product to date.

The diagnostics division entered into an agreement with the Cooper Cos. to purchase Cooper Technicon, diagnostic systems developer. When completed, the deal will double the size of the division.

Agfa Corp. was formed in 1988 as a result of the merger between Agfa-Gavaert Inc., Compugraphic Corp. and Matrix Corp. All three of Agfa's divisions were active in new-product introductions. Agfa Matrix introduced a new digital film recorder; ProColor. Agfa Compugraphic's CG 9400-PS imagesetter for type and graphics is a new entry in that field. Agfa Photo reported a 70% increase in sales in 1988 through the introduction of 40 new films.

BAYER AG
5090 Leverkusen
West Germany

Bayer USA
One Mellon Center
500 Grant St.
Pittsburgh, Pa. 15219-5500
(412) 394-5500

Corporate personnel: Elliot S. Schreiber, vp-corp comm; Maril Gagen MacDonald, mgr-corp comm.

Brands/services by agency of record:
Bayer USA
Ad agency: Ketchum Advertising, Pittsburgh: John B. Leibrick, acct super.

Mobay Corp.
Pittsburgh

Marketing personnel: Richard L. White, exec vp-mktg; Richard J. Donati, mgr-industrial adv.

Brands/services by agency of record:
Mobay Corp.
Ad agency: Della Femina, McNamee WCRS, Pittsburgh: T.R. Erkman, vp, acct super.

Agricultural Chemicals Division
Kansas City, Mo.

Corporate personnel: H.K. Wehner, group vp-genl mgr.

Marketing personnel: Hendrick Heesman, mktg dir; R.K. Miller, adv mgr.

Brands/services by agency of record:
Herbicides
Insecticides
Ad agency: Valentine-Radford, Kansas City, Mo.: Graeme Blasdel, acct super, herbicides; Phil Schroeder, acct super, insecticides.

Animal Health Division
Shawnee Mission, Kan.

Corporate personnel: F.O. Halter, vp-genl mgr.

Marketing personnel: U. Grabbe, mktg dir.

Brands/services by agency of record:
Small animal products
Ad agency: Richardson, Myers & Donofrio, Baltimore: Jim Palmer, acct exec.

■

Equine products
Ad agency: Stephens & Associates, Overland Park, Kan.: Chuck Stephens, acct exec.

Miles Inc.
P.O. Box 40
Elkhart, Ind. 46515
(219) 264-8111

Consumer Healthcare
Elkhart, Ind.

Marketing personnel: J.W. Howell, corp vp, div president; G.R. Fleischer, vp-mktg; R.C. Foyle, vp-sales; M.B. Streicker, dir-media operations.

Corporate media buying: Clifford A. Botway Inc., New York: Clifford A. Botway, chmn; Arthur Schreibman, president.

Brands/services by agency of record:
Miles overseas military
Miles trade adv
Ad agency: Boger, Martin, Fairchild & Co., Elkhart, Ind.: Robert M. Boger, president.

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Hispanic adv
Ad agency: Conill Advertising, New York: Liz Castel, vp-client svcs.

■

Alka-Seltzer
Flavored Alka-Seltzer
Extra Strength Alka-Seltzer
Alka-Seltzer Advanced Formula
Ad agency: McCann-Erickson, New York: Gene O'Sullivan, exec vp-deputy genl mgr.

■

One-A-Day vitamins
Bactine antiseptic
Bugs Bunny & Flintstones vitamins
Ad agency: Tatham-Laird & Kudner, Chicago: Robert Hilscher, sr partner.

■

Alka-Seltzer Plus cold medicine
Ad agency: Wells, Rich, Greene, New York: Richard Byrne, exec vp.

Consumer Household Products
Chicago

Marketing personnel: S.M. Reim, corp vp, div president; J.R. McGrath, dir-mktg; H.G. Fitts, vp-sales.

Brands/services by agency of record:
S.O.S steel wool soap pads
Cutter insect repellent
Ad agency: Griffin Bacal, New York: Bob Kantor, sr vp-group dir; Kristin Tartaglia, acct super.

■

S.O.S Glass Works
S.O.S ammonia glass cleaners
Ad agency: Zwiren Collins Karo Trusk, Chicago: Tim Collins, partner; Tom Lohr, sr acct exec.

Diagnostic Products
Elkhart, Ind.

Marketing personnel: R.G. Stoll, corp exec vp, div president; A.D. Fiorillo, exec vp-mktg & sales; T.C. Christensen, vp-US mktg & sales; K.M. Murphy, mgr-mktg comm.

Brands/services by agency of record:
Diabetes consumer & professional prods
Ad agency: Abelson-Taylor, Chicago: Dale Taylor, exec vp; Cindy Stone, acct super.

■

Clinical hospital prods
Ad agency: Goble & Associates, Chicago: Ed Goble, president.

Pharmaceutical Products
West Haven, Conn.

Marketing personnel: H.K.D. Wallrabe, corp exec vp, div president; G.B. Rosenberg, vp-mktg & sales; J.J. Patchen, dir-prod mgmt; R.J. Lamb, dir-sales.

Brands/services by agency of record:
Cipro
Mezlin
Ad agency: Lavey/Wolff/Swift, New York: Joe Noel, sr vp.

■

New prods
Ad agency: Rolf Werner Rosenthal Inc., New York: Bruce Leeb, acct group super.

Hollister Stier
Spokane, Wash.

Marketing personnel: R.M. Galustian, group exec vp, business head-Allergy Unit; Rey Yvars, dir-US mktg & sales; Charles Gursky, natl sales mgr.

Brands/services by agency of record:
Allergenic extracts
Ad agency: Clark-White & Associates, Spokane, Wash.: Doug Herd, acct exec.

Biological Products
Berkeley, Calif.

Corporate personnel: R.M. Galustian, group exec vp-business unit head-Biological Products.

Marketing personnel: W.G. Johnson, vp-mktg & sales; G. Horton, dir-sales.

Brands/services by agency of record:
Intravenous Immune Globulin
Alpha I Proteinase Inhibitor
Ad agency: Deltakos Inc., New York: Bob Vogel, acct exec.

■

Blood Bag Line
Ad agency: Rainoldi-Kerzner & Radcliffe, San Francisco: Jay Kerzner, vp-acct svcs.

■

Coagulation prods
Ad agency: Rolf Werner Rosenthal Inc., New York: Bruce Leeb, acct group super.

■

Gamimune N
Ad agency: Carrafiello, Diehl & Associates, New York: Dave Riccio, acct exec.

Biotechnology Products
Elkhart, Ind.

Marketing personnel: K.E. Seeger, corp exec vp, div president; H.C. Stalter, vp-domestic mktg & sales; J.A. Foster, dir-domestic mktg & sales.

Brands/services by agency of record:
Biotechnology prods
Ad agency: Ash Advertising, Elkhart, Ind.: J.B. Ash, president.

Agfa Corp.
Ridgefield Park, N.J.
Agfa Compugraphics Division
Wilmington, Mass.

Marketing personnel: Ken Draeger, president; Robert Crevels, sr vp-electronic pre-press; Peter Broderick, dir-mktg comm, electronic pre-press; Audrey Finn, adv & direct mail specialist, electronic pre-press; Don Wile, sr vp-type, font & peripherals; Peter Miller, adv mgr-type, font & peripherals; Juergen Stolt, vp & genl mgr-graphic comm systems; Rosemarie Monaco, mgr-mktg comm.

Brands/services by agency of record:
Agfa Corp adv
Ad agency: Wegman Associates, Wayne, N.J.: John Gallacher, acct exec.

■

Electronic pre-press
Ad agency: Anderson & Lembke, Stamford, Conn.: Dave Goldenberg, acct exec.

■

Type, font & peripherals
Ad agency: (In-house): Peter Miller, adv mgr.

■

Graphic comm systems
Ad agency: Kalmer Associates, Fort Lee, N.J.: Doris Wiese, acct exec.

Agfa Matrix Division
Orangeburg, N.Y.

Marketing personnel: Michael Kochman, president; Warren Winterbottom, vp-presentation graphics; Sam Bayer, Richard Noyes, dirs-mktg; George Brys, sr vp-medical equipment; Tom Colucci, dir-corp comm; Wallace Gorman, vp-sales & mktg, diagnostic imaging systems; Robert Phelan, dir-mktg & sales, nondestructive & electronic testing; Maureen Joel, asst mgr-mktg.

Brands/services by agency of record:
Medical equipment
Diagnostic imaging systems
Ad agency: Admark Inc., Harrison, N.Y.: Hal Segal, president.

■

Presentation graphics
Ad agency: Sommer Inc., Englewood, N.J.: Bernie Sommer, president.

■

Nodestructive & electronic testing
Ad agency: K.I. Lipton Inc., Doylestown, Pa.: James Kosa, vp-acct svcs.

Agfa Photo Division
Ridgefield Park, N.J.

Marketing personnel: John F. McGlynn, president; Klaus Petzold, vp-genl mgr, consumer & professional prods; Jon Amdursky, Teri Sosa, adv mgrs; Marie A. Curry, vp-genl mgr, magnetic tape; Harry Clapp, dir-mktg, motion picture prods.

Brands/services by agency of record:
Consumer & professional prods
Ad agency: Kalmar Advertising, Fort Lee, N.J.: Doris Wiese, acct exec.

■

Magnetic tape
Ad agency: Culden Agency, Hackensack, N.J.: Geary Danihy, president.

■

Motion picture
Ad agency: Wegman Associates, Wayne, N.J.: John Gallacher, acct exec.

Haarmann & Reimer Corp.
Springfield, N.J.

Marketing personnel: J.T. Murnane, vp-genl mgr, flavor group; James F. Reynolds, dir-mktg, flavor group; Robert A. Higgins, vp-sales & mktg, fragrance group; Eckhard H. Schmidt, dir-mktg, fragrance group; Robert F. Zutic, mgr-sales, Aroma Chemicals Group; Horst A. Finkelmeirer, mgr-mktg, Aroma Chemicals Group.

Brands/services by agency of record:
Haarmann & Reimer
Ad agency: Peabody Corners, Hillsdale, N.Y.: Pete Peabody, acct exec.

Squibb gets another 'hyphen'

Squibb, never a stand-alone Leader, was a part of 1956 Leader, Olin Mathieson, and appeared as Squibb-Beech-Nut in 1969 before its return in 1989.

RANK **55**

BCI Holdings Corp.

Chicago
ADVERTISING: $180.2 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	4,066	3,899	4.3
Earnings	5	(93)	(105.4)
Division sales	**1988**	**1987**	**% chg**
NSI	1,913	1,735	10.3
Swift-Eckrich	1,306	1,313	(0.5)
Beatrice-U.S. Food	853	853	NA
Beatrice	(6)	(2)	NA

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	7,425	7,474	(0.7)
Newsp supp	447	263	69.7
Newspaper	8,980	778	1,053.8
Outdoor	131	94	39.4
Network TV	32,923	38,482	(14.4)
Spot TV	5,221	17,196	39.1
Synd TV	5,630	3,416	64.8
Network cable	2,456	932	163.6
Network Radio	963	2,517	(61.8)
Spot radio	3,616	3,452	4.8
Measured	86,491	74,602	15.9
Unmeasured	93,700	80,800	16.0
Total	180,191	155,402	16.0

BCI Holdings Corp., parent of Beatrice Co., announced in April that it was looking for acquisitions after spending the last three years selling off businesses.

Beatrice is still one of the country's largest food manufacturers with Hunt-Wesson tomato products and cooking oils, Swift-Eckrich meats and Beatrice Cheese.

BCI was reduced to its Beatrice food unit when it sold its E-II operation to American Brands for $1.1 billion in early 1988. Culligan water systems, Samsonite luggage, Stiffel lamps and a number of office supply and furnishing companies were included in the sale.

BCI's 1988 measured media spending rose 13.8% on continuing operations, according to LNA/Arbitron.

The Butterball turkey line, including whole turkeys and lunch meats, got $7.1 million in media, down 13%. It was part of the total Swift-Eckrich spending of $12.9 million, off 21.8% from the prior year, according to LNA/Arbitron.

Leo Burnett USA, Chicago, lost the Eckrich account, including smoked sausage, franks and cold cuts, to Grey Advertising, New York, which also handles the Butterball turkey and Swift Premium Brown 'n Serve products.

Hunt-Wesson, which pulled its La Choy brands from J. Walter Thompson USA, Chicago, and reassigned them to Dailey & Associates, Los Angeles, last year, increased ad spending 36.7% in 1988 to $7.7 million on La Choy Chinese foods. The division invested $3.1 million in media on its La Choy Fresh & Lite frozen entrees introduced in late 1987. Wesson Oil remained one of Hunt-Wesson's leading brands, pulling $7.9 million in media spending, up 51.9%, according to LNA/Arbitron.

Hunt branded products received $18.7 million in measured spending, double the expenditure in 1987, according to LNA/Arbitron. Hunt's Manwich Sauce and Hunt's Spaghetti Sauce drew more than $5 million each in media.

Measured spending on the nation's No. 1 microwave popcorn, Orville Redenbacher, was $12.7 million, up 14%. The entire line received $16.3 million, up 18%. Orville Redenbacher holds a 28.3% market share, down slightly from previous year's 30%. No. 2 General Mills Pop Secret, with a 21% share, invested $6.7 million in measured spending, down 14%.

Peter Pan peanut butter spending jumped to $9.4 million, up 37.5%, virtually all in spot and network TV. The Beatrice/Hunt-Wesson product teamed up with Walt Disney Studios' promotion of the re-release of "Peter Pan" this summer.

BEATRICE CO.
2 N. LaSalle St.
Chicago, Ill. 60602
(312) 782-3820

Corporate personnel: Frederick P. Reinschler, president-ceo.

Beatrice/Hunt-Wesson
Fullerton, Calif.

Marketing personnel: Albert J. Greason, president-ceo; Frank Quevedo, dir-corp relations.

Brands/services by agency of record:
Hunt's All Natural barbeque sauce
LaChoy prods
Sunlite Oil
Peter Pan peanut butter
Hunt's Snack Pack
Swiss Miss cocoa & pudding
New prods
Ad agency: Dailey & Associates, Los Angeles: Robert Berger, vp-acct super; Linda Krakowski, acct super; Brian Morris, dir-client svcs; Jodi Henick, Greg Perlot, acct execs.

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Orville Redenbacher prods
Fisher nuts
Hunt's tomato paste, sauce & spaghetti sauce
Hunt's ketchup
Manwich sauces
Rosarita
Wesson oils
New prods
Ad agency: Ketchum Advertising, San Francisco: John Faville, sr vp, dir-acct svcs; Tony Balmer, Bill McGee, Dennis Sones, vps-acct supers.

Swift-Eckrich
OakBrook, Ill.

Marketing personnel: Lee O. Lochmann, president; Greg Ostrander, vp-mktg.

Brands/services by agency of record:
Butterball turkey
Swift Premium Brown 'n Serve prods
Eckrich smoked sausage, franks, cold cuts
Ad agency: Grey Advertising, New York: Richard M. Karp, exec vp-creative svcs.

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Butterball deli prods
Eckrich deli prods
Swift Premium deli prods
Ada gency: Zechman & Associates, Chicago: Richard Brayer, vp-mgmt super.

Beatrice Cheese
Milwaukee

Marketing personnel: Robert H. Burns, president; Jack Hallenbeck, sr vp-mktg sales.

Brands/services by agency of record:
Cheese
Ad agency: Bozell Inc., Chicago: Peter Switzer, mgmt super; Bill Granger, acct exec.

RANK **95**

Bell Atlantic Corp.

Philadelphia
ADVERTISING: $113.2 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	10,880	10,747	1.2
Earnings	1,317	1,240	6.2
Division sales	**1988**	**1987**	**% chg**
Local access	4,279	4,198	1.9
Network access	2,650	2,722	(2.6)
Toll svcs	1,492	1,492	(0.0)
Directory advertising	1,404	1,291	8.7
Other communication	581	684	(15.1)
Financial, real estate	569	452	25.8

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	3,180	8,865	(64.1)
Newsp supp	0	213	NA
Newspaper	5,340	5,643	(5.4)
Outdoor	597	514	16.2
Network TV	183	0	NA
Spot TV	32,041	30,266	5.9
Synd TV	0	20	NA
Network cable	1	362	(99.7)
Spot radio	7,248	11,281	(35.8)
Measured	48,590	57,183	(15.0)
Unmeasured	64,600	76,100	(15.1)
Total	113,189	133,283	(15.1)

Bell Atlantic continues its push to reduce its dependence on regulated network services by moving into cellular telephone, on-line information services for personal computer operators and seeking business abroad. Revenues from its unregulated businesses reached 40% of the corporate total in 1988, up from only 20% in 1987.

Bell Atlantic this June launched a campaign touting its "IQ—Intelligent Network," which links different communications systems such as facsimile machines and computers.

The corporate campaign features celebrities, including Jason Robards, Alex Haley and Roberta Flack. The campaign targets both businesses and residential users.

J. Walter Thompson USA, which handles the campaign, won the account from Ketchum Advertising in June 1988. Its first creative, begun in mid-September, was a corporate campaign themed, "We're More Than Just Talk," to portray Bell Atlantic as more than a telephone company.

Bell Atlantic spent heavily to advertise its Yellow Pages directories in 1988. New Jersey Yellow Pages received $6.2

Leaders past, part of the present

Where have all the Leaders gone? In the 34-year history of *Advertising Age's* report on the 100 Leading National Advertisers, the players have changed dramatically.

Aside from the fact that the price of admission to the Top 100 has risen to $108 million in advertising from $5.7 million in 1956, the first year of the ranking, the makeup of the top 100 has been heavily influenced by several major marketing movements: emergence of a mass market, consolidation, shift to a service economy and globilization of America.

Movement of the population from farm to city in the post World War II era and the tandem emergence of television as an ad vehicle produced a mass market for many local advertisers for the first time. Many largely single product-dominant companies—Morton Salt, Armour & Co., Swift & Co., Wesson Oil & Snowdrift, Andrew Jergens, Simoniz, Bulova Watch Co. and Beech-Nut Life Savers among them—found their way into the Top 100 at this time, only to be swallowed up in subsequent market upheavals.

Industry at the time of this mass migration also began its evolution from basic to consumer, or heavy to light. Nine marketers whose advertising levels were tied heavily to so-called white goods, or household appliances, occupied slots among the Top 100 though they quickly departed. Norge (from Leader, Avco Mfg. Co.), Bendix (from Borg-Warner), Philco, Sunbeam and Westinghouse were among them.

The most dramatic change among the Leaders—and America's corporations as a whole—was the heavy consolidation that took place in the '60s and early '70s, and then later duplicated in spades in the mid-'80s to the present. The "strong" among the Leaders consumed the "weak." Eighty-three former Leaders now rest in toto or in huge chunks within this year's 100, while 18 others have left the charts after being consumed by non-Leaders.

The accompanying timetable demonstrates this heavy consolidation. And sandwiched between these two periods, was the economy's rapid movement from basic to service evidenced by the emergence among the top 100 of computer companies, credit card suppliers and the Baby Bells—and the opening up of America to foreign marketers.

NOTES TO TIMETABLE

This timetable is a compendium of the "lost" or former Leaders which were acquired in whole or in part by this year's Top 100 at least some time in their past. The company entry following the date was either a 100 Leader itself or the ad-driven division that propelled its parent into the Top 100. A 1989 Top 100 is in bold if it is the current resting place of the past leader. The (see . . .) *notations trace the seller and/or buyer as they journeyed through the Leader's chart.*

1955

1956 Avco Mfg 's Bendix div to Philco Corp. *(see 1961)*
1956 Socony-Mobil Oil Co. renamed from Socony Vacuum Oil
1956 Hunt Foods *(see 1960)* to Ohio Match Co.
1957 Clorox Chemical Co. to **Procter & Gamble** *(see 1963)*
1957 Grove Laboratories to **Bristol-Myers** *(see 1964)*
1957 Eversharp's *(see 1967)* pen div to Parker Pen Co.
1958 Best Foods merges with Corn Products Refining Co. to form Corn Produc. Co., now **CPC International**
1958 Studebaker-Packard renamed Studebaker Corp., later Studebaker-Worthington *(see 1978)*
1959 Sylvania Electric Products *(see 1981)* merged with General Telephone, renamed General Telephone & Electronics Corp. *(see 1974)*

1960

1960 Adell Chemical Co. renamed Lestoil Products *(see 1969)* in sale to Standard International Corp.
1960 Wesson Oil & Snowdrift Co. to Hunt Foods & Industries *(see 1968)*
1960 Pharmaceuticals Inc. renamed J.B. Williams Co. *(see 1971)*
1961 Vick Chemical Co. becomes Richardson-Merrell *(see 1981)*
1961 Philco Corp. becomes Philco-Ford div of **Ford Motor Co.** *(see 1974)*
1962 American Chicle to **Warner-Lambert** *(see 1969)*
1963 J.A. Folger & Co. to **Procter & Gamble** *(see 1967)*
1964 Drackett Co. to **Bristol-Myers** *(see 1968)*
1964 Liebmann Breweries renamed Rheingold Corp. *(see 1972)*

1965

1965 Simoniz Co. to Morton Salt, renamed Morton International
1965 Theodore Hamm Co. *(see 1973)* to Heublein Inc. *(see 1973)*
1966 Noxema Chemical Co. becomes **Noxell Corp.** *(see 1969)*
1966 Lehn & Fink Products Corp. to Sterling Drug *(see 1988)*
1967 California Packing Corp. becomes Del Monte *(see 1979)*
1967 Revlon's *(see 1986)* Schick Electric to Eversharp *(see 1969)*
1967 Procter & Gamble *(see 1982)* divests **Clorox Co.**
1967 Texize Chemicals *(see 1985)* to Norwich Pharmacal *(see 1969)*
1968 Ohio Match's Hunt Foods & Industries merges with Canada Dry and McCall Corp. to form Norton Simon Inc. *(see 1969)*
1968 Merck & Co. merged with Calgon Corp. *(see 1977)*
1968 Mead Johnson & Co. to **Bristol-Myers** *(1989)*
1968 Consolidated Cigar Corp. to Gulf & Western, now **Paramount Communications**
1968 Continental Baking Co. *(see 1984)* to **ITT Corp.**
1968 Stanley Warner Corp. to Glen Alden Corp. *(see 1968)*
1968 Schenley Industries to Glen Alden Corp. *(see 1969)*
1968 P. Lorillard Co. to Loews Theaters, now **Loews Corp.** *(see 1979)*
1968 Marcoa Inc. *(see 1974)* created with merger of Container Corporation of America and **Montgomery Ward & Co.**
1968 Olin Mathieson Chemical Corp.'s E.R. Squibb & Sons merged with Beech-Nut Life Savers forming Squibb-Beech-Nut *(see 1973, 1981)*
1969 R.J. Reynolds Tobacco becomes R.J. Reynolds Industries (RJR) *(see 1979)*
1969 Eversharp, now Schick Safety Razor Co., *(see 1970)* to **Warner-Lambert**
1969 United Airlines became UAL Inc., later Allegis Corp., and later **UAL Corp.** *(see 1987)*
1969 Norwich Pharmacal to Morton Intl, renamed Morton-Norwich Products *(see 1982)*
1969 American Tobacco Co. becomes **American Brands** *(see 1970)*
1969 Lestoil Products to **Noxell Corp.**
1969 National Dairy Products Corp. renamed Kraftco *(see 1980)*
1969 W.R. Grace & Co.'s Miller Brewing Co. to **Philip Morris** *(see 1978)*
1969 Glen Alden Corp. to Rapid-American Corp. *(see 1975)*

1970

1970 Andrew Jergen Cos. *(see 1988)* to **American Brands** *(see 1987)*
1970 Plough Inc. merged with Schering Corp., creating **Schering-Plough**
1970 Eversharp's Schick Electric Inc. to **Philips NV**
1971 J.B. Williams Co. *(see 1982)* to National Biscuit Co. *(see 1971)*
1971 National Biscuit Co. becomes Nabisco Inc. *(see 1981)*
1972 Shulton Inc. to **American Cyanamid**
1972 Rheingold Breweries *(see 1974)* to **PepsiCo** *(see 1974)*
1973 Theodore Hamm Co. from Heublein *(see 1987)* to Olympia Brewing Co.
1973 Max Factor & Co. *(see 1986)* to Norton Simon Inc. *(see 1981)*
1973 Beech-Nut baby food div *(see 1981)* of Squibb-Beech-Nut to Baker Labs, renamed Baker/Beech-Nut Corp. *(see 1979)*
1973 Swift & Co. creates Esmark *(see 1975)*
1973 Liggett & Myers renamed Liggett Group *(see 1980)*
1974 Rheingold Breweries from **PepsiCo** to Chock Full O'Nuts
1974 Marcoa Inc. to **Mobil Corp.** *(see 1988)*
1974 Philco-Ford *(see 1981)* to General Telephone & Electric Corp.

1975

1975 International Playtex from Rapid-American Corp. *(see 1987)* to Esmark *(see 1978)*
1977 Merck & Co.'s consumer prods (Calgon, Sucrets) to **Beecham** *(see 1982)*
1978 Pet Inc. to IC Industries *(1988)*
1978 Seven-Up to **Philip Morris** *(see 1985)*
1978 STP Corp. from Studebaker-Worthington to Esmark *(1983)*
1979 Baker/Beech-Nut Corp. to **Nestle** *(see 1984)*
1979 Del Monte *(see 1989)* to **RJR** *(see 1982)*
1979 Hanes Corp. to Consolidated Foods, now **Sara Lee Corp.**
1979 Studebaker-Worthington to McGraw-Edison
1979 Bulova Watch to **Loews Corp.** *(see 1988)*

1980

1980 Liggett Group to **Grand Metropolitan** *(see 1987)*
1980 Kraftco merged with Dart Industries, renamed Dart & Kraft *(1986)*
1981 Life Savers from Squibb Corp. *(1989)* to Nabisco Inc. *(see 1982)*
1981 Philco-Ford from Ford, and Sylvania consumer electronics from GTE Corp., to North American Philips Corp.
1981 Columbia Pictures *(see 1989)* to **Coca-Cola Co.**
1981 Richardson-Merrell becomes Richardson-Vicks *(see 1986)*
1981 Norton Simon's Canada Dry *(see 1984)* to Dr Pepper *(see 1984)*
1982 Consolidated Cigars to MacAndrews & Forbes Group
1982 Morton-Norwich's *(see 1982)* Norwich Eaton div to **Procter & Gamble** *(see 1986)*
1982 Morton-Norwich merged with Thiokol Corp., renamed Morton-Thiokol *(see 1985)*
1982 J.B. Williams div of Nabisco Inc. *(see 1982)* to Beecham *(1989)*
1982 Standard Brands to Nabisco Inc., renamed Nabisco Brands *(see 1986)*
1982 Jos. Schlitz Brewing to **Stroh Brewery Co.**
1982 Heublein *(see 1987)* to **RJR** *(see 1985)*
1983 Norton Simon Inc. to Esmark *(see 1984)*
1983 SmithKline, formerly Smith Kline & French, merged with Beckman Industries, renamed SmithKline Beckman *(see 1989)*
1984 Esmark to Beatrice Co. *(see 1985)*
1984 Canada Dry *(see 1985)* from Dr Pepper to RJR *(see 1985)*
1984 Carnation Co. to **Nestle**
1984 ITT's Continental Baking to **Ralston Purina** *(see 1986)*
1984 Milton Bradley to **Hasbro Inc.**

1985

1985 Miles Laboratories to **Bayer AG**
1985 General Foods to **Philip Morris** *(see 1986)*
1985 Beatrice Cos. *(see 1986)* to Kohlberg Kravis Roberts & Co.
1985 RCA Corp.'s Hertz Corp. to **UAL Corp.** *(see 1987)*
1985 Texize div of Morton-Thiokol's to **Dow Chemical**
1985 Nabisco Brands to RJR, renamed **RJR Nabisco** *(see 1985)*
1985 Canada Dry from RJR Nabisco to Cadbury Schweppes
1986 Kraft Inc. *(see 1987)* splits from Dart & Kraft
1986 Richardson-Vicks to **Procter & Gamble**
1986 Chesebrough-Pond's to **Unilever**
1986 Eastern Airlines to **Texas Air Corp.**
1986 Anderson, Clayton & Co.'s *(see 1987)* Gaines brand to **Quaker Oats**
1986 RCA Corp. to **GE**
1986 Beatrice Cos.' STP to Union Carbide *(see 1986)*
1986 Beatrice Cos.' *(see 1987)* Avis to Avis Inc. employees
1986 Max Factor from Beatrice Cos. International Playtex to **Revlon Group**
1986 Union Carbide's *(see 1986)* consumer prods (STP, Simoniz, Glad bags) to First Brands
1986 Union Carbide's Eveready batteries to **Ralston Purina**
1986 Heublein's KFC unit from RJR Nabisco *(see 1987)* to **PepsiCo** *(see 1986)*
1986 Seven-Up Intl div from Philip Morris to **PepsiCo**; Seven-Up domestic to Hicks & Haas, renamed **Dr Pepper/Seven-Up Cos.**
1987 RJR Nabisco's Heublein liquor div to **Grand Metropolitan** *(see 1989)*
1987 Schenley Industries from Rapid-American Corp. to Guinness/United Distillers
1987 UAL's Hertz Corp. to Ford/Volvo/Hertz mgmt group, renamed Park Ridge Corp.
1987 Anderson, Clayton & Co.'s Clayton Foods to Kraft Inc. *(see 1988)*
1987 American Motors to **Chrysler Corp.**
1987 Federated Department Stores to **Campeau Corp.**
1987 National Distillers' distilled spirits to **American Brands** *(see 1988)*
1988 Kraft Inc. to **Philip Morris**
1988 American Brands' Andrew Jergen Cos. to Kao Corp.
1988 BCI Holding's E-II to **American Brands**
1988 Sterling Drug to **Eastman Kodak**
1988 **Loews Corp.'s** Bulova Watch div renamed Bulova Corp.
1988 IC Industries renamed **Whitman Corp.**
1988 North American Philips Corp. becomes wholly owned div of **Philips NV**
1988 Mobil Corp. spins off **Montgomery Ward & Co.** in LBO
1988 Triangle Publications to **News Corp. Ltd.**
1989 Coca-Cola divests 50% of Columbia Pictures to **Columbia Pictures Entertainment**
1989 Pillsbury Co. to **Grand Metropolitan**
1989 Squibb Corp. to Bristol-Myers, renamed **Bristol-Myers Squibb**
1989 SmithKline/Beckman merged with Beecham renamed **SmithKline Beecham**
1989 Warner Communications merged with Time Inc., renamed **Time Warner**
1989 RJR Nabisco's Del Monte div's fruit and vegetables to Polly Peck Intl; sale pending

—Compiled by Gail Taylor

million, up 26%; Chesapeake & Potomac got $5.5 million, up 45% and Bell of Pennsylvania got $4.8 million. Virtually all dollars were in spot TV.

The Bell Atlantic I.Q. Services family of calling features currently are being rolled out. They include Ultra Forward, which allows the programming of call forwarding instructions; Identa Ring, a single line with multiple telephone numbers each with a different ring and Caller ID, which displays the number of the calling party. The latter service met some opposition from consumers and civil liberty groups over issues of right to privacy.

Bell Atlantic's Information Gateway—which offers personal computer users access to information services through a single telephone line—began tests at C&P Telephone and Bell of Pennsylvania in 1988. Videotex services also may enter other markets depending on current tests in Philadelphia and Washington. Advertising of this targeted service is chiefly through direct marketing.

Bell Atlantic Mobile Systems, the sixth largest cellular carrier, expanded its customer base 50% in 1988 over the prior year as advertising grew to $280,000 from $126,000, almost all outdoor. Ad spending is likely to increase because cellular is increasingly becoming a retail service as costs drop. Bell Atlantic International is boosting its activities overseas. It reached agreements in Spain and the Netherlands to upgrade national telephone networks, and this summer, announced the formation of European headquarters in Brussels. With generally fewer market restrictions abroad, markets overseas are beginning to lure the Baby Bells.

BELL ATLANTIC
1600 Market St.
Philadelphia, Pa. 19103
(215) 963-6000

Corporate personnel: Christopher E. Clouser, vp-corp relations & adv; Christine Davies, asst vp-adv; Deanna Hess, asst vp-adv; Christina Clifton, mng dir, Yellow Pages, operator svcs & public adv; Charles Pacunas, mng dir-direct mktg & consumer adv; Melanie van der Valk, dir, Bell Atlantic Mobile Systems adv; Roy Weitzell, mng dir, corp & business adv.

Brands/services by agency of record:

Corp, prod & intl adv
Media planning & buying

Ad agency: J. Walter Thompson USA, New York: Peter Hanley, sr vp-mgmt dir; Melissa Murphy, sr vp-mgmt super; Vicki Derfler, vp-acct dir; Julie Westerman, Abby Warner, vps-acct supers; Ellen Dracos, acct super; Richard Kostyra, exec vp-media dir; Mark Stewart, vp-assoc media dir; Jean Pool, sr vp, dir-local broadcast.

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Mobile Systems

Ad agency: W.B. Doner & Co., Baltimore: James Dale, vice chmn-corp creative dir; Donald Riesett, exec vp-acct mgmt dir; John Havrilla, vp-mgmt super; Nancy Knox, sr acct super.

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Bell Atlantic Yellow Pages

Ad agency: Lewis, Gilman & Kynett, Philadelphia: Len van Zyl, president-ceo; Brian Gail, sr vp-group mgmt super; Hal Rossiter, vp-mgmt super; Erin Armstrong, acct exec; Stephanie Esposito, Julia Weiss, asst acct execs.

■

New Jersey Bell Yellow Pages

Ad agency: Poppe Tyson, Morris Plains, N.J.: Gary Davis, president; Brian Haumersen, John Manos, vps-acct supers; Herb Ross, vp-mgmt super; Paul Wry, Judy Henehan, Susan Cross, acct execs; Jennifer Alexander, acct super-pr.

■

Bell Atlantic Direct Marketing

Ad agency: Devon Direct Marketing & Advertising, Malvern, Pa.: Ronald Greene, James Perry, mng dirs; Marianne Croze, vp-mgmt super; Barb Trofa, sr acct super; Wendy Weisband, acct super; Lisa Leone, acct mgr.

RANK **99**

Borden Inc.

New York
ADVERTISING: $110.5 MILLION

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	7,235	6,514	11.1
Earnings	312	267	16.8
U.S.	**1988**	**1987**	**% chg**
Sales	5,621	5,355	5.0
Operating income	548	493	11.1
Division sales	1988	1987	% chg
Foods	5,390	4,657	15.8
Non-food	1,888	1,857	0.8

U.S. advertising by media

($ in thousands)

Media	1988	1987	% chg
Magazine	5,893	3,186	85.0
Newsp supp	0	81	NA
Newspaper	6,546	3,296	98.6
Outdoor	114	97	17.7
Network TV	8,131	164	4,872.8
Spot TV	10,517	13,925	(24.5)
Synd TV	1,460	0	NA
Network cable	38	34	10.9
Spot radio	4,873	4,896	(0.5)
Measured	37,570	25,678	46.3
Unmeasured	72,900	49,800	46.4
Total	110,470	75,478	46.4

Borden continues its three-part strategy for continued development: higher ad spending, greater internal efficiencies and acquisitions.

Total ad spending in 1988 increased an estimated 46%, according to *Advertising Age*. Borden says its total 1988 budget for all ad "related" costs was $455.2 million, including $384 million for "promotions."

Besides its lead in dairy production, Borden is the world's biggest pasta maker and marketer; No. 2 in snacks, behind PepsiCo's Frito-Lay; biggest marketer of canned specialty seafood—clams, crab, shrimp and oysters; biggest producer of ice cream, fat-reduced cheese products, bagged popcorn, single-portion foods for foodservice, household glues, canned spray paint and wallcoverings. It also is No. 1 in production of forest-product adhesives, which are the binders of plywood, and PVC film.

Dairying, the cash cow that Borden milks to keep other divisions healthy, is the heart of the company, generating 26% of sales and 16% of operating income. Basically a commodities business, it receives little advertising. For the first time in many years, Borden allotted media advertising—$740,000—for its Meadow Gold fresh dairy products on a marketwide scale.

This past year Tracy-Locke, Dallas, got the estimated $5 million Borden dairy account previously handled by two Chicago shops, HDM/Dawson Johns & Black and Bozell, Jacobs, Kenyon & Eckhardt (now Bozell Inc.).

In a rollout of the Creamettes pasta line nationally—its first national pasta brand—Borden invested $7.9 million in print and broadcast TV.

Measured spending of $27.8 million for Borden's hottest marketing area—niche groceries—represented 73.8% of its 1988 media total. The allotment included nearly $10 million for macaroni products and more than $12.3 million for the nationwide debut of premium Classico pasta sauces, a brand that came with Borden's June 1987 acquisition of the Prince Co.

Some 94% of the Classico spending was for network and spot TV. This helped buy 6% of the $1 billion pasta sauce market, moving Classico to No. 3 behind leaders Ragu and Prego, even though it sells at a premium, some 50% more than either of the top two.

In the pasta market, industry estimates put Borden's Creamettes line at No. 1, followed by No. 2 Hershey's with its several brands at 18% and No. 3 CPC International's Mueller brand.

The Creamettes account moved in 1988 to Grey Advertising from M&H Advertising, New York. In the $7 billion U.S. salty snack market, Borden's share has been creeping up as market leader Frito-Lay's has been declining slightly. Borden's share in 1988 was 8% of market compared with Frito-Lay's 50% (down from 53% in 1987) and Anheuser-Busch's Eagle Snacks, 1%. Borden spent $2.3 million in measured media on its salty snack lines, down 36%.

Its potato chip brands (Guy's, Jays, Krunchers, Ridgies, Seyferts), climbed to about 15% share of market from 11% two years ago, while Frito-Lay slipped from 40% to 38%.

Borden's dominates several categories. It holds 75% of the packaged lemon and lime juice business, 60% of the bouillon market, half the market for diet aged cheese and caramel popcorn (Cracker Jack) and just about all (possibly 95%) of the condensed milk and packaged mincemeat business.

A major part of the company's efficiency strategy is the hyperplant, a huge production facility that combines five or six smaller plant functions to turn out many products at the single site.

From March 1986 to mid-July 1989, Borden spent $1.55 billion to acquire 70 companies; it received $944 million in divesting 21 companies that did not meet growth or product plans. Major 1989 acquisitions were Canada's John Labatt Ltd., United Maple Products and Catelli Inc., which holds Canada's biggest market shares in both pasta (35%) and pasta sauce (22%).

Earlier in 1989, the $3.3 million Aunt Millie's Family Style spaghetti sauce account was assigned to Solin Associates, New York. Martinez Associates, Dallas, became Borden's first Hispanic agency of record.

BORDEN INC.
277 Park Ave.
New York, N.Y. 10172
(212) 573-4000

Packaging & Industrial Products Division

Marketing personnel: A.S. D'Amato, exec vp, president; Bruff Turner, genl mgr, Sunwell of America; Robert A. Brewer, genl mgr, Columbus Coated Fabrics.

Brands/services by agency of record:

PR for-
Wall-Tex
Satinesque
Guard
Sun-Tex
Borden Home Wallcoverings
Birge
Crown
Fashion House
Foremost
James Seaman Studios
Mitchell Designs
Shand Kydd
Sunwall

Ad agency: Lord, Sullivan & Yoder Advertising, Columbus, Ohio: Nancy Barr, acct super; Jane Fallin, acct exec.

Grocery & Specialty Products Division

Marketing personnel: Jon G. Hettinger, exec vp, president; Lee N. Arst, group vp, confection & main meal; Jerry C. Clowdus, group vp, foodservice & industrial; John F. Dix, group vp, desserts & non-foods; L. John Westerberg, group vp, pasta; Dale Schulz, vp-sales & mktg, pasta; Marti Yeager, adv mgr, pasta.

Brands/services by agency of record:

Cracker Jacks
Eagle brand sweetened condensed milk
Borden processed cheese prods
RealLemon
Creamette pasta (natl)
Elmer's prods
Krylon paint
Wyler's & Steero bouillon
Mrs. Grass soup mix
Soup Starter
Fisher substitute cheese
None Such mincemeat
Bennett's sauces

Ad agency: Grey Advertising, New York: Stewart Hegleman, exec vp.

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Pastas:
Anthony's
Bravo
Creamette (regional)
Dutch Maid
Gioia
Globe A-1
Goodman's
Luxury
Merlino's
Mrs. Grass
New Mill
Pennsylvania Dutch
Prince
R-F
Red Cross
Ronco
Silver Award
Vimco

Ad agency: M&H Advertising, Minneapolis: Steve Martin, president.

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Kava coffee
Bama jams & jellies
Cremora non-dairy creamer
Laura Scudder's peanut butter
Cary's, MacDonald's & Vermont
Maple Orchards maple syrup

Ad agency: Sive Associates, Cincinnati: Dave Siegel, Phil Mandel, group supers; Jeff Harris, acct exec.

■

Classico
Prince & Aunt Millie pasta sauces
Snow's, Doxsee, Orleans, Harris, Hilton's & DeJean's canned seafoods

Ad agency: Solin Associates, New York: Darrol Solin, president; Mary-Ann Lambert, acct exec.

Snacks & International Products Division

Marketing personnel: George J. Waydo, exec vp, president; Peter M. Duggan, group vp, snacks; Chris Abernathy, vp-mktg, snacks.

Brands/services by agency of record:

Jays snacks
Crane snacks

Ad agency: Grant/Jacoby, Chicago: John Willie, sr vp-acct svc mgr; Kimberly Vigneux, Alicia Howington, Midge Mountain, acct supers; Laura Trevino, acct exec; Andrea Murphy, sr vp-creative dir.

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Clover Club snacks
LaFrancois snacks
Red Seal snacks

Ad agency: Harris & Love, Salt Lake City: Kerry Lehtinen, sr vp-acct super; Charlie Seldin, vp-acct exec.

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Borden snacks
Wise snacks
Snacktime
Guy's
Seyfert's
Buckeye
Geiser's

Ad agency: Jordan, McGrath, Case & Taylor, New York: Don Weir, sr vp-mgmt rep; Linda Schaler, sr vp-mgmt super; Shelley Sharkey, vp-acct super; Paul Sorensen, acct exec.

■

Coco Lopez cream of coconut

Ad agency: Venet Advertising, New York: Chuck Levy, acct rep.

Dairy Division

Marketing personnel: Richard W. Fowlkes, exec vp, president; Bill Baar, vp-sales & mktg; James Hill, vp-eastern zone; Doug Parr, vp-western zone; Steve Robinson, vp, ice cream.

Brands/services by agency of record:

Borden dairy prods
Meadow Gold dairy prods

Ad agency: Tracy-Locke, Dallas: Alan Burks, sr vp; Brian Maysent, acct super.

RANK **21**

Bristol-Myers Squibb

New York
ADVERTISING: $430.7 MILLION

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	8,558	7,558	13.2
Earnings	1,254	1,068	17.5
U.S.	**1988**	**1987**	**% chg**
Sales	5,807	5,169	8.5
Operating income	1,462	1,296	12.8
Division sales	1988	1987	% chg
BM-Pharmaceuticals	2,509	2,217	13.2
Non-prescr health prods.	1,633	1,504	8.6
Toiletries, beauty aids	1,288	1,189	8.4
Household prods	543	491	10.5
SQ-Pharmaceuticals	2,213	1,843	20.1
Medical prods	371	314	18.4

U.S. advertising by media

($ in thousands)

Media	1988	1987	% chg
Magazine	43,616	40,154	8.6
Newsp supp	597	73	718.9
Newspaper	6,771	490	1,281.0
Outdoor	0	87	NA
Network TV	121,265	137,519	(11.8)
Spot TV	11,148	9,772	14.1
Synd TV	32,647	27,455	18.9
Network cable	7,082	4,790	48.0
Network Radio	3,591	2,374	51.3
Spot radio	1,167	1,157	0.9
Farm pub		485	NA
Measured	227,893	224,355	1.6
Unmeasured	202,800	199,700	1.6
Total	430,693	424,055	1.6

Bristol-Myers Squibb has become the second largest pharmaceutical company in the U.S. behind Merck & Co. with the merger of Bristol-Myers and Squibb Co.

The company, its merger to be formalized this October, offers an edge in the fast-growing conversion of prescription drugs to OTC remedies, analysts said. The OTC market could grow to $30 billion in the next 10 years, up from its current $12 billion, fueled largely by prescription drugs that will be converted to OTC products, said analyst Robert Benezra of H.C. Wainwright, Boston.

Analysts viewed the merger as a good fit, giving B-M an expanded presence in research, while giving Squibb a consumer products heritage.

Squibb's recent efforts to develop OTC products haven't been successful. A fall 1988 test of analgesics under the Squibb-Care name never rolled out, and the company last year pulled its support for Proto-Chol fish oil caplets after that market went belly up.

Richard Gelb, Bristol's chairman-CEO, will maintain that title in the merged company. Richard Furlaud, Squibb's chairman-CEO, will serve as president, with responsibility for pharmaceuticals. The new company will be headquartered in New York, but Princeton, N.J.-based Squibb will maintain its offices.

Through this August, the merged companies hadn't announced any new agency relationships. In consumer advertising, Squibb was a minor force, having spent just $4 million via Saatchi & Saatchi Advertising, New York.

The Bristol-Myers Squibb merger followed two other mergers in the drug industry this year: Beecham PLC and SmithKline Beckman Corp. as SmithKline Beecham, and Marion Laboratories with Merrell Dow Pharmaceuticals.

Analysts said unlike the other mergers—which came out of weakness—both Squibb and Bristol were financially strong corporations.

B-M continued to benefit from the groundswell of evidence linking aspirin and heart attack prevention. Currently, the FDA permits marketers of aspirin to advertise aspirin as a prevention against a second heart attack only, but new studies have uncovered evidence of aspirin's effectiveness in preventing a first heart attack. Industry observers expect the FDA to permit broader aspirin claims as early as this fall.

Despite publicity about its benefits against second heart attack, aspirin unit sales in 1988 were flat, while dollar volume increased 7% to more than $800 million in retail sales due to price hikes, according to Kline & Co., Fairfield, N.J.-based pharmaceutical consultants.

Aspirins hold 40%, acetaminophen's 40% and ibuprofens 20% of the total analgesic market valued at just over $2 billion at retail. Among aspirins, Sterling Drug's Bayer has the top share at 7% total market, followed by American Home Product's Anacin, with about 6%. B-M's Excedrin and Bufferin brands rank third and fourth, each with about 5% of total market, said Kline & Co.

Among acetaminophens, J&J's Tylenol Regular and Extra-Strength hold 25% of the entire analgesic market, said Kline. Ibuprofens are paced by AHP's Advil with 10% of total market, followed by B-M's Nuprin at 5%, according to Kline. Both brands saw sales growth of about 20% in 1988. Johnson & Johnson's Medipren, also an ibuprofen, holds about 3% of market.

In 1988, ad spending on aspirin industrywide increased 22% to $102.7 million, according to LNA/Arbitron. B-M was definitely a part of that surge, having doubled spending for Bufferin from 1987 to $16 million in 1988. That increase came at the expense of B-M's other analgesics. B-M cut ad spending for its Nuprin ibuprofen by 19% to $24 million and held spending on Excedrin at $19 million.

Bristol-Myers Squibb's overall measured ad spending in 1988 was up only about 1.6% from a combined level in 1987, according to LNA/Arbitron.

Apart from the heavy spending on analgesics, the Clairol line of hair care products drew the next largest concentration of ad dollars—$45 million, down 7%. Bristol-Myers remains the leader in the $440 million women's hair coloring market, with a 60% share, followed by Cosmair's L'Oreal with 25% and Revlon's 5%.

BRISTOL-MYERS CO.
345 Park Ave.
New York, N.Y. 10154
(212) 546-4000

Marketing personnel: Marvin H. Koslow, sr vp-mktg svcs; Thomas D. McCann, vp-corp comm; Peter J. Spengler, vp-adv svcs.

Consumer Products Group

Corporate personnel: Ronald A. Ahrens, sr vp, president.

Marketing personnel: Bristol-Myers Products: Stephen E. Bear, president; Peter R. Dolan, vp-mktg. Dracket: Douglas G. Cowan, president; John C. Hassan, vp-mktg. Clairol: C. Benjamin Brooks, president; Gerald C. Beddall, exec vp, consumer prods div; Michael Powell vp-mktg, established brands, consumer prods div; Michael A. DeGennaro, president, professional prods div; Nancy Flynn, vp-mktg, professional prods div; Sidney Gibson, president, health & beauty appliances div; Jeanne Hansen, Wayne Barnett, divs-mktg, health & beauty appliances div. Monarch: M. Arthur Wilson, president; George Evans, vp-mktg svcs.

Health Care Group

Corporate personnel: Thomas H. Hughes Jr., president.

Marketing personnel: Zimmer: Ronald L. Davis, president. Medical Engineering Corp.: Robert J. Helbling, president; Nancy Caffero, vp-mktg. Jobst: Joseph W. Cilurzo, president; Stephen A. Dezember, vp-mktg & sales. Konsyl-Treace: W. Patrick Cusick, president; John Madding, vp-mktg.

U.S. Pharmaceutical & Nutritional Group

Corporate personnel: Raymond C. Egan, president.

Marketing personnel: US Pharmaceutical Group: Bruce R. Ross, president; Gary P. Gibson, vp-genl mgr, Bristol Laboratories. US Nutritional Group: Donald G. Harris, president; John Nordberg, vp-mktg; John M. Bullock, vp-genl mgr, Mead Johnson Nutritionals; Frederick M. Brubaker, vp-genl mgr, Mead Johnson La-

Top 25 newspaper advertisers

Rank	Advertiser	Newspaper expenditures 1988	1987	% chg	as % of co.'s '88 ad total
1	May Department Stores Co.	$224,282	$230,174	(2.6)	56.1
2	Macy Acquiring Corp.	182,212	176,033	3.5	59.0
3	Sears, Roebuck & Co.	160,969	175,052	(8.0)	15.4
4	Campeau Corp.	124,488	134,833	(7.7)	47.8
5	Dayton-Hudson Corp.	90,630	81,062	11.8	39.4
6	General Motors Corp.	86,835	83,841	3.6	6.7
7	Texas Air Corp.	82,441	66,647	23.7	64.0
8	Philip Morris Cos.	76,711	46,048	66.6	3.7
9	Carter Hawley Hale Stores	75,554	52,353	44.3	47.3
10	J.C. Penney Co.	74,568	90,721	(17.8)	17.5
11	K Mart Corp.	73,073	82,033	(10.9)	11.6
12	Montgomery Ward & Co.	63,500	67,176	(5.5)	40.9
13	American Stores Co.	61,803	65,659	(5.9)	24.7
14	Time Warner	42,037	36,748	14.4	10.3
15	Woodward & Lothrop	38,856	36,625	6.1	48.7
16	RJR Nabisco	37,704	12,934	191.5	4.6
17	B.A.T. Industries PLC	35,915	61,875	(42.0)	19.5
18	Tandy Corp.	32,911	38,900	(15.4)	14.2
19	American Telephone & Telegraph	32,690	32,610	0.2	6.0
20	Dillard Department Stores	32,073	29,057	10.4	43.4
21	American Express Co.	30,251	29,286	3.3	12.2
22	Circuit City Stores	29,654	25,124	18.0	29.4
23	General Electric Co.	29,357	33,121	(11.4)	10.6
24	Safeway Stores	28,738	34,403	(16.5)	28.5
25	AMR Corp.	28,671	36,654	(21.8)	23.8

Note: Dollars are in thousands. **Source:** Leading National Advertisers/Media Records.

AA chart: Kevin Brown

boratories; Jeffrey B. Marsh, vp-genl mgr, Bristol-Myers Institutional Products. Westwood Pharmaceuticals: Wilfred J. Larson, president; Barry L. Burnside, vp-mktg & sales.

Science & Technology Group

Corporate personnel: Abramo Virgilio PhD., president.

Marketing personnel: Pharmaceutical Research & Development Division: Stephen K. Carter, president; George Todaro M.D., president, Oncogen. Genetic Systems: Robert C. Nowinski PhD., president. Industrial Division: T. John Potter, president.

Brands/services by agency of record:

Excedrin
Fiñal Net
Loving Care
Nice 'n Easy
Sea Breeze line
Silk & Silver
Special Effects
Instant Beauty
Clairol div trade adv

Ad agency: DDB Needham Worldwide, New York: Rein Luik exec vp; Lucille Cotugno, sr vp-mgmt super.

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4-Way
Nuprin
Drano line
Windex
Clairesse
Miss Clairol
Ultress
New User

Ad agency: Grey Advertising, New York: Clark Montgomery, exec vp; Herbert Leiberman, sr vp; Harvey Robinson, mgmt super, Drano, Windex.

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Ban Roll-on
Bufferin
Comtrex
Congesprin
Vanish line
Behold
Britt Agency
Renuzit Roommate
Renuzit Freshell
Fresh 'n Dry
Condition
Mr. Muscle
Keri lotion
Presun
Lac-Hydrin

Ad agency: Laurence, Charles, Free & Lawson, New York: Susan Holson, mgmt acct super; Robin Coval, mgmt acct super, Comtrex; Richard Goldschmidt, acct super, Drackett; Linda Tilton, mgmt super, Condition.

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Twinkle
O'Cedar

Ad agency: Fahlgren & Swink, Cincinnati: Tim Seifert, president.

■

Clairol appliances
Option

Ad agency: Calet, Hirsch & Spector, New York: Terri Gibralter, mgmt super.

■

Poly-Vi-Sol Flor
Tempra

Ad agency: Goble & Associates, Chicago: Jacqueline Fitzgerald, James Robinson, vps-client svcs.

■

Gerber

Ad agency: J.Walter Thompson USA, Chicago: Stephen G. Bowen Jr., president.

SOUIBB CORP.

P.O. Box 4000
Princeton, N.J. 08543
(609) 921-4000

Corporate personnel: Richard M. Furlaud, chmn-ceo; Charles A. Sanders MD, vice chmn; Jan Leschly, president-coo, ceo, Pharmaceutical Products Group; Joseph T. Stewart Jr., sr vp-corp affairs.

Marketing personnel: D.C. Fill, president-cep, E.R. Squibb & Sons; William C. Weatherbsby, group vp, president, Squibb Health Care Group; Kenneth E. Wig, group vp, president, Squibb Pharmaceuticals Group; Robert H. Miller, group vp, ceo, Personal Care Products Group.

Brands/services by agency of record:

Theragran
ProChol

Ad agency: Saatchi & Saatchi Advertising, New York: Rich Pounder, mgmt dir; John Haskins, acct exec.

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Surgicot

Ad agency: Bozell Inc., New York: Gene Bartley, exec vp-genl mgr.

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Dignity pharmaceuticals

Ad agency: Penchina, Selkowitz, New York: Steven Penchina, chmn-creative dir.

RANK **52**

Campbell Soup Co.

Camden, N.J.
ADVERTISING: $282.5 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1988	% chg
Sales	4,869	4,490	8.4
Earnings	274	247	10.8
U.S.	**1988**	**1988**	**% chg**
Sales	3,906	3,657	6.8
Operating income	382	396	(3.6)
Division sales	**1988**	**1988**	**% chg**
Campbell U.S.	2,634	2,496	5.5
Pepperidge Farm	493	456	7.9
Vlasic Foods	353	283	24.5
Mrs Paul's Kitchens	150	153	(1.8)
Campbell Enterprises	276	266	3.8
Campbell International	1,034	895	15.6

U.S. advertising by media
($ in thousands)

Media	1988	1988	% chg
Magazine	11,686	22,706	(48.7)
Newsp supp	410	365	12.4
Newspaper	11,164	2,594	330.4
Outdoor	1,536	687	123.9
Network TV	53,574	60,687	(11.7)
Spot TV	27,578	30,481	(9.5)
Syndi TV	5,983	6,110	(3.7)
Network cable	3,057	2,666	14.7
Network Radio	18,572	14,783	25.8
Spot radio	4,196	3,383	24.0
Measured	137,660	144,502	(4.7)
Unmeasured	64,800	68,000	(4.7)
Total	202,460	212,502	(4.7)

After controversy erupted over the six-year old theme, "Soup is Good Food," Campbell Soup Co. revived its "M'm'm good" tag line and refocused marketing on its core red-and-white label soup brands.

The company was rewarded in fiscal 1989 with a 14% increase in net sales for the first nine months, and a 2.9% increase in net earnings.

Campbell recovered from a stagnant fiscal 1987 by refocusing marketing efforts and re-evaluating line extensions. Campbell also had to deflect unfavorable attention from regulators over nutrition claims made for its soup products. The company ultimately settled ad claim disputes with nine states, while a court battle is pending with the FTC.

A popular campaign for Home Cookin' soups, featuring the voice of actor Jimmy Stewart, typified the kind of down-home, emotive feeling Campbell used to advertise its soups under the new creative direction. Home Cookin' received $8.4 million in measured spending, up 55%. Measured ad spending of the red-and-white label soups increased by 6% to $28 million, while Chunky soups ad spending rose 43% to $12 million.

Campbell in 1988 tested microwave soup, packaged in single-serve omnicups and Super Combos, microwave-ready soup and sandwich duos.

The company considered at length establishing an incentive system for agency compensation, but eventually nixed the idea.

For fiscal 1990, which began August 1989, Campbell has announced a 15% increase in its marketing and ad budget. Two-thirds of the increase will go toward promotion. Promotions in 1988 included women's sport-oriented sweepstakes, endorsements from U.S. Olympic figure skater Jill Trenary and a line of children's clothing featuring the chubby-cheeked Campbell Kids.

In March 1988, Campbell's Prego spaghetti sauce went on the offensive against category leader Chesebrough-Pond's Ragu with comparative 15-second TV ads showing two plates of pasta, one with Prego, looking thick and chunky, and one with Old World Ragu, looking so watery it disappeared into the noodles. While Prego attributed a 19% boost in unit sales to the campaign, Ragu called foul and urged networks to refuse the spots. Prego's market share, which had fallen to 18% by late 1987, had risen to 23.9% by April 1989. At the same time, Ragu lost 4 share points, falling from 52% to 48.3%. Prego pulled $14 million in media advertising, up from $7 million in 1987, according to LNA/Arbitron.

Canned pasta also has been a high-growth segment, climbing 8.4% last year to $548 million. American Home Products' Chef Boyardee dominates the category with 58.3% to Campbell's 35.7% through its Franco American brand, which got two line extensions—Teddy O's and Sports O's—in 1988.

Although premium-priced dinners represent about one-half of dollar sales of frozen dinners, the category experienced a 2.1% drop in 1988 and is losing shelf space rapidly. Sales in 1988 of $500 million were only half of the $1 billion high of 1984.

Campbell had banked on consumers paying extra for the microwaveable convenience. Highly successful brands, such as Campbell's Le Menu, which had carried a price of about $3.89, are receiving stiff competition from Kraft's low-price Budget Gourmet, priced at around $2.39. Le Menu's measured media fell to a minute $410,000 in 1988, from $2.6 million in 1987 as it diverted spending to price promotion and couponing.

In late 1988 and into 1989, Campbell shifted its emphasis to Le Menu LightStyle products, which carry an average price of $2.89 and are promoted as having lower fat content and fewer calories (300) than other frozen entrees. LightStyle has 10.4% of the premium dinner segment, according to the company.

A campaign from Saatchi & Saatchi themed "Drink V-8 and keep your diet straight," helped Campbell increase its share of the $340 million red juice market from 48% to 54%. V-8 spent more than $10.5 million in measured media, double its 1987 outlay.

The death in April of Campbell's Chairman John T. Dorrance Jr., son of the company's founder, fueled takeover rumors because of his large 32% holding in the company. Speculation ebbed, however, when Mr. Dorrance's son, Bennett, joined the board.

CAMPBELL SOUP CO.
Campbell Place
Camden, N.J. 08103-1799
(609) 342-4800

Corporate personnel: R.G. McGovern, president; H.M. Baum, president, Campbell USA; C.V. Stinnett, president, Campbell Enterprises, vp-corp mktg & sales.

Marketing personnel: P.N. Mulcahy, vp-adv, president, CSC Advertising; A.J. Dale, president, Campbell Sales Co.; Zoe Coulson, vp-consumer issues; A.J. Adams, dir-mktg rsch; D.F. Macaulay, dir-design; G.D. Mahrlig, dir-media svcs; H.P. Pelouze, dir-promo.

Soup Group

Corporate personnel: H.M. Baum, president, Campbell USA.

Marketing personnel: D.E. Goerke, category genl mgr, microwave soups; Kathleen MacDonnell, category genl mgr, ready-to-serve soups; R.F. Bernstock, category genl mgr, condensed soups; W.H. Allen, dir-Home Cookin' & Prego; Betty Cronin, dir-mktg, cooking soup; J.N. Haring, dir-mktg, Chunky; Roberta Kitchenoff, Gregory Kane, mktg mgrs, microwave soups; T.L. Cruikshank, mktg mgr, Home Cookin'; J.V. Wissink, mktg dir, condensed soups; H.G. Parker, mktg mgr, Special Request; L.M. Klein, mktg mgr, ready-to-serve soups; B.G. Walker, mktg mgr, condensed soups.

Brands/services by agency of record:

Red & white label condensed soups
"Special Request" soups

Ad agency: Backer Spielvogel Bates Worldwide, New York: Robert Holmen, exec vp-ceo; Joseph Prior, sr vp-mgmt super; Pamela Marcus, Nancy Adler, Suzanne Brisedine, acct supers.

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Chunky Soup
Home Cookin'

Ad agency: BBDO, New York: Anthony Brescia, mgmt super, Robert McGreevy, acct super.

■

Hispanic adv

Ad agency: Conill Advertising, New York: Rafael Conill, chmn; Alicia Coesil, president.

Dry Foods

Marketing personnel: P.M. Gummeson, group genl mgr; M.A. Kane, assoc mktg mgr.

Brands/services by agency of record:

Dry quality soup & recipe mix

Ad agency: (In-house): CSC Advertising: P.N. Mulcahy, president.

Convenience Foods

Corporate personnel: S.A. McNeil, vp-group genl mgr.

Marketing personnel: W.R. Lorgis, category genl mgr, traditional meals; A.D. van Beuren, category genl mgr, Great Starts breakfasts; R.J. Land, category genl mgr, premium meals; P.F. Goodman, D.H. Kauffman, mktg dirs, traditional meals; G.S. Loesch, mktg dir, Great Starts breakfasts; M.S. Kessler, mktg dir, premium meals; R.M. Revelle, M.G. Smith, J.P. Brennan, B.L. Wexler, mktg mgrs, traditional meals; L.C. Rohrer, J.A. Zielinski, J.T. Jury, mktg mgrs, premium meals; R.A. Bader, mktg mgr, Great Starts breakfasts; E. Waterman, assoc mktg mgr, traditional meals.

Brands/services by agency of record:

Traditional meals
Great Starts breakfasts
Premium meals

Ad agency: Ogilvy & Mather, New York: Graham Phillips, exec vp-super; Linda Cornelius, sr vp-group dir; Laurel Richie, vp-acct dir; Trish McGovern, acct coord.

Grocery

Corporate personnel: Robert Subin, vp-group genl mgr; J.F. Van Stone, category genl mgr, prepared foods; J.M. Dorsch, category genl mgr, beverages; R.P. Grady, chmn-ceo, Juice Bowl Products.

Marketing personnel: M.H. Muller, sr mktg mgr, beverages; T.C. Sager, mktg mgr, beverages; B.W. Curewitz, asst mktg mgr, beverages; M.A. Giannone, mktg coord, beverages; G.T. Fassak, mktg dir, prepared foods; S.R. Ritter, mktg mgr, prepared foods; J.A. Bertels, G.K. Poirier, assoc mktg mgrs, prepared foods; G.H. Warwick, asst mktg mgr, prepared foods.

Brands/services by agency of record:

Prego spaghetti sauce
New prods

Ad agency: FCB/Leber Katz Partners, New York: Bob Hirsch, sr vp-mgmt rep; Nancy Beck, vp-acct super; Beth Green, acct exec.

■

V-8
Campbell's Tomato Juice
Juice Bowl
New prods

Ad agency: Saatchi & Saatchi, London: Andrew Stanbridge, group acct dir; Chris McCann, acct dir; Chris Harris, acct super; Cindy Archer, acct exec.

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Franco-American pasta
Campbell's Beans

Ad agency: (In-house): CSC Advertising: P.N. Mulcahy, president.

Campbell Food Service Co.

Corporate personnel: C.V. Stinnet, president, Campbell Enterprises.

Marketing personnel: J.L. Patten, president; W.C. Lehneis, vp-mktg; John Riley, dir, deli-bakery business; E.A. Lynn, dir-mktg; D.S. Mora, sr mktg mgr; W.W. Gabrys, mgr-special svcs; M.P. Garrison, T.L. Clemm, mktg mgrs; Dick Lebulski, operations mgr.

Brands/services by agency of record:

Food service

Ad agency: Della Femina, McNamee WCRS, New York: Tom Lewy, vp-acct super.

Refrigerated Foods

Corporate personnel: R.A. Earle, group genl mgr.

Marketing personnel: T.C. Canard, genl sales mgr.

Brands/services by agency of record:

Refrigerated foods

Ad agency: Britt Agency, Lynchburgh, Va.: Frank Britt, acct exec.

Mrs. Giles Country Kitchens
Lynchburg, Va.

Corporate personnel: R.A. Earle, president.

Marketing personnel: T.C. Canard, vp-sales & mktg; R.S. Dow, mktg dir.

Brands/services by agency of record:

Mrs. Giles Country Kitchens

Ad agency: Britt Agency, Lynchburgh, Va.: Frank Britt, acct exec.

Mrs. Kinsers Home Style Foods
Smyrna, Tenn.

Corporate personnel: R.A. Earle, president.

Marketing personnel: R.S. Dow, mktg dir.

Brands/services by agency of record:

Mrs. Kinsers Home Style foods

Ad agency: Britt Agency, Lynchburgh, Va.: Frank Britt, acct exec.

New Ventures Group

Corporate personnel: P.S. Levy, genl mgr; J.A. Blood, category genl mgr, convenience stores; P. Masaracchio, category genl mgr, business devel.

Marketing personnel: D.M. Stalker, mktg mgr, convenience stores; E.A. Senior, sr project dir, Souper Combo; J.A. Herget, assoc mktg mgr, Souper Combo; J.M. Davidson, project dir, refrigerated foods.

Brands/services by agency of record:

Souper Combo

Ad agency: BBDO, New York: Anthony Brescia, mgmt super; Wendy Goralnick, acct exec.

Fresh Foods Group

Corporate personnel: K.W. Leighton, group genl mgr.

Marketing personnel: F.A. Dudowicz, dir-mktg; S.J. Stiles, mktg mgr, M.D. Pommer, sr mktg mgr, Marie's; S.M. Regan, category genl mgr, salad dressings.

Brands/services by agency of record:

Campbell's Fresh

Ad agency: (In-house): CSC Advertising: P.N. Mulcahy, president.

■

Marie's

Ad agency: Margeotes/Fertitta & Weiss, New York: George Fertitta, president; Melissa Norrgard, acct super.

Godiva Chocolatier
New York

Corporate personnel: Tom Fey, president.

Marketing personnel: J.D. Parks, vp-mktg; Robin Scheer, Gail Seibel, dirs-mktg.

Brands/services by agency of record:

Godiva

Ad agency: Margeotes/Fertitta & Weiss, New York: George Fertitta, president; John Margeotes, chmn-ceo; John Weiss, exec vp-creative dir.

Vlasic Foods
Bloomfield, Mich.

Corporate personnel: J.R. Scales, president.

Marketing personnel: R.W. Shaw, vp-business planning & devel; L.T. Uhl, dir-mktg rsch; D.M. Striegel, vp-food service; David DeWalt, dir-mktg, food service; Thomas Bitterman, sr vp-genl mgr, gravies & sauces; Timothy List, mktg dir, gravies & sauces; Raul Herrero, sr vp-genl mgr, olives; B.B. Gesserman, mktg dir, olives; D.L. Lunghino, sr vp-genl mgr, pickles; E.C. Tazzia, vp-mktg, pickles.

Top 25 supplement advertisers

Rank	Advertiser	Newspaper supplement expenditures 1988	1987	% chg	as % of co.'s '88 ad total
1	National Paragon Corp.	$41,404	$44,813	(7.6)	NA
2	Franklin Mint	29,683	17,497	69.6	25.9
3	Sony Corp.	18,243	15,502	17.7	14.5
4	Philip Morris Cos.	16,868	10,982	53.6	0.8
5	General Motors Corp.	12,233	7,789	57.1	0.9
6	Loews Corp.	10,908	3,861	182.5	8.8
7	Hallmark Cards	9,659	2,523	282.8	8.1
8	Bertelsmann AG	8,902	8,040	10.7	NA
9	American Brands	8,829	1,068	726.7	5.2
10	Primerica Corp.	8,052	7,967	1.1	NA
11	Hamilton Collection	6,945	6,413	8.3	NA
12	Nutrition Headquarters	6,091	5,944	2.5	NA
13	American Telephone & Telegraph	5,139	6,691	(23.2)	0.9
14	Weekend Shopper	5,126	4,101	25.0	NA
15	Revlon Group	5,109	2,013	153.8	2.9
16	Commtron	4,843	9,484	(48.9)	NA
17	Brown-Forman Co.	4,683	3,516	33.2	NA
18	Estee Lauder Inc.	4,391	3,999	9.8	NA
19	Prudential Insurance Co. of Am	4,351	3,464	25.6	NA
20	Lady Royale	4,309	NA	NA	NA
21	Neutrogena Corp.	4,282	3,237	32.3	NA
22	RJR Nabisco	4,153	12,518	(66.8)	0.5
23	Drake Walter & Sons	3,360	3,834	(12.4)	NA
24	Nestle SA	3,319	2,296	44.6	0.6
25	Sara Lee Corp.	3,199	1,895	68.9	1.0

Note: Dollars are in thousands. Source: Leading National Advertisers.

AA chart: Kevin Brown

Brands/services by agency of record:
Vlasic foods
Ad agency: W.B. Doner & Co., Southfield, Mich.: Richard J. Friday, sr vp-group mgmt super; Steve LaGattura, exec vp-creative; Ed Bousberg, Liz Conlin, acct supers.

Pepperidge Farm
Norwalk, Conn.

Corporate personnel: R.A. Shea, president.
Marketing personnel: D.L. Albright, vp-mktg, genl mgr-biscuit; C.V. McCarthy, vp-genl mgr, bakery; P.J. Callaghan, mktg dir, bakery; C.W. Rydin, vp-genl mgr, frozen; E.A. Anderson, mktg dir, frozen; B.L. Gustaitis, vp-genl mgr, food service; C.E. Woodward, mktg dir, food service; E. Brothers, genl mgr, mail order; J.E. Tierney, vp-corp relations.
Brands/services by agency of record:
Pepperidge Farm
Ad agency: Ogilvy & Mather, New York: Linda Cornelius, sr vp-group dir.

Dorsea Farms
Pocatello, Idaho

Corporate personnel: C.M. Monaghan, genl mgr.; Edward Brauner, operations mgr.

Mrs. Paul's Kitchens
Philadelphia

Corporate personnel: S.A. McNeil, president.
Marketing personnel: R.R. Schnorbus, exec vp; G.W. Piszek, sr vp-sales & devel; D.E. Lynn, vp-mktg; R.J. Johnston, W.J. Tullis, Anne Sakalay, mktg mgrs; R.J. Davis, D.W. Haines, Vicki Baker, prod mgrs.
Brands/services by agency of record:
Dorsea Farms
Mrs. Paul's Kitchens
Ad agency: DDB Needham Worldwide, New York: Leo J. Mamorsky, sr vp; Lisa Baker, acct exec; William (Hank) Armstrong, asst acct exec.

Campbell World Trading Co.
Camden, N.J.

Corporate personnel: N.F. Barnes, president & genl mgr.
Marketing personnel: Jeanne Blauner, dir-mktg.
Brands/services by agency of record:
Campbell World Trading Co.
Ad agency: Margeotes/Fertitta & Weiss, New York: George Fertitta, president.

RANK **41**

Campeau Corp.

Toronto
ADVERTISING: $260.5 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	8,868	3,530	145.6
Earnings	(34)	(196)	NA
U.S.	**1988**	**1987**	**% chg**
Sales	8,490	3,340	153.8
Operating income	774	337	129.7
Division sales	**1988**	**1987**	**% chg**
Department stores	6,220	2,741	126.9
Specialty stores	326	522	(37.5)
Supermarkets	1,942	NA	NA
Rental	214	220	(2.7)
Real estate sales	66	47	40.4

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	2,119	3,329	(36.3)
Newsp supp	358	310	15.5
Newspaper	124,488	134,833	(7.7)
Outdoor	20	197	(89.6)
Spot TV	17,590	20,383	(13.7)
Spot radio	3,891	2,865	35.8
Measured	148,467	161,916	(8.3)
Unmeasured	112,000	122,000 e	(8.2)
Total	260,467	283,916	(8.3)

Campeau Corp., saddled with heavy short-term debt related to its $6.6 billion buyout in 1988 of Federated Department Stores, has taken draconian measures to reduce debt by putting its crown jewel, Bloomingdales, up for sale this month.

The company's big Federated Department Store unit initiated a cost-cutting program this year that includes lower ad expenses. Campeau achieved economies by merging its Federated and Allied divisions to coordinate warehousing and distribution facilities, electronic data and credit processing, store design and construction and certain merchandise purchasing. Federated also is converting to a more incentive-based compensation for its personnel.

Bloomingdale's, which operates 17 department stores in 10 states, recorded a 3.5% increase in fiscal 1988 sales to $1.19 billion, which represented 13.7% of Campeau's total revenues. Analysts believe the operation could draw bids from $1.1 billion to $1.6 billion, including one from it Chairman-CEO Marvin S. Traub.

Bloomingdale's had been conceived as the hook for future Campeau growth. Campeau in joint venture with Edward J. DeBartolo Corp. had planned to develop new shopping centers and expand and renovate existing ones using Bloomingdale's as the anchor. Slow growth in retail sales this past year has left Campeau cash-flow poor.

A report that another Campeau chain, Lazarus, was cutting its ad spending by a third as a result of Campeau's directives was denied by Ralph Holt, divisional VP and director of advertising and analysis for the Lazarus. As it was, media spending at Lazarus in 1988 dropped 8.1% to $7.9 million, according to LNA/Arbitron. Lazarus has changed its ad strategy, though, replacing heavy use of direct mail with weekly newspaper inserts.

Federated, which now has five divisions, operated 14 pre-merger general merchandise divisions. The sale of its Foley's, Filene's, Bullock's/Bullock's Wilshire and I. Magnin divisions was part of the acquisition agreement.

Campeau also divested four Federated divisions that did not fit into its "focused department store strategy," including MainStreet, Filene's Basement, The Children's Place and Gold Circle. Ralph's, Federated's supermarket operation, was recapitalized and spun off into a separate subsidiary wholly-owned by Campeau.

The remaining divisions include:

Abraham & Straus, which operates 15 department stores in the New York area, had net sales of $721.1 million in fiscal 1988 (ended January 1989), down 2.9%. Measured ad spending was $25.1 million, down 4.2%, according to LNA/Arbitron.

Burdine's, which has 28 department stores and two clearance centers in Florida, totaled sales of $835.4 million, up 1.2%. Media ad spending at Burdine's was $14.7 million, up 8.1%, according to LNA/Arbitron.

The Lazarus division, with 43 stores in Ohio, Indiana, Kentucky, West Virginia and Michigan, had sales of $945.7 million, up 6.9%.

Rich's, which now includes 20 Rich's stores in Georgia, Alabama and South Carolina and six Goldsmith locations in the Memphis area, had sales of $850.5 million, down 1.4%. Media spending was $22.9 million, up 8%.

Bloomingdale's media advertising totaled $30 million, down 19.8%.

CAMPEAU CORP.
40 King St., West
Toronto, Ontario M5H3Y8
(416) 868-6460

Federated Department Stores
7 West Seventh St.
Cincinnati, Ohio 45202
(513) 579-7000
Abraham & Straus
Brooklyn, N.Y.

Marketing personnel: Anthony Veziris, exec vp-mktg; Francesco Cantarella, sr vp-customer relations; Steven Cohen, vp-creative dir; Nancy Ryan, vp-broadcast.
Brands/services by agency of record:
Abraham & Straus
Ad agency: Martino & Co., New York: Richard Martino, president; Susan Gronich, vp-admin; Cathy Hart, Gary Wuertenberger, acct supers; Shelly White, art dir; Jeff Urban, production mgr.

Bloomingdale's
New York

Marketing personnel: Gordon Cooke, exec vp-sales promo; Francey Smith, vp-mktg; John Jay, sr vp-creative dir; Meraed Smith, publicity dir.
Brands/services by agency of record:
Bloomingdale's
Ad agency: (In-house): John Jay, sr vp-creative dir.

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Broadcast adv
Ad agency: Grey Advertising, New York: Herb Licherman, exec vp; Susan Marber, group mgmt super; Nina Kessler, acct super; Kim Racz, acct exec.

Burdine's
Miami

Marketing personnel: Carey Watson, sr vp-mktg; Linda Frankel, vp-adv; Jorge Lopez, operating vp-adv admin & production; Jane Smiley, operating vp-special events & publicity.
Brands/services by agency of record:
Burdine's
Ad agency: (In-house): Jorge Lopez, operating vp-adv admin & production.

Lazarus
Cincinnati

Marketing personnel: Timothy Worcester, sr vp-mktg & sales promo; Herbert Prager, div vp, graphics dir; Ralph Holt, div vp, dir-adv & analysis.
Brands/services by agency of record:
Lazarus
Ad agency: (In-house): Ralph Holt, div vp, dir-adv & analysis.

Ilich's
Atlanta

Marketing personnel: Donald Van Suilichem, sr vp-mktg dir; Alma Freedman, div vp, adv dir; John Thomas, vp-creative dir.
Brands/services by agency of record:
Rich's
Ad agency: (In-house): Alma Freedman, div vp, adv dir.

■

Broadcast adv
Ad agency: Babbit & Reiman, Atlanta: Tod Martin, dir-mkt planning; Pat Hanlon, creative dir; Mary Lockwood, acct exec.

RANK **61**

Carter Hawley Hale Stores

Los Angeles
ADVERTISING: $159.8 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	2,617	2,869	(8.8)
Earnings	18	(179)	(109.9)

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	253	327	(22.9)
Newsp supp	300	307	(2.3)
Newspaper	75,554	52,353	44.3
Outdoor	1	111	(99.3)
Spot TV	10,513	12,583	(16.5)
Spot radio	1,298	940	38.0
Measured	87,917	66,621	32.0
Unmeasured	71,900	54,500	31.9
Total	159,817	121,121	31.9

Carter Hawley Hale, which split into two separate companies in 1987, built back its advertising budget in 1988 after paring it to the bone during reorganization.

Company documents show media spending of $71.8 million for its fiscal year ended July 30, 1988, a dramatic comeback in spending from $32.5 million in fiscal 1987—the low point in its spending since the early 1980s.

This nadir in advertising spending occurred duringa period in which Carter Hawley Hale beat back the second takeover attempt in two years by The Limited and also sold off its specialty store division.

CHH's estimated media spending in 1988 of $87.9 million for this report is based on calendar 1988 as monitored by LNA/Arbitron.

When the specialty store operations—Neiman-Marcus, Bergdorf Goodman and Contempo Casuals—went public, 60% of its shares were taken by General Cinema Corp. which by then had collected 49% of CHH to keep it from The Limited. The stores now fall under the Neiman-Marcus Group name.

Carter Hawley Hale, which continues to operate 113 stores in five divisions—The Broadway-Southern California, The Broadway-Southwest, Emporium Capwell, Thalhimers and Weinstock's—is focusing its efforts on remodeling existing locations.

Some 60% of the company's capital budget is being spent on remodelings, estimates William Dombrowski, VP-corporate affairs. Work was completed on 14 stores during the last fiscal year and plans call for improving eight to 10 more stores this year.

A new Thalhimers was opened in Charlotte, N.C., last summer. The Broadway-Southern California, which has opened three new stores since 1985, will enter the Santa Barbara market next summer. The Broadway Southwest will open three new stores in the Phoenix area in the next two to four years.

The two big store operations, Broadway and Emporium Capwell, have shown strong ad growth the past year. Broadway Department Stores spent an estimated $56.3 million on advertising in calendar 1988, up 7.9%. Virtually all was in newspapers.

Emporium Capwell spent $27.3 million in measured advertising, up from only $9.8 million in 1987, according to LNA/Arbitron.

In the third quarter of fiscal 1989, Carter Hawley Hale Stores reported sales of $595.4 million, an increase of 9%. On a comparative store-to-store basis, sales were up 8% for the quarter, giving the company its highest increase in four years.

CARTER HAWLEY HALE STORES
550 S. Flower St.
Los Angeles, Calif. 90071
(213) 620-0510

The Broadway-Southern Calif.
Los Angeles

Marketing personnel: Josephine Lawley, sr vp-mktg & sales promo.
Brands/services by agency of record:
The Broadway-Southern Calif.
Ad agency: (In-house): Josephine Lawley, sr vp-mktg & sales promo.

The Broadway-Southwest
Phoenix

Marketing personnel: Walter Knowles, div vp-adv dir; Barbara Bailey, sr vp-mktg & sales promo; Karie Fairrally, special events/fashion publicity dir.
Brands/services by agency of record:
The Broadway-Southwest
Ad agency: (In-house): Walter Knowles, div vp-adv dir.

■

Broadcast media placement
Ad agency: Sachs, Finlay & Co., Los Angeles: Barbara Schwecke, acct super; Bill Verton, media dir.

Emporium Capwell
San Francisco

Marketing personnel: Marsha McLain, div vp-adv; Alice McNaughton, vp-sales promo; Maryanna Howard, div vp-creative dir; Kim Hughes, mktg mgr.
Brands/services by agency of record:
Emporium Capwell
Ad agency: (In-house): Marsha McLain, div vp-adv.

Thalhimers
Richmond, Va.

Marketing personnel: Betty Bauder, sr vp-sales promo; Charlotte Ford, div vp-adv dir.
Brands/services by agency of record:
Thalhimers
Ad agency: (In-house): Charlotte Ford, div vp-adv dir.

■

Broadcast adv
Ad agency: Finnegan & Agee, Richmond, Va.: Tim Finnegan, chmn-mgmt super; Lisa Finnegan, sr acct exec; Ed Jones, vp-creative dir.

Weinstock's
Sacramento, Calif.

Marketing personnel: Lisa Stanley, sr vp-sales promo; Monica Lang, div vp-adv dir; Douglas Bouland, div vp-creative dir.
Brands/services by agency of record:
Weinstock's
Ad agency: (In-house): Monica Lang, div vp-adv dir.

RANK **18**

Chrysler Corp.

Highland Park, Mich.
ADVERTISING: $474.0 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	35,473	29,258	21.2
Earnings	1,050	1,290	(18.6)
U.S.	**1988**	**1987**	**% chg**
Sales	31,363	26,411	18.7
Operating income	1,334	1,864	(29.2)
Division sales	**1988**	**1987**	**%chg.**
Car & truck	30,650	25,319	21.1
Financial svcs	3,525	2,908	21.2
Aerospace, electronics	1,316	972	35.4

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	104,527	100,433	4.1
Newsp supp	2,051	4,586	(55.4)
Newspaper	11,653	33,177	(64.9)
Outdoor	940	1,376	(31.7)
Network TV	163,021	151,589	7.6
Spot TV	45,535	45,300	0.5
Synd TV	891	3,239	(72.5)
Network cable	9,700	6,684	45.1
Network Radio	11,193	4,874	129.7
Spot radio	19,412	17,345	11.9
Farm pub	786	608	29.3
Measured	369,709	369,200	0.1
Unmeasured	104,300	104,100	0.2
Total	474,009	473,300	0.1

Chrysler Corp., whose U.S. market share continued to rise in 1988, is seeking to broaden its base by signing pacts with several international automakers to market their cars in the U.S., and for the first time since the 1970s, established a market for its North American vehicles in Europe.

Chrysler's automotive subsidiary, Chrysler Motors, signed a joint marketing agreement in 1988 with Italian automaker Alfa Romeo to sell Alfa Romeo cars in the U.S. Then in early 1989 it announced it would market in the early 1990s vehicles made jointly with Renault and Hyundai. The Renault deal will put a sports utility vehicle produced in both the U.S.

and Europe in the European market by 1992.

Chrysler also scaled down its involvement with Maserati after repeated delays in the launch of the Maserati-built Chrysler TC. Chrysler has reduced its purchases of TCs and waived its option to build its ownership in Maserati beyond its current 18%.

The company entered the rental car business in May 1989 when it purchased Thrifty Rent-A-Car, the nation's fifth largest car rental company. In 1988, Chrysler sold 25% of its cars to such rental-car fleets. While margins are lower with such sales, the unit volume keeps the factories open.

As part of a drive to sharpen brand image, Chrysler instituted a new approval process for its advertising whereby top-level management gets involved earlier in development of the creative.

Chrysler is considering a centralized media buying unit at one of its three agencies and a new agency compensation system, both targets of cost-cutting that may extend also to media expenditures and sports merchandising.

During 1988, Chrysler sold 1,191,294 cars in the U.S., up 8.7%, for a market share of 11.25% compared with 10.72% the prior year. Among its divisions, Dodge provided the strongest volume growth. Some 508,308 Dodge brand cars, led by the Aries, were sold, up 25%, and pushed the brand to 4.80% of the car market from 3.97%.

Chrysler's U.S. truck share, excluding Jeeps, rose to 15.67% from 15.17% of the light-truck market based on sales of 763,309 Dodge trucks and Plymouth/Dodge minivans. Jeep sales of 253,454 units, up 21.6%, gave the line a 5.20% share of the same market, up from 4.46%.

Chrysler introduced the Plymouth Laser in January 1989 and its sister car, the Eagle Talon, in July 1989. Both cars, along with the other sister car, the Mitsubishi Eclipse, were built at Chrysler and Mitsubishi's joint venture Diamond-Star factory in Bloomington/Normal, Ill.

The 1990 model year will bring new luxury cars—the Chrysler Y-body New Yorker Fifth Avenue, Chrysler Imperial and the Chrysler A-body LeBaron. Also coming at mid-year is the Dodge Shadow convertible and the Dodge Monaco, the sister car to the Eagle Premier.

In 1989 model year advertising, Dodge changed its tagline to "The new spirit of Dodge" to emphasize the division's new K-car replacement, the Dodge Spirit. The Spirit was introduced during the Super Bowl telecast.

Chrysler continued to use its "Driving to be the best" themeline and spokesman Riccardo Montalban. The spots continued to tout Chrysler's "Crystal Key" warranty policy on its luxury cars.

Eagle continued to use its themelines "The Next Step" and "Expect the best" as it built its image with new products such as the Eagle Summit and monochromatic Premier ES.

Jeep continued its "Only in a Jeep" theme and also signed an agreement with clothing manufacturer Murjani International in September 1988, to market Jeep clothing and sporting goods through Jeep Gear stores and other upscale retailers.

Chrysler again turned to its favorite spokesman, Chairman Lee Iacocca, for corporate advertising. Last fall, he touted the "The Car Buyers Bill of Rights," pitching everything from safety to customer satisfaction.

To facilitate change of leadership when Mr. Iacocca retires in December 1991, Chrysler set up a two-person office of the chairman built around him and Gerald Greenwald, vice chairman.

CHRYSLER CORP.
P.O. Box 1919
Detroit, Mich. 48288-1919
(313) 956-5741

Marketing personnel: Bennett E. Bidwell, chmn; Laurel Cutler, vp-consumer affairs; Joseph E. Cappy, vp, Jeep-Eagle; Joseph Campana, vp, Chrysler-Plymouth; John B. Damouse, vp, Dodge car & truck div; Arthur C. Liebler, exec dir-corp comm & mktg svcs; Ralph A. Sarotte, genl mktg mgr, Eagle; Martin L. Levine, genl mktg mgr, Jeep; Charles B. Kitz, genl mktg mgr, Dodge car; Larry Baker, genl mktg mgr, Dodge truck; Clark Vitulli, genl mktg mgr, Chrysler; Michael Howe, genl mktg mgr, Plymouth.

Brands/services by agency of record:
Dodge car & truck

Ad agency: BBDO, Southfield, Mich.: William Kelly, president-ceo; Michael Graham, vp-mgmt super, truck; Gene McCarthy, sr vp-exec media dir; Tom Newman, sr vp, dir-planning & rsch; William Oswald, sr vp-car & truck; John Hammond, sr vp-car; David Jones, sr vp-mgmt, Dodge Dealer Assn; Dave Harrelson, vp-operations mgr; Doug Rick, vp-prod info mgr; Mike McClure, assoc creative dir, Dealer Advantage Assn svcs; Dennis Goschka, vp-corp legal counsel; Gordon Berg, Michael Gonyea, vps-acct supers; Marc Caroselli, Tim Miller, acct supers; John Schram, Barb Resnicoff, Brian Juergens, William Freed, Rich Babich, Michelle White, sr acct execs; Dan Hutzell, Mike Suchara, acct execs.

■

Corp adv
Chrysler-Plymouth

Ad agency: Bozell Inc., Birmingham, Mich.: Leo Arthur Kelmenson, chmn-exec committee; Charles D. Peebler Jr., ceo, NY; David Bell, president; Ron DeLuca, vice chmn; Calvin Mew, sr vp, dir-strategic mkt svcs; George Beech, exec vp-genl mgr; Bruce Andrews, sr vp-assoc genl mgr; Alan Levenstein, exec vp-mktg; Mert Simons, legal counsel; Kathleen Corrigan, dir-adv clearance, coord legal adv clearance, NY; Phil Matz, sr vp-media dir; Elton Kruger, sr vp, dir-planning; Phil Floyd, assoc media dir; Dave Bean, media planner; Steve Larson, asst planner; Ken Duskin, exec vp-creative dir; Phil Reuschle, sr vp, dir-forward planning, Detroit; Brian Palmer, sr vp-mgmt super, Plymouth; Bob Lytle, vp-acct super, corp; Chuck Russo, vp-acct super, Chrysler; Bill Shea, sr vp-mgmt super, Chrysler corp svc; Ted Stacy, vp-acct super, Plymouth; Jim Fisher, acct exec, corp; John Gianakis, sr acct exec, Plymouth; Lynn Vernon, sr vp-mgmt super, Chrysler; Nancy Sparrer, sr acct exec, Chrysler; Jerry Strabbing, acct exec, Chrysler.

■

Jeep-Eagle

Ad agency: Campbell-Mithun-Esty, Southfield, Mich.: David C. Welch, chmn-ceo; Eagle group: David Van Peursem, exec vp-mgmt dir, Eagle; Tom Deska, vp-mgmt super, Eagle; William Rausch, acct super, Eagle; Tom Luke, vp, dir-consumer perspectives. Jeep group: Thomas Bernardin, sr vp-mgmt dir; Scott Thornton, vp-mgmt super; Jean Malley, acct super; Mike Belitsos, exec vp-chief creative officer; Gary Topolewski, vp-assoc creative dir, copywriter; Frank Brugos, vp-assoc creative dir, art; Todd MacIntosh, Steve Goldsworthy, Charles Glass, vps-creative supers; Robert Zak, vp-creative dir; Colette Bukowicz, deputy creative dir; Tom Thompson, vp-exec art dir; Chuck Meeker, creative super, art; Mike Vogel, exec vp, media; Walter Bums[illegible]ngt super, mktg svcs; Lynn Mille[illegible]ero media; William Wilcox, acct su[illegible]dia; Carl Chakmakian, acct super, [illegible]ohn Gibson, acct super, Product [illegible]

[illegible] adv

Ad agency: Lockh[illegible] Petus, New York: Keith Lockhart, president.

■

Corp merch, sales promotion & training
Chrysler Credit Corp.
Chrysler Fleet Operations
Chrysler Service & Parts Operations

Ad agency: Ross Roy Inc., Bloomfield Hills, Mich.: Glen W. Fortinberry, chmn-ceo; Joseph G. Schulte, exec vp-automotive adv; Richard C. Ward, exec vp-genl mgr, RR Communications; Joseph M. McNeil, exec vp-exec creative dir; R. John Oliver, sr vp-genl mgr, RR Productions; Donald C. Scheich, Rex B. Smith, James V. Vehko, Michael P. Webster, sr vps-mgmt supers; Michael L. Labiak, sr vp, dir-creative acvs; Sidney P. Houghton, sr vp-group creative dir; Albert H. Acker, sr vp-creative dir; David G. Garfield, sr vp, dir-rsch; Rick G. Betker, William S. Rowe, John L. Sych, vps-group acct supers; Donald F. Baldwin, Abby B. Blay, Arnold D. Burke, Julia Francke, Thomas W. Kemper, Michael A. Pinckes, Gary L. Ruetenik, Alain L. Thiry, vps-acct supers; Albert J. Hanna, Larry E. McMurtry, J. Richard Yocum, vps-group creative dirs; Roberta Beaudet, vp-exec producer; Charles F. Gegenheimer, vp, dir-consumer productions; Judith Toundas, vp-genl mgr, Incentives; William J. Abele, Rollin E. Gish, Robert T. Nowak, Clark L. Reid, vps, RR Productions.

RANK
91

Citicorp

New York
ADVERTISING: $118.4 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	13,018	12,353	5.4
Earnings	1,050	(1,182)	(257.2)
U.S.	**1988**	**1987**	**% chg**
Sales	7,943	8,055	(1.4)
Operating income	814	1,150	(29.5)
Division sales	**1988**	**1987**	**%chg**
Net interest revenue	7,805	6,337	20.0
Fees, commissions, other	5,413	6,016	(10.0)

U.S. advertising by media
($ in thousands)

Media	1988	1987	%chg
Magazine	12,623	10,629	18.8
Newsp supp	114	251	(54.5)
Newspaper	10,232	22,801	(55.1)
Outdoor	65	286	(77.2)
Network TV	26,459	13,744	92.5
Spot TV	29,861	14,280	109.1
Synd TV	137	49	180.3
Network cable	1,780	395	350.5
Network Radio	0	1,931	NA
Spot radio	2,590	3,023	(14.3)
Measured	83,862	67,389	24.4
Unmeasured	34,500	27,700	24.5
Total	118,362	95,089	24.5

Citicorp has a simple goal as banking deregulation goes into full force in the 1990s. It wants to become the world's first global consumer bank, the McDonald's Corp. of banking.

Citicorp has taken a first step by forming a national marketing unit, based in Chicago, to take over some of the marketing functions of its regional banks. It has selected Foote, Cone & Belding to handle its national marketing assignment and boosted its advertising more than 24%.

That assignment is to "present one face to the public across the country," says William Ahearn, VP-public affairs. This might mean an introduction nationwide of its CitiOne account, a combined checking, savings and credit card service, and an automated teller system, mutual funds and annuity products.

Experts caution the marketing strategy may not be easy to achieve, noting intense local competition may be tough for centralized management.

Senior Citicorp officials expect the company's consumer bank to earn $1 billion in 1993, up from $540 million in 1987. Consumer banking now accounts for 46% of Citicorp's earnings and that should soon grow to 70%.

Citicorp serves 8 million households in 40 foreign nations and plans to up that to 16 million in five years. In Europe, Citicorp's biggest successes have resulted from competition on service, giving customers a perception of the bank's "friendliness" instead of a "hat in hand" attitude.

Some critics caution its overseas expansion may be too rapid, especially in light of political risks in nations such as China and Panama.

Citicorp's media mix is changing to reflect a more McDonald's-like concentration on TV. Spending on TV has more than doubled to $56.4 million in 1988, divided almost equally between network and spot. Ad monies were slashed, however, from newspaper and spot radio budgets.

Corporate image campaigns, by N W Ayer, New York with the slogan "Americans want to succeed, not just survive," also doubled to $34 million. Spending for its MasterCard and Visa has jumped 127% to $29.1 million.

Citicorp, with 23.1 million MasterCard and Visa cards in use, recorded $23 billion in purchase sales. Citicorp and Citibank credit cards account for more than 12% of the bankcard market, the largest share in the U.S.

CITICORP
399 Park Ave.
New York, N.Y. 10043
(212) 559-1000

Marketing Personnel: Robert Previdi, dir-natl corp adv & mktg; Dave Henderson, dir-adv, Citibank retail; Mary Ann Eger, dir-adv, Citicorp Natl; Matt Kissner, dir-mktg, Citibank retail.

Brands/services by agency of record:
Diners Club Card US
Carte Blanche Card
Citicorp travelers checks

Ad agency: Foote, Cone & Belding Communications, Chicago: James Cerasani, vp-group acct dir; Diane Peterson, vp-mng dir; Peter Curran, acct exec.

■

Diners Club Intl
Mid-Atlantic Community Bank
Citicorp Savings of Florida
Northeast Exchange
Citibank Worldwide Personal Banking
Citicorp Mortgage
Focus
Bankcard Cross Sell

Ad agency: FCB/LKP Integrated Communications Group, New York: Jon Adams, president-worldwide acct dir; Connie O'Brien, sr vp-mgmt dir; Katherine Chiles, Roberta Weinstein, vps-mgmt-dirs; Mary Conway, Sally Wonsik, Joan Levine, acct dirs; Jill Rundle, acct exec; Alicia Drummey, Lauren Searby, asst acct execs.

■

Citibank Better Bank Card

Ad agency: Lowe Marschalk, New York: Dan O'Donnell, mgmt super; Erica Mann, acct super; Stacey Wike, Mark Payne, acct execs.

■

Citicorp corp campaign
Citibank

Ad agency: N W Ayer, New York: Howard Stoner, Anita Stewart, mgmt supers; Geoffrey Sands, Jeff Bonasia, Rich Donohoe, acct supers; Nathan Archibald, sr acct exec.

■

Citicorp Savings of California
Citibank Arizona
Citibank Utah
Citibank Nevada

Ad agency: FCB/San Francisco: John Loden, sr vp-group mgmt super; Tom Seelow, acct super; Dominic Whittles, acct exec.

■

Ready Credit
Other assignments

Ad agency: FCB Direct/San Francisco: Mati Otsmaa, sr vp-genl mgr; Heidi Oestrike, acct super.

RANK
66

Clorox Co.

Oakland, Calif.
ADVERTISING: $148.3 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	1,260	1,126	11.9
Earnings	133	105	26.4
Division sales	**1988**	**1987**	**% chg**
Household, grocery	1,153	1,022	12.8
Architectural coatings	107	104	3.0

U.S. advertising by media
($in thousands)

Media	1988	1987	% chg
Magazine	10,292	8,929	15.3
Newsp supp	1,234	936	31.9
Newspaper	3,987	404	888.0
Outdoor	2	14	(85.4)
Network TV	51,374	40,123	28.0
Spot TV	21,429	14,670	46.1
Synd TV	9,278	8,835	5.0
Network cable	10,126	6,894	46.9
Network Radio	3,195	0	NA
Spot radio	234	983	(76.2)
Measured	111,151	81,788	35.9
Unmeasured	37,100	27,300	35.9
Total	148,251	109,088	35.9

Clorox Co. is scuttling its unsuccessful diversification into paint and now will refocus its attention on the grocery store.

The company early this year added a lemon-scented liquid bleach to its mainstay business, helping to turn back a Procter & Gamble bleach entry. P&G gave up on its own liquid bleach (Lemon Fresh Comet liquid bleach) this spring following a 1988 test, securing Clorox's hold on the bleach market at a 62% share.

At the same time, Clorox gave the brush off to its paint and stain business eight years after beginning an unproductive diversification. It put its Olympic wood stain and Lucite house paint business up for sale in June 1989. The business was only marginally profitable in recent years.

Measured spending on Clorox liquid bleaches and its two color-safe companions, Clorox 2 dry bleach and Clorox 2 liquid bleach, reached $35.9 million, up 47% from 1987 representing one-third of Clorox's total 1988 media budget, according to LNA/Arbitron.

The company has moved its Clorox bleach-enriched detergent into 45% of the country, with most of the $3.9 million expenditure for the new product in spot TV. Heavy promotional expenditures also were required to combat a tidal wave of activity from P&G. P&G—which spun off Clorox under antitrust decree 20 years ago—blunted the company's move into detergents by sending Tide With Bleach into national distribution January 1989.

Clorox went national with a bleach version of Soft Scrub soft-abrasive cleanser following testing in early 1988. Clorox supported the Soft Scrub line with $11.2 million in media, up 67%.

This past summer the company began testing Clorox Clean-Up, a general-purpose liquid cleaner that mixes bleach with detergent.

Capitalizing on its dominant position in charcoal briquettes, where it markets Kingsford and Match Light, Clorox last spring launched nationally Kingsford BBQ Bag, a 10-pound bag of charcoal that can be tossed onto the grill. It also put the Kingsford name on charcoal lighter. Measured spending for Kingsford and Match Light dropped 12.4% to $7.8 million.

While most of Clorox's additions were cleaning products, the company extended its Hidden Valley Ranch salad dressing line with bottled Ranch Italian. Measured spending on Hidden Valley Ranch dressings and mixes totaled $16.2 million, up 43.4%.

Spending on Tilex tile cleaner reached $5.3 million, up 47%. Liquid-plumr received $4.9 million, up 16.6%. Formula 409 all-purpose cleaner was backed with $4.7 million, down 14.5%.

Clorox had a run-in last July with the Christian Leaders for Responsible Television, an advocacy group against sex, violence and profanity in TV. It hit Clorox and Mennen Co. with a one-year boycott for its sponsorship of several "offending" prime-time TV shows.

Clorox tightened its broadcast sponsorship standards early in 1989. After reviewing the programs cited by the boycott group, Clorox concurred that two episodes of "Miami Vice" in retrospect didn't meet its standards because of their violence.

Clorox said it would be more careful in reviewing shows. But the company did not alter its broadcast standards. Clorox contends its standards are acceptable to the "great majority" of TV viewers.

John W. Collins will take early retirement the end of this year as president-COO, a post he took in 1986.

CLOROX CO.
1221 Broadway
Oakland, Calif. 94612
(415) 271-7000

Corporate personnel: C.R. Weaver, chmn-ceo; John W. Collins, president-coo; Robert Bolingbroke, Craig Sullivan, group vps.

Marketing personnel: Don Murray, vp, household prods; Jack Robertson, adv mgr, household prods; A.W. Biebl, vp, Kingsford prods; Janet Brady, adv mgr, Kingsford prods; Robert Klaus, genl mgr, food service prods; K.S. Koelman, dir-mktg, food service prods; Robert Dias, vp-intl; R.C. Richter, vp, Olympic Home Care prods; R.C. Anton, dir-mktg, Olympic/Lucite; R.H. Bolte, dir-media operations; David L. Goodman, vp-public affairs & mktg svcs.

Brands/services by agency of record:
Clorox bleach
Clorox Fresh Scent
Lemon Fresh Clorox
Clorox 2
Liquid Clorox 2
Formula 409
Tackle
Tilex
New prods

Ad agency: Foote, Cone & Belding, San Francisco: John Loden, mgmt super.

■

Clorox Pre-Wash
Liquid-plumr
Soft Scrub
Soft Scrub with bleach
Clorox Detergent
Kingsford charcoal
Kingsford BBQ Bag
Match light

Ad agency: DDB Needham Worldwide, Chicago: Colby Kerr, vp-group acct dir.

■

Fresh Step
Litter Green
Hidden Valley Ranch dry salad dressing
Hidden Valley Ranch bottled dressing
Olympic paints & stains
Lucite paints
K.C. Masterpiece
Brita Water Filter System
New prods

Ad agency: Young & Rubicam, San Francisco: Craig Branigan, genl mgr.

■

Hidden Valley Ranch
Domani Italian food prods-food service

Ad agency: Anderson/Rothstein, San Francisco: Kim Rothstein, exec vp.

■

Institutional/food service

Ad agency: Scott Advertising, Milwaukee: Charles E. Reynolds, president.

RANK
28

Coca-Cola Co.

Atlanta
ADVERTISING: $368.1 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	8,338	7,658	8.9
Earnings	1,046	918	14.0

Top 25 magazine advertisers

Rank	Advertiser	Magazine expenditures 1988	1987	% chg	as % of co.'s '88 ad total
1	Philip Morris Cos.	$270,251	$271,178	(0.3)	13.1
2	General Motors Corp.	193,799	153,926	24.0	9.3
3	RJR Nabisco	131,463	105,674	24.4	6.4
4	Ford Motor Co.	125,532	125,529	0.0	6.1
5	Chrysler Corp.	104,527	100,433	4.1	5.1
6	Procter & Gamble Co.	79,279	79,501	(0.3)	3.9
7	American Telephone & Telegraph	66,193	76,270	(13.2)	3.2
8	Time Warner	64,989	53,029	22.6	3.2
9	Nestle SA	63,477	56,616	12.1	3.1
10	Grand Metropolitan PLC	59,545	54,948	8.4	2.9
11	Unilever NV	59,449	58,259	2.0	2.9
12	Franklin Mint	48,981	31,733	54.4	2.4
13	Honda Motor Co.	47,159	42,701	10.4	2.3
14	Bristol-Myers Squibb	43,616	40,154	8.6	2.1
15	Revlon Group	42,488	36,562	16.2	2.1
16	Sony Corp.	41,771	31,862	31.1	2.0
17	General Electric Co.	36,747	37,727	(2.6)	1.8
18	Schering-Plough Corp.	36,617	29,202	25.4	1.8
19	Toyota Motor Corp.	36,476	27,105	34.6	1.8
20	American Brands	35,888	38,545	(6.9)	1.7
21	Nissan Motor Co.	35,826	19,361	85.0	1.7
22	E.I. du Pont de Nemours & Co.	34,676	41,676	(16.8)	1.7
23	Sara Lee Corp.	34,107	24,268	40.5	1.7
24	U.S. Government	33,436	44,164	(24.3)	1.6
25	Sears, Roebuck & Co.	33,373	21,608	54.4	1.6

Note: Dollars are in thousands. Source: Leading National Advertisers.

AA chart: Kevin Brown

U.S.	1988	1987	% chg
Sales	3,684	3,459	6.5
Operating income	434	385	12.8
Division sales	**1988**	**1987**	**% chg**
Soft drinks, domestic	2,284	2,120	7.7
Soft drinks, int'l	4,504	4,109	9.6
Foods	1,512	1,414	6.9

U.S. advertising by media

($in thousands)

Media	1988	1987	% chg
Magazine	4,082	3,127	30.6
Newsp supp	407	35	1,050.8
Newspaper	9,504	5,160	84.2
Outdoor	2,538	2,029	25.1
Network TV	119,091	92,360	28.9
Spot TV	56,126	65,847	(14.8)

Media	1988	1987	% chg
Synd TV	18,952	10,264	84.6
Network cable	4,589	8,056	(43.0)
Network Radio	409	561	(27.1)
Spot radio	15,286	13,051	17.1
Measured	230,985	200,490	15.2
Unmeasured	154,100	133,800	15.2
Total	385,085	334,290	15.2

Coca-Cola Co., which saw its market share lead over PepsiCo drop slightly in 1988, narrowed the focus of its beverage holdings and turned controls of Coca-Cola USA over to a marketing executive out to restore the pizzazz to Coke advertising.

Coca-Cola rose 0.1 market share points to 40% of the 7.5 billion case soft-drink market as Pepsi-Cola rose 0.4 market share points to 31.3%, according to *Beverage Industry*. Archrival PepsiCo also topped Coke's U.S. sales performance by recording a 6.1% gain compared to a 5% gain by Coca-Cola. The industry averaged a 4.5% gain.

U.S. ad spending at Coca-Cola remained flat in 1988, but should increase if newly-named Coca-Cola USA president, Ira Herbert, its former chief marketing officer, continues with the marketing fireworks Coca-Cola set off at the Super Bowl.

Coca-Cola provided football fans a 45-second commercial in 3-D. Prior to the game, Coca-Cola passed out 20 million pairs of 3-D glasses for home audiences to watch British pop star George Michael's first appearance in the cola wars. Coca-Cola Co. also pulled off exclusive sponsorships with both the National Basketball Assn. and Major League Baseball.

Advertising control also was brought back to the trenches in 1989 when Mr. Herbert placed ad controls in the hands of brand managers, a policy swept away in 1987. Coca-Cola has been building upon its strength in the diet segment, accounting for 44.3% of the market with Pepsi at 28.4%.

In a media blitz this year, Diet Coke, with 31.4% of the diet segment and 8.2% overall, was positioned against the flagship Pepsi brand to help further erode its No. 2 position, which fell from 18.6% to 18.3% in 1988.

Pepsi-Cola typically stands opposite Coke Classic and new Coke, which registered respective market shares of 20.1% and 1.3%. That 1988 performance represents an increase for Classic, up from 19.8% and a decline for new Coke, down from 1.7%.

Sprite mirrored its 1987 performance by claiming a 3.6% overall market share while chief competitor 7UP slipped to 3.1%.

Minute Maid held its lead in the $3 billion orange juice market with an estimated 22.1% share to Tropicana Products' 18.1% and P&G's Citrus Hill's 9.5%. The company added the Citrus Foodservice Division of H.P. Hood Inc., the primary supplier of orange juice to McDonald's Corp.

An estimated 14% of Coke's total measured advertising in 1988 went to Minute Maid beverages compared to 12% in 1987, according to LNA/Arbitron. This year, Coca-Cola served up a $50 million campaign in the growing ready-to-serve, chilled segment where Tropicana claims 27.5% market share vs. Minute Maid's 19.5%.

Coca-Cola narrowed its beverage lineup this year when its foods division in Houston dumped the bottled water, coffee, tea and cocoa operations. Coca-Cola Co. continued its acquisition of bottlers with the $500 million buyout of Coca-Cola Bottling Co. of Memphis, Tenn. and a 41% stake ($330 million) of AMATIL Ltd., Australia.

COCA-COLA CO.
P.O. Drawer 1734
Atlanta, Ga. 30301
(404) 676-2121

Coca-Cola USA

Corporate personnel: Ira C. Herbert, president-exec vp, Coca-Cola Co.

Marketing personnel: Michael A. Biendorff, vp-mktg planning; Donald B. Lelehan, dir, sugar cola brands; Daniel H. Sayre, dir, diet cola brands; Virginia R. Rockwell, dir, non-cola brands; Christopher J. Gagen, dir-media; James M. Patton, vp-mktg svcs; Charles E. Morrison, vp, black & Hispanic consumer mktg.

Coca-Cola Foods

Corporate personnel: H.E. Teasley Jr.; vp, Coca-Cola Co., president-ceo, foods business sector.

Marketing personnel: Pierre U. Ferrari, sr vp-mktg & planning, foods business sector; Richard M. Helmey, sr vp, food service; Mallory J. Campbell, vp-trade mktg; George G. Woody, vp-mktg.

Brands/services by agency of record:

Black adv, Coca-Cola USA
Ad agency: Burrell Advertising, Chicago: Tom Burrell, president; Sarah Burrough, sr vp-genl mgr; Neva Richardson, vp-acct super.

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Hispanic adv, Coca-Cola USA
Ad agency: Castor GS&B Advertising, New York: Castor Fernandez, president; Carlos Delgado, media dir; Roberto Manzano, creative dir.

■

Sprite
Diet Sprite
Mr. Pibb
Fanta
Domestic adv
Minute Maid orange soda
Fresca
Mello Yello
Ad agency: Lowe Marschalk, New York: Andy Langer, ceo; Richard Villante, president; Eric Einhorn, exec vp; John Most, sr vp-mgmt

Young American

BEST COPY AVAILABLE

super.

■

Coca-Cola Classic
Caffeine-Free Coca-Cola
Cherry Coke
Diet Cherry Coke

Ad agency: McCann-Erickson, New York: John Donner, president; Gunnar Wilmot, sr vp-group dir; Bill Grogan, vp-acct super; Silvia McCarthy, acct super, Cherry Coke; Phil Shaw, acct super.

■

Diet Coke
Caffeine-Free Diet Coke

Ad agency: Lintas:New York: Stone Roberts, exec vp, chmn-strategic review board; Phil Crossland, exec vp; Becky Broers, vp-mgmt super; John Roberts, acct super; Robert Painter, acct exec.

RANK **33**

Colgate-Palmolive Co.

New York

ADVERTISING: **$306.6 MILLION**

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	4,734	4,366	8.4
Earnings	317	54	NA
U.S.	**1988**	**1987**	**% chg**
Sales	1,687	1,514	11.5
Operating income	69	84	(18.7)
Division sales	**1988**	**1987**	**% chg**
Household, persnl care	4,253	3,986	6.7
Specialty marketing	482	379	27.0

U.S. advertising by media

($ in thousands)

Media	1988	1987	% chg
Magazine	12,603	6,640	89.8
Newsp supp	462	411	12.4
Newspaper	5,811	1,671	247.7
Outdoor	1,344	4,311	160.5
Network TV	63,896	66,566	(4.0)
Spot TV	20,375	21,734	(6.3)
Synd TV	5,665	8,953	(36.7)
Network cable	858	342	151.3
Network Radio	286	197	45.5
Spot radio	1,223	749	63.3
Measured	112,524	107,266	4.9
Unmeasured	194,100	185,000	4.9
Total	306,624	292,266	4.9

Colgate-Palmolive Co. had mixed success in building U.S. market share in its big household-cleaning and personal-care businesses as it linked up joint ventures and bought heavily into these product areas overseas.

Colgate acquired Cotelle's bleach business in France; the Klorin group, a Scandinavian bleach marketer; and Gow Co.'s heavy-duty detergent business in Australia.

It reached agreement with American Home Products Corp. to market AHP's Woolite cold-water wash in selected countries, formed a venture with Clorox Co. to market its bleach in Asia and Mexico, and struck a deal to market Vipont Pharmaceutical's anti-plaque product line in Europe.

Financing much of the activity was the $960 million sale in September 1988 of Boston-based Kendall Co., marketer of disposable medical products and Curity brand bandages.

The company's three-year-old Colgate Venture Co. was disbanded. Two products—Handi-Wipes cleaning cloths and Fresh FeLiners catbox liners—were shifted to Colgate's Softsoap Enterprises subsidiary. Others were sold.

Colgate launched 173 new products on a worldwide basis in 1988. And according to Chairman-CEO Reuben Mark, new-product advertising and promotion kept pace, rising 9.76% to $236 million in 1988.

Colgate controls 42% of the $2.6 billion worldwide toothpaste market, and 33% of the $1 billion U.S. dentifrice category where Procter & Gamble (Crest) has a 36% share.

The company in mid-1989 broke a new series of ads for its $25 million "Wise Choice" toothpaste campaign featuring actor Pat Morita as the Colgate "Wisdom Tooth."

Colgate doubled its spending for mouthrinse in 1988 to $8.7 million in measured media. It claims a 5% share of the $550 million U.S. mouthwash category.

Colgate Junior fruit-flavored toothpaste was introduced in the U.S. in 1988, and this year was expanded into 10 countries. Colgate in late 1988 broke a $9 million campaign featuring the animated Colgate Junior Superstar that competes against P&G's Sparkle Crest for Kids.

New Colgate toothbrush lines were introduced into eight countries, including the U.S. Marketing emphasis was on the brush's diamond head design. The company backed the toothbrush line, which has a 14% world market share, with more than $3.3 million in measured media spending in the U.S.

Under an agreement with Vipont Pharmaceutical, Fort Collins, Colo., Colgate will begin testing a new brand name, along with new advertising and marketing, for Vipont's Viadent antiplaque toothpaste and mouthrinse line in Europe.

Colgate's laundry detergents —Fab, Fresh Start and Dynamo—all suffered share erosion in 1988. The company's share of the $3 billion laundry detergent category slipped to 12.3% from 14% the previous year. Despite a $17 million measured media campaign to promote Fab 1 Shot, an all-in-one laundry/fabric softener, the brand managed only a 2% share. Colgate watchers believe the product is one of Colgate's biggest disappointments in 1988.

An advanced formula liquid Palmolive Automatic dishwasher detergent was introduced in August 1988, with a $15 million campaign themed "Once is all it takes." Before the campaign, Colgate's share of the $475 million category had fallen to 11.5%, but by mid-1989 had rebounded to 13%. In the $100 million liquid segment, Colgate is the No. 1 brand with a 43% share. P&G's Cascade liquid and powder automatic dishwasher detergents remain the overall category leader with a 52% share.

Palmolive is the company's leading global brand name in personal care, and Colgate has adopted an aggressive program to exploit the name. In 1988 and 1989 year-to-date, more than 50 new products bearing the Palmolive name were introduced worldwide. These include 20 new entries in the hair-care category. It is the world's No. 2 shampoo on a volume basis, the company said.

New Palmolive products for bathing and shaving are being introduced, as well as an expanding array of deodorants and toiletries. In the U.S., Palmolive Hypo-Allergenic soap is in West Coast test markets.

Colgate continues testing in Peoria, Ill., a line of analgesics, allergy, antacids and cough-cold remedies under the Colgate label. It is handling creative in-house; HDM, New York, is placing media.

A new Softsoap shower gel and antibacterial liquid soap were introduced in the U.S. in 1989 by Softsoap Enterprises, a 1987 acquisition. In April 1989, Softsoap introduced nationally the new Softpack refill package, which is based on packaging technology developed by Cotelle.

The new products are aimed at helping Softsoap regain share from Dial Corp.'s Dial anti-bacterial liquid soap. In May, Dial held a 17.25% share of the $200 million liquid soap category, while Softsoap held 13.5%. Softsoap was backed with $1.7 million in measured media spending in 1988, more than double the support in 1987.

Softsoap, which also markets Ajax Disposer Care, Fresh FeLiners and Sesame Street bath products, is working with agencies on a project basis.

In 1988, Hill's Pet Products introduced a "light" low-calorie version of Maintenance Diet for dogs and cats. Dry product line extensions for three Prescription Diet feline products were marketed in the last half of the year, rounding out the canned product line used by veterinarians.

COLGATE-PALMOLIVE CO.
300 Park Ave.
New York, N.Y. 10022
(212) 310-2000

Corporate personnel: Reuben Mark, chmn & president-ceo; William S. Shanahan, sr exec vp-coo; Roderick L. Turner, sr exec vp-chief of operations/specialty mktg; Robert M. Agate, exec vp-cfo; Silas M. Ford, exec vp, exec offices; William G. Cooling, exec vp-chief technological officer; Benjamin C. Davis, vp, human resources; Katharine R. Tarbox, vp, investor relations.

Household & Personal Care

Marketing personnel: Brian F. Bergin, president, Colgate-Europe; Lois D. Juliber, president, Colgate-Far East; David A. Metzler, president, Colgate-Latin America; Michael S. Roskothen, exec vp, Colgate-Europe; Edgar J. Field, group vp-int'l business develop; Craig B. Tate, vp, group head-global business devel; Thomas G. Davies, vp-fabric care, global business devel; James Figura, vp-consumer rsch & insight; Emilio Alvarey-Recio, vp- worldwide personal care prods; Javier Garcia Teruel, vp-body care, global business devel; Kathleen Thornhill, vp-oral care, global business devel; Clay S. Timon, vp-worldwide adv; Douglas R. Wright, vp-household surface care, global business devel.

Colgate U.S.

Marketing personnel: Edward T. Fogarty, president; Michael L. Hoye, exec vp-mktg & sales effectiveness; P. Gordon McArthur, exec vp-Colgate US; Ariel A. Allen, vp-creative svcs; Robert E. Blanchard, vp-genl mgr, home care div; David Bluestein, vp-genl mgr, laundry/body care div; Ralph A. Champlin, vp-sales; Douglas L. Meyer, vp-genl mgr, oral care div; Grace Richardson, vp-consumer affairs; Cyrill Siewert, vp-new business devel & planning; Grant L. Wood, vp, president, Softsoap Enterprises; Horace C. Moses III, genl mgr, Colgate-Hoyt; Juan Melendez, genl mgr-Hispanic mktg.

Brands/services by agency of record:

Palmolive dishwashing liquid
Palmolive Automatic dishwasher liquid
Dynamo detergent
Fab detergents
Fab 1 Shot detergent
Ajax multi-surface cleaner
Ajax cleanser
Ajax laundry detergents
Ajax dishwashing liquid
Axion powder
Palmolive soap
Ultra Brite toothpaste

Ad agency: FCB/Leber Katz Partners, New York: James McConnell, exec vp-worldwide acct dir; Colleen Gowl, exec vp-group mgmt dir, US; Patti Albanese, vp-acct dir.

■

Hispanic adv

Top 25 outdoor advertisers

Rank	Advertiser	Outdoor expenditures 1988	1987	% chg	as % of co.'s '88 ad total
1	Philip Morris Cos.	$61,425	$50,877	20.7	3.0
2	RJR Nabisco	57,366	63,064	(9.0)	7.0
3	Loews Corp.	32,802	23,546	39.3	26.5
4	B.A.T. Industries PLC	24,333	15,381	58.2	13.2
5	American Brands	11,831	19,732	(40.0)	7.0
6	U.S. Government	11,140	1,000	1,014.0	3.8
7	Seagram Co.	9,278	13,958	(33.5)	6.5
8	Grand Metropolitan PLC	7,796	7,314	6.6	1.0
9	Anheuser-Busch Cos.	6,708	9,580	(30.0)	1.1
10	McDonalds Corp.	6,306	6,607	(4.6)	0.9
11	Holiday Corp.	5,089	5,000	1.8	7.5
12	Guinness PLC	4,480	3,725	20.3	9.2
13	Allied-Lyons PLC	3,954	3,767	5.0	NA
14	Bond Corp. Holdings	3,581	1,601	123.7	5.0
15	Pepsico Inc.	3,080	4,518	(31.8)	0.4
16	Brown-Forman Co.	3,065	3,963	(22.7)	5.1
17	General Motors Corp.	2,997	1,989	50.6	0.2
18	Adolph Coors Co.	2,897	3,041	(4.8)	1.4
19	Ramada Inns	2,783	1,900	46.5	NA
20	Metropolitan Life Insurance Co.	2,689	1,746	54.0	3.7
21	Coca-Cola Co.	2,538	2,029	25.1	0.7
22	U.S. West	2,426	2,295	5.7	4.0
23	Argyll Group PLC	2,224	5,133	(56.7)	NA
24	Imasco Ltd.	2,190	1,984	10.4	2.4
25	Whitbread & Co. PLC	2,159	870	148.1	NA

Note: Dollars are in thousands. Source: Leading National Advertisers.

AA chart: Kevin Brown

Ad agency: Siboney Advertising, New York: Roger Pisani, genl mgr; David Cole, acct super; Julie Uhlhorn, acct exec.

■

Colgate Dental Cream
Colgate Tartar Control toothpaste & mouthwash
Colgate Jr. toothpaste
Fresh Start detergent
Irish Spring soap
Colgate toothbrushes
Fluorigard mouthwash
Colgate shave preparation

Ad agency: Young & Rubicam, New York: Gerard Dufour, sr vp-worldwide acct dir; Robert Fane, sr vp-mgmt super, domestic; Adrienne Darling, Claudia Eisen, vps-acct supers.

Hill's Pet Products
Topeka, Kan.

Marketing personnel: Robert C. Wheeler, president-ceo; Stephen J. Fogarty, exec vp-mktg & sales; David J. Geier, vp-mktg comm; Richard F. Hawkins, vp-intl; J. Richard Woodall, vp-sales; Ted R. Fraese, dir-brand mgmt; Dr. John Mara, dir-veterinary affairs; Dr. Elizabeth Hodgkins, mgr-technical affairs.

Brands/services by agency of record:
Prescription Diet

Ad agency: Harmon Smith Advertising, Kansas City, Mo.: Scott Johnson, exec dir-client svcs.

■

Science Diet

Ad agency: Y&R/Wunderman Worldwide, Detroit, Mich: Wally Thursam, sr vp; Mark Zucco, mgmt super.

Institutional Financing Services
Benicia, Calif.

Marketing personnel: E. Peter Raisbeck, president-ceo; Jim Cascino, exec vp-sales; Michael Takagawa, dir-mktg.

Princess House
North Dighton, Mass.

Marketing personnel: Richard C. Brown, president-ceo; Stephen K. Zrike, sr vp-intl; Patrick Tahaney, sr vp-sales & mktg, US; Elizabeth Bowes, vp-mktg, US.

Brands/services by agency of record:
Princess House

Ad agency: Leonard Monahan & Saabye, Providence, R.I.: Cathy Ottaviano, vp.

CPL Industries
Tenafly, N.J.

Marketing personnel: Kenneth E. Snyder, president-ceo; Bernard J. Rafferty, vp-sales; Al Chadourne, mktg mgr, soap/dishwashing prods; Gary Clarke, mktg dir, cleansers; Edward R. Gagliardi, mktg mgr, institutional fuels.

Brands/services by agency of record:
CPL Industries

Ad agency: H.J. Delaney Co., New York: Tony Scopolitto, client svcs.

Columbia Pictures Entertainment

RANK 85

New York

ADVERTISING: $122.4 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	1,616	1,086	51.6
Earnings	16	51	(68.4)
U.S.	**1988**	**1987**	**% chg**
Sales	1,290	956	35.9

Division sales	1988	1987	% chg
Theatrical	756	NA	NA
Television	620	NA	NA
Exhibition	235	NA	NA

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	355	1,136	(68.7)
Newspaper	23,176	2,209	42.1
Outdoor	17	54	(68.3)
Network TV	35,866	32,221	11.3
Spot TV	21,629	15,223	42.1
Synd TV	978	666	46.8
Network cable	2,481	1,692	46.6
Network Radio	971	1,955	(50.3)
Measured	85,474	69,256	23.4
Unmeasured	36,900	29,900	23.4
Total	122,374	99,156	23.4

For the past five years, Columbia Pictures Entertainment Inc. has failed to produce top box-office hits or achieve stability in its executive ranks, but the company appears to be turning itself around. It is re-establishing relationships with major motion picture stars and producing TV shows that have the potential to be profitable in syndication for years to come.

The company in early 1989 also moved to streamline its operations by creating a single Motion Picture Group from the merger of its Columbia Pictures and Tri-Star Pictures units.

Coca-Cola Co. retains a 49% interest in CPE, which it formed through the merger and spin-off of Columbia Pictures and Tri-Star Pictures in 1987. CPE, which continues to distribute movies under both the Columbia and Tri-Star banners, in 1989 released its first movie since 1986 to make more than $100 million at the box office: "Ghostbusters II."

Though not the money-maker that its prequel was (the original "Ghostbusters" rang up $220 million in ticket sales in 1984), the $109 million gross it brought in was a much-needed boost.

The ghostly sequel also should bring in significant additional profits when released on videocassette this fall.

Newly-released romantic comedy "When Harry Met Sally . . ." also has been successful, grossing $60 million by mid-September when it remained among the nation's top five films.

These films have helped push Columbia's and Tri-Star's combined theatrical rental share for the summer of 1989 to 13.8%, a significant increase over the 9% share it maintained from 1987 to 1988.

The company stepped up measured ad spending for its Columbia and Tri-Star releases by 23.4% to $85.5 million in 1988. Six films received $5 million each in measured spending, the top dollar draw at CPE. But though the studios had some critical hits ("The Last Emperor," "White Mischief," "Little Nikita," "Hope and Glory"), they failed to win the movie-going public.

Under the leadership of President Dawn Steel, Columbia is re-establishing relationships with prominent actors, producers and directors. Prominent performers who have ongoing relationships with Columbia and Tri-Star include Jane Fonda, Sally Field, Michael Douglas, Glenn Close, Madonna, Richard Gere, Cher and Mikhail Baryshnikov.

While Ms. Steel brought some stability to the highest level of Columbia Pictures, the studio's marketing ranks were in flux throughout 1988. Bob Dingilian resigned as exec VP-worldwide marketing in April, to be replaced by BBDO executive Dan Michel. Mr. Michel, who held the title of president of marketing, left the studio less than a year later and was succeeded by Buffy Shutt.

Columbia Pictures Television has five popular series currently appearing in prime time on the Big Three networks and Fox Broadcasting Co.

"Who's the Boss?" "227," "Designing Women," "Married . . . With Children" and "My Two Dads" each should generate enough episodes to be successful in the lucrative domestic syndication arena for years hence.

CPT is currently running one of the industry's most aggressive promotion campaigns ever for the off-network premiere this fall of "Who's the Boss?"

CPT products in the syndication arena include "Good Times," "The Jeffersons," "The Facts of Life," "Silver Spoons" and "Punky Brewster."

CPE expanded its Loews theatres in 1988 into major metropolitan areas east of the Mississippi River and in Texas, from the chain's New York/New Jersey stronghold. The company acquired Loews Theatre Management Corp. in December 1986.

COLUMBIA PICTURES ENTERTAINMENT
711 Fifth Ave.
New York, N.Y. 10022
(212) 751-4400

Corporate personnel: Victor A. Kaufman, president-ceo; Lewis J. Korman, sr exec vp-coo, chmn, motion picture group.

Marketing personnel: Dawn Steel, president, Columbia Pictures; Jeffrey Sagansky, president, Tri-Star Pictures; Buffy Shutt, president-mktg; Kathy Jones, exec vp-mktg; John Butkovich, sr vp-media; Mark Kristol, sr vp-media; Ed Russell, sr vp-publicity, promo & field operations; Bill Loper, sr vp-adv; Joe Foley, sr vp-creative adv.

Brands/services by agency of record:
Columbia Pictures

Ad agency: McCann-Erickson, Los Angeles: Ann Elizondo, sr vp-mgmt rep.

Adolph Coors Co.

RANK 53

Golden, Colo.

ADVERTISING: $298.8 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	1,522	1,351	12.7
Earnings	47	48	(2.6)
Division sales	**1988**	**1987**	**% chg**
Beer business	1,265	1,133	11.6
Ceramics business	150	134	11.9
Other	107	83	28.2

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	3,019	1,680	79.8
Newspaper	1,771	1,601	10.7
Outdoor	2,897	3,041	(4.8)
Network TV	43,728	54,883	(20.3)
Spot TV	50,533	23,770	112.6
Synd TV	4,796	2,489	92.6
Network cable	4,327	1,284	237.1
Network Radio	0	8	NA
Spot radio	15,442	10,073	53.3
Measured	126,512	98,829	28.0
Unmeasured	74,300	58,000	28.1
Total	200,812	156,829	28.0

Adolph Coors Co. produced a record volume of beer in 1988, but overall earnings dropped. The company cited steeply-rising advertising and marketing costs associated with the viciously, competitive beer market dominated by two still-growing giants—Anheuser-Busch and the Miller Brewing Co.—and a trailing pack of smaller brewers nibbling around the edges of a stagnant market.

Industry analysts say the only way for a brewer to increase its market share today is to steal drinkers away from the competition and expand product lines. To that end, Coors boosted its advertising 28% in 1988 and introduced two popularly, priced beers this month.

Coors, which saw its market share rise slightly to about 8.7% in 1988, passed G. Heileman Brewing Co. (8.2%) to become the nation's fourth-largest brewer, behind No. 3 Stroh, which held an 11% share.

Still, Coors ranked far behind A-B, which controls 41.9% of the market, and Miller, at 21.6%. Coors' share is based on 16.5 million barrels, up 5.6%.

Coors Light continued to lead the company's charge. Swallowing more than $52 million of Coors' ad budget, and spending much of it regionally, Coors Light moved from No. 6 in 1987 to No. 4 in *Beer Marketer's Insights* 1988 top ten brand chart. Sales were 8.9 million bbls., compared with 50.5 million bbls. for leader Budweiser; 19.3 million bbls. for Miller Lite and 9.7 million bbls. for Bud Light.

Coors Extra Gold—a premium, full-bodied beer that debuted in 1985—was a rising star—almost 1 million bbls. were sold in 1988, up from 200,000 in 1987.

The standard Coors brand, however, slipped from No. 7 to No. 8, as it dropped 12.5% to 6.3 million bbls.—a slip some analysts attribute to "cannibalization" by Extra Gold. Company officials also believe part of the decline is attributable to a failure of the standard Coors Banquet beer to retain its loyal drinkers when its name was changed to Original Draft, a name mimicking the draft-beer-in-a-can craze started by Miller Genuine Draft. Five months after the move, Coors dropped the Original Draft tag. The GSD&M agency reworked a new campaign to focus on the beer's Colorado roots.

In 1988, Coors went national with its Herman Joseph's Original Draft and HJ Light superpremium brands. The brewer spent at least $5 million to get out its "the-smoother-the-better" message in an effort to go head-to-head with A-B's Michelob and Miller's Lowenbrau.

Killian's Red—a competitor with Heineken, Beck's and Corona Extra—was distributed nationally and then underwent name, packaging and formula changes. The beer officially became a lager—the term "ale" was dropped altogether—and its alcohol content was reduced to produce a lighter taste.

This September, Coors was to launch Keystone and Keystone Light in the so-called "popular," or lower-priced segment, which now comprises 14% of the beer market.

Coors, which had been heavily investing in sports promotions through the mid- and late-1980s, dropped its biking classic but sponsored a Coors bike-race team and other sporting events.

Coors owners say they no longer have an aversion to going into long-term debt to finance expansion plans. That about-face has led to plans to construct a $150 million aluminum rolling mill in San Antonio, and a possible merger or acquisition of production facilities owned by the struggling Stroh Brewery Co.

Coors has increased its international efforts with Asahi in Japan and Molson in Canada, who both brew and market Coors and Coors Light. Coors is considering a plan to export its products to the U.K. and the European Community in the next two years.

ADOLPH COORS CO.
Golden, Colo. 80401
(303) 279-6565

Marketing personnel: Bob Rechholtz, exec vp-sales & mktg; Gary T. Naifeh, vp-brand mgmt; Michael Marranzino, dir, Coors, Coors Extra Gold, Herman Joseph's Original Draft, Herman Joseph's Light; M. June Smith, dir, Coors Light, Coors Winterfest; Gary Skovsted, brand mgr, Coors Extra Gold, Herman Joseph's Original Draft, Herman Joseph's Light; Steve Ritter, brand mgr, Coors; Bob McBride, brand mgr, Coors Light; George Mansfield, brand mgr, George Killian's Irish Red Ale; Craig Guthrie, John Recca, brand devel mgrs, new prods; Michael R. Willey, brand mgr, Keystone, Keystone Light; Mark Reiss, media dir; Bill Holbrook, mktg svcs dir; Bob Hobbs, mktg svcs mgr; Jon Runge, merch & promo mgr.

Brands/services by agency of record:
Corp comm relations
Community relations/women

Ad agency: Evans/Denver: Charles Bartholomew, chmn-acct super; Susan Davis, acct exec.

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Coors Light
Killian's Red
Herman Joseph's Original Draft
HJ Light
Keystone

Ad agency: Foote, Cone & Belding Communications, Chicago: Dan Fox, sr vp-group acct dir; Kent Vlautin, vp-assoc media dir; Dave Moeller, sr vp-creative dir; Bob Simon, vp-group creative dir.

■

Coors
Coors Extra Gold
Hispanic mkts

Ad agency: GSD&M, Austin, Texas: Steve Gurasich, chmn; Roy Spence, president; Chuck Grady, sr vp-acct dir; Raoul Rodriguez, sr vp-Hispanic svcs; Gary Brahl, Jim Anderson, sr vps-creative dirs; Tina Williamson, sr vp-assoc media dir; Steve Wille, sr vp-acct dir.

■

Turbo 1000

Ad agency: Tatham-Laird & Kudner, Chicago: Rawdon Parry, sr partner; Dick Salyer, mgmt super; Tom Blim, acct exec; Carrie McCarthy, asst acct exec.

■

Black mkts

Ad agency: UniWorld Group, New York: Ron Campbell, vp-mng super; Bill Allen, sr vp-creative svcs; Valerie Graves, vp-creative group head; Phil Costa, Aaron Bell, vps-assoc creative dirs.

CPC International

RANK 74

Englewood Cliffs, N.J.

ADVERTISING: $134.4 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	4,700	4,903	(4.1)
Earnings	289	355	(18.5)
U.S.	**1988**	**1987**	**% chg**
Sales	2,044	1,849	10.5
Operating income	244	236	3.4
Division sales	**1988**	**1987**	**% chg**
Consumer foods	3,807	3,317	14.8
Corn refining	893	745	19.9

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	9,478	6,928	36.8
Newsp supp	163	265	(38.6)
Newspaper	3,980	407	809.6
Outdoor	237	812	(70.9)
Network TV	18,731	13,480	39.0
Spot TV	17,522	18,302	(4.3)
Network cable	310	2	NA
Network Radio	0	54	NA
Spot radio	1,378	2,059	(33.1)
Measured	51,517	42,309	21.8
Unmeasured	82,900	68,100	21.7
Total	134,417	110,409	21.7

CPC International, which introduced reduced-calorie mayonnaise two years ago, continues to ride the health trend with the 1989 launch of a cholesterol-free mayonnaise.

The company, which notes that fewer new products are in the pipeline even though it offered 200 new products and line extensions in 1988, is banking on another winner. Hellmann's and Best Foods reduced-calorie mayonnaise have built a 9% share in the U.S. mayonnaise market since introduced in 1987.

The Hellmann's brand currently holds a 50% share (equal to its record 1987 fig-

Top 25 network TV advertisers

Rank	Advertiser	Network TV expenditures '88	'87	% chg	as % of co.'s '88 ad total
1	General Motors Corp.	$443,402	$272,953	62.4	34.3
2	Philip Morris Cos.	388,602	376,628	3.2	18.9
3	Procter & Gamble Co.	370,175	377,552	(2.0)	24.6
4	Kellogg Co.	297,740	237,985	25.1	43.6
5	McDonalds Corp.	245,389	216,067	13.6	33.7
6	Anheuser-Busch Cos.	207,278	186,948	10.9	32.7
7	Unilever NV	189,652	213,481	(11.2)	31.2
8	Ford Motor Co.	175,688	161,177	9.0	30.8
9	RJR Nabisco	174,002	209,777	(17.1)	21.4
10	American Telephone & Telegraph	173,912	146,418	18.8	31.8
11	Johnson & Johnson	167,276	181,999	(8.1)	35.7
12	American Home Products Corp.	163,363	182,057	(10.3)	41.5
13	Chrysler Corp.	163,021	151,569	7.6	34.4
14	Pepsico Inc.	145,048	140,342	3.4	20.4
15	Eastman Kodak Co.	144,751	145,961	(0.8)	19.7
16	General Mills	137,450	133,724	2.8	29.2
17	Quaker Oats Co.	123,327	104,107	18.5	29.1
18	Bristol-Myers Squibb	121,265	137,519	(11.8)	28.2
19	Coca-Cola Co.	119,091	92,360	28.9	30.9
20	Warner-Lambert Co.	111,072	102,472	8.4	18.2
21	Nestle SA	109,496	115,403	(5.1)	19.1
22	Grand Metropolitan PLC	102,009	122,205	(16.5)	13.2
23	Sears, Roebuck & Co.	97,361	89,973	8.2	9.3
24	SmithKline Beecham	93,651	81,756	14.5	35.4
25	Honda Motor Co.	91,884	78,065	17.7	37.8

Note: Dollars are in thousands. Source: Leading National Advertisers/Arbitron.

AA chart: Kevin Brown

ure), with Kraft at 23% (down 1%). In sandwich spreads, however, Kraft commands 54.6% as well as 92% of the spoonable salad dressing, according to Jane Shickich, analyst with Prudential Bache.

Overall mayonnaise ad spending rose 12.7% to $13.5 million, according to LNA/Arbitron. Hellmann's Light garnered $10.2 million, a 154% increase, with Hellmann's regular dropping 67% to $2.4 million.

After a big drop in media spending for Mazola products in 1987, CPC expanded the brand's media budget by 20 times to $10.6 million. A large part of the increase was $3.4 million in support of its new Mazola light corn oil spread.

Ms. Shickich reported corn oil shares holding steady: Mazola carries 15.7% of the market (down from 16%); Procter & Gamble's Crisco 18.2% (down from 18.3%) and Beatrice Cos.' Hunt-Wesson Foods' Wesson Oil 17.9% (down from 18.6%).

Mazola light spread, 30% of the Mazola margarine business, generated a share growth of 25% for total Mazola margarine line, according to the company. Ms. Shickich places Mazola with a 2.8% share, behind Parkay 18%, Lever Bros. 25.8% and Nabisco 26.4%.

CPC's Knorr line of soups, sauces and bouillons introduced the Delicias de Mexico line and opened a plant in Asheboro, N.C., to produce its soups and sauces previously imported from Switzerland.

Best Foods Baking Group's Thomas' English muffins ranks as the No. 1 English muffin, with a 32% share. Ad outlay for Thomas' grew 17.5% to $5.7 million. New bakery products introduced regionally were: Brownberry light bread, two new English muffin varieties and Sahara Pita bread.

Mueller's introduced four new pasta shapes, additional flavors of Mueller's Salad Bar Pasta and a Chef Series line of pasta side dishes. Ad spending for Mueller's was down 57%, according to LNA/Arbitron, largely due to a decline of 76% to $1.5 million in spending for Salad Bar Pasta Mixes. Mueller's share of the pasta market dropped slightly from 15% to 14% while Borden's remained at 31% and Hershey's rose one share point to 18%.

After 10 years of pushing a nutrition image, Skippy peanut butter opted for a strategy to broaden the products usage. Network TV commercials now revel in the fun of "Skippy Dippin' "—use of peanut butter as a dip for such snacks as pretzels. BBDO Worldwide, New York, won the account from Saatchi & Saatchi. Ad spending for the brand remained stable at $5.7 million.

Ms. Shickich said Skippy, market leader until five years ago, has 22.2% of the market (down from 23%), Jif leads at 30.2% (up from 29%) and Peter Pan comes in with 15.3% (from 15%). Skippy is continuing expansion into the Southeast with a special, sweeter product formulation. Overall, volume increased 8%.

CPC continued to expand production and brands abroad. It also acquired four companies in 1988 and six in early 1989. The company drew 57% of its sales from abroad in 1988.

CPC INTERNATIONAL
International Plaza
Englewood Cliffs, N.J. 07632
(201) 894-4000

Best Foods
Englewood Cliffs, N.J.
Corporate personnel: Robert J. Gillespie, president.

Best Foods
Grocery Division
Corporate personnel: Lawrence K. Hathaway, president.
Marketing personnel: Jan A. van Amerongen, vp-mktg svcs; Stanley M. Hakmiller, vp-sales; Joan S. Dargery, Malcolm Fletcher, vps-business unit dirs; Sue B. Huffman, dir-consumer affairs; Aaron Straus, dir-info & mktg rsch; Robert T. Viscardi, media dir.
Brands/services by agency of record:
Hellmann's/Best Foods mayonnaise
Ad agency: Saatchi & Saatchi Advertising, New York: Ray Caro, mgmt dir; David Srere, mgmt super; Vicki Sherman, acct super; Jodie Glasser, acct exec.

■

Hellmann's/Best Foods mayonnaise-Hispanic adv
Ad agency: Conill Advertising, New York: Liz Castelis, vp.

■

New prods
Ad agency: Drossman, Lehmann, Marino, New York: Neil Drossman, Charles Lehmann, Domenick Marino, partners.

■

Skippy
Mueller's new pasta prods
Ad agency: BBDO, New York: Anthony Brescia, mgmt super; John Berg, acct super; Liza Zilkha, Matt Dodds, acct execs.

■

Argo corn starch
Golden Griddle syrup
Mazola corn oil
Mazola light spread
Mazola margarine
Ad agency: Saatchi & Saatchi Advertising, New York: Ray Caro, mgmt dir; David Srere, mgmt super; Mitch Roberts, acct super; Lauren Mendla, Riccardo Ferrais, acct execs.

■

Mazola corn oil-Hispanic adv
Ad agency: Bravo Group, New York: Daisy Exposito, sr vp.

■

Mazola corn oil
Ad agency: Medicus Intercon, New York: Jennifer Grenblatt, acct super.

Best Foods Affiliates Group
Corporate personnel: Michael Bevilacqua, president.

CPC Food Service
Corporate personnel: Albert A. Witz, president.
Marketing personnel: Robert J. Nemec, vp-mktg & sales; Mike Taylor, mktg mgr; Donna Micali, prod mgr.
Brands/services by agency of record:
Argo
Hellmann's/Best Foods mayonnaise
Karo
Knorr prods
Mazola oil
Skippy peanut butter
Thomas' English muffins
Ad agency: Cato Johnson/Y&R, New York: Wendy Forman, mgmt super.

Knorr Special Products
Corporate personnel: Nina Z. Henderson, president.
Marketing personnel: Bruce Hillenbrand, mktg dir; Charles Lloyd, prod mgr.
Brands/services by agency of record:
Knorr bouillons
Ad agency: Font & Vaamonde Associates, New York: Pedro Font, president.

■

Knorr soups, sauces, bouillons
Rit dye
Ad agency: Warwick Advertising, New York: Walter Berwick, mgmt super; Marjorie Miller, acct super; Ann Maldonado, acct exec.

Best Foods Baking Group
Fairfield, N.J.
Corporate personnel: Robert B. Snyder, president.
Marketing personnel: Donald Berman, vp-business mgmt; Brian Anderson, vp-genl mgr, dry prods.
Brands/services by agency of record:
Arnold breads, rolls
Arnold croutons & stuffing
Brownberry breads
Devonshire Melba prods
Old London Melba prods
Ad agency: North Castle Partners, Greenwich, Conn.: Charlie Ballard, acct super.

■

Thomas' English muffins
Ad agency: Backer Spielvogel Bates Worldwide, New York: Dana Tower, mgmt super; Susan Rudolph, acct super.

RANK **47**

Dayton Hudson Corp.

Minneapolis
ADVERTISING: $230.2 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	12,204	10,677	14.3
Earnings	287	226	25.9
Division sales	**1988**	**1987**	**% chg**
Target	6,331	5,306	19.3
Mervyn's	3,411	3,183	7.2
Department stores	1,883	1,552	9.1
Lechmere	769	636	20.9

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	219	215	2.0
Newspaper	90,630	81,082	11.8
Outdoor	184	252	(27.1)
Spot TV	27,932	36,310	(25.6)
Spot radio	5,732	4,647	23.3
Measured	123,796	122,486	1.1
Unmeasured	106,400	105,300	1.1
Total	230,196	227,886	1.1

Dayton Hudson Corp., after ending its earnings slide in 1988, is concentrating on its three main apparel businesses representing 591 stores.

Not included in that picture is Lechmere's, a 27-store chain Dayton Hudson has agreed to sell to Berkshire Partners. An appliance, consumer electronics and leisure-time equipment store chain, Lechmere's spent $14.8 million in measured media in 1988, up from only $4.8 million in 1987, according to LNA/Arbitron. Its advertising is part of the Dayton Hudson composite in this issue.

Dayton Hudson also discontinued last year its Branden's home furnishing test concept of nine stores and absorbed $35 million of expense.

Dayton Hudson's measured ad spending remained flat in 1988 as a 12% boost in national newspaper advertising canceled out declines in spot TV and outdoor spending.

The company's strongest division remains Target, its upscale discounter. Target is making its presence felt in new markets in the Pacific Northwest and entered the Southeast as part of a 60-store expansion this year.

Apart from media advertising, Target is sponsoring the Trans-Antarctica Expedition of Will Steger, which began this August and is scheduled to conclude in March 1990. Over 300 products, ranging from camping equipment to plush animals themed to the trip, are being carried by Target. A Christmas promotion in 1988 featured Aretha Franklin.

Target got $41.6 million in measured advertising in 1988, down 8%, according to LNA/Arbitron.

A prototype for remodeled stores was introduced at Mervyn's, which opened 14 stores in 1988. Eight more new stores are planned for this year. In-store graphics were sharpened and private-label merchandise continued to be upgraded. Mervyn's attracted $35.3 million in media spending, down 17.5%, according to LNA/Arbitron.

Dayton Hudson Department Store turned around a disappointing showing in 1987 although the division, which operates two stores, Dayton's and Hudson's, continues to face tough competition on its Minneapolis home turf. Last year, Carson Pirie Scott & Co., Saks and Polo entered that market, which also is set to get Bloomingdale's, Nordstrom and Neiman-Marcus stores.

Last year the department store broke its first TV image campaign, themed "Dayton's knows you." Spending on TV, however, remained only a blip on the $10.2 million (up 9.7%) in total measured spending screen monitored by LNA/Arbitron. Virtually all was in national newspapers. Hudson's outspent Dayton's with $12.1 million in media, up 14%.

Two employees from Campbell-Mithun-Esty, the agency that handled the account, have opened an in-house agency, Pigeon Productions. This gives the division greater creative control and cuts through the agency approval process, says Jack Mugan, DHDSC's director of creative services. Robert Thacker also moved over from Campbell-Mithun-Esty to join Target in April as VP-marketing.

The division also cut back its promotional advertising to center on regular-price merchandise, and increased the number of pages in "roto mags" the company produces and newspaper inserts, as opposed to running ROP.

DAYTON HUDSON CORP.
777 Nicollet Mall
Minneapolis, Minn. 55402
(612) 370-6948

Dayton Hudson Department Store Co.
Minneapolis
Marketing personnel: Stuart Widdess, sr vp-mktg; Daniel Stroman, dir-adv production; Jack Mugan, dir-creative svcs; Karen Bohnhoff, sr vp-trend dir.
Corporate media buying: Haworth Group, Minneapolis: Dale Haworth, president; Claude Steven, exec vp.
Brands/services by agency of record:
Dayton Hudson department stores
Ad agencies: (In-house): Pigeon Productions: Gary Jensen, president; Kate Stanford, vp.
Brogan Kabot, Detroit: Marci Brogan, president.

Mervyn's
Hayward, Calif.
Marketing personnel: Susan Sprunk, vp-sales promo; Pat Holt, dir-creative adv; Ruth Lindley, dir-media planning & operations.
Brands/services by agency of record:
Mervyn's
Ad agency: Cohen & Johnson, Los Angeles: Howie Cohen, chmn-creative dir; Mark Johnson, president.

Target Stores
Minneapolis
Marketing personnel: John Pellegrene, sr vp-mktg; Robert Thacker, vp-mktg.
Brands/services by agency of record:
Target stores
Ad agency: Ruhr/Paragon, Minneapolis: Chuck Ruhr, president.

RANK **96**

Delta Air Lines

Atlanta
ADVERTISING: $112.6 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	6,915	5,318	30.0
Earnings	307	264	16.3

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	589	1,092	(46.0)
Newsp supp	0	0	NA
Newspaper	25,326	21,135	19.8
Outdoor	1,329	1,360	(2.3)
Network TV	23,143	14,030	64.9
Spot TV	6,617	12,901	(48.7)
Synd TV	127	0	NA
Network cable	1,602	3,245	(50.6)
Spot radio	19,946	19,671	1.4
Measured	78,680	73,435	7.1
Unmeasured	33,900	31,700	6.9
Total	112,580	105,135	7.1

Delta Air Lines is climbing to new heights on the strength of an expanding route structure, marketing partnerships and a costly strike at Eastern Air Lines, its principal competitor in the southeastern U.S.

Delta was the big winner from a strike at Eastern that began March 4, 1989. The strike crippled Eastern as it dragged on through key vacation travel months. In Atlanta, where both carriers have hub operations, Delta's share grew to 73% of 9.9 million emplanements during the first six months of 1989, compared with Eastern's share of 11.4% for the same period.

Delta benefited in 1988 from improved media buying efficiencies as a result of the April 1987 operational merger with Western Airlines. The $787 million buyout of Los Angeles-based Western gave Delta immediate strength west of the Mississippi River. It added 44 cities to Delta's route system, including hubs at Los Angeles and Salt Lake City, and added important new markets, such as Mexico, Hawaii, Alaska and western Canada.

The merger made Delta the nation's third-largest air carrier. Through the first seven months of this year, Delta's RPM share was 15.3% compared to 13.1% in the same period in 1988. No. 1 American Airlines was 18.7%, up from 16.2%, followed by No. 2 United Airlines at 17.6%, down from 17.8%, according to PaineWebber. RPM is a standard measure of revenue gained by carrying one paying passenger one mile.

Better U.S. coverage has enabled Delta to shift media spending away from spot TV in favor of image-oriented network TV. Network TV jumped 65% in 1988 to $23 million, while spot TV spending fell to $6.6 million in 1988, down 94%, according to LNA/Arbitron.

"We've always done network TV, but our spending is much more efficient today because Delta now covers the entire country," says Judy Jordan, assistant VP-advertising and sales promotion.

Delta's newspaper spending of $25.3 million, up 21%, is primarily image, not fare-related, she adds. However, Delta does promote fare-related ads in magazine and Sunday supplements as part of its "Dream Vacations" program.

Joint marketing efforts took on greater significance at Delta last year. A June 1988 agreement to become the official carrier of Anaheim, Calif.-based Disneyland is estimated to have cost Delta some $40 million.

But Delta used the agreement to develop an in-park promotional exhibit that was launched in April 1989, with consumer and travel agency sweepstakes and national advertising. A similar exhibit opened in October 1988, at Disney World in Orlando, where Delta also is believed to have paid about $40 million in 1987 to become that park's official carrier, replacing Eastern, which had held the contract for 15 years.

Delta is intensifying its international

Top 25 spot TV advertisers

Rank	Advertiser	Spot TV expenditures 1988	1987	% chg	as % of co.'s '88 ad total
1	Pepsico Inc.	$257,957	$271,069	(4.8)	36.2
2	Procter & Gamble Co.	222,883	238,049	(6.4)	14.8
3	Philip Morris Cos.	157,578	176,159	(10.5)	7.7
4	General Mills	145,945	135,805	7.5	31.0
5	Grand Metropolitan PLC	130,339	142,005	(8.2)	16.8
6	McDonald's Corp.	128,102	129,010	(0.7)	17.6
7	General Motors Corp.	115,286	103,522	11.4	8.9
8	Anheuser-Busch Cos.	87,486	83,750	4.5	13.8
9	Hasbro Inc.	78,681	72,148	9.1	47.8
10	Time Warner	78,368	79,345	(1.2)	19.1
11	Hyundai Group	73,305	76,587	(4.2)	35.8
12	Nestle SA	69,152	62,743	10.2	12.1
13	Ford Motor Co.	68,885	50,292	37.0	12.1
14	Toyota Motor Corp.	68,582	66,294	3.5	25.1
15	Nissan Motor Co.	64,147	43,593	47.2	28.5
16	Walt Disney Co.	62,955	54,415	15.7	20.9
17	Coca-Cola Co.	56,126	65,847	(14.8)	14.6
18	Kellogg Co.	53,287	61,925	(13.9)	7.8
19	American Stores Co.	51,416	46,228	11.2	20.5
20	Adolph Coors Co.	50,533	23,770	112.6	25.2
21	Unilever NV	49,944	58,555	(14.7)	8.2
22	Chrysler Corp.	45,535	45,300	0.5	9.6
23	News Corp.	45,355	47,529	(4.6)	32.6
24	Imasco Ltd.	43,828	43,346	1.1	48.3
25	Nynex Corp.	42,412	33,783	25.5	26.4

Note: Dollars are in thousands. **Source:** Leading National Advertisers/Arbitron.

AA chart: Kevin Brown

presence with new routes introduced to Dublin in June 1988, Taipai in fall 1988, Frankfurt in June 1989 and one-stop European routes, such as London-Hamburg in May 1989. Delta is planning service to Bangkok, Thailand in December 1989.

As part of this effort, Delta established joint marketing agreements in 1989 with Swiss Air and with Singapore Airlines to coordinate flight schedules and to improve opportunities for connecting passenger and cargo service, says Bob Coggin, Delta's VP-marketing development.

DELTA AIR LINES
Hartsfield Intl Airport
Atlanta, Ga. 30320
(404) 765-2600

Marketing personnel: W. Whitley Hawkins, sr vp-mktg; R.W. (Bob) Coggin, vp-mktg devel; Al H. Kolakowski, vp-sales; Cal Rader, vp-mktg automation; Harold Achtziger, vp-intl; Marcey McCann, asst vp, reservations sales; Judy Jordan, asst vp-adv & sales promo; Matt Guilfoyle, dir-consumer mktg; Harry Dunham, dir-industry mktg; Russ Gariota, dir-field mktg; Sandy Rowan, mgr-adv; Kathy Field, staff mgr-adv & promo; Jon Proctor, system mgr-promo.

Brands/services by agency of record:
Delta Air Lines

Ad agency: BBDO, Atlanta: Don Mitchum, president; Jack Walz, exec vp-worldwide acct dir; Jim Garrison, sr vp-mgmt super, domestic; Mike DiPrima, vp-acct super; Marina Costarides, Ann Dillard, Diane Richardson, acct execs; Peter Shelton, sr vp-mgmt super, Intl; Chis Kean, vp-acct super.

RANK **34**

Walt Disney Co.

Burbank, Calif.
ADVERTISING: **$380.6 MILLION**

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	3,438	2,877	19.5
Earnings	522	445	17.4
Division sales	**1988**	**1987**	**% chg**
Theme parks, resorts	2,042	1,834	11.3
Filmed entertainment	1,149	876	31.2

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	21,722	6,837	217.7
Newsp supp	278	96	188.8
Newspaper	22,866	24,609	(7.1)
Outdoor	543	222	144.6
Network TV	34,179	19,326	76.9
Spot TV	62,955	54,415	15.7
Synd TV	3,565	1,511	135.9
Network cable	2,351	1,672	40.6
Network Radio	687	0	NA
Spot radio	7,137	14,770	(51.7)
Measured	156,281	123,458	26.6
Unmeasured	144,300	114,000	26.6
Total	300,581	237,458	26.6

Walt Disney Co.'s purchase of Henson Associates late last month, bringing Miss Piggy, Kermit the Frog, Gonzo and Fozzie Bear into the Disney playpen, characterized the Midas touch of Disney's Chairman-CEO Michael Eisner.

Earlier, Mr. Eisner announced plans to double the size of the entertainment portion of the Walt Disney World-MGM Studios attraction, which opened this May in Orlando.

And while many Hollywood studios have cut back production, last fall Disney announced it was launching a new film company, Hollywood Pictures, slated to produce up to 12 movies a year by 1992. Additionally, Disney increased its consumer products revenue base by 25%, with the acquisition of catalog marketer Childcraft Inc. in 1988.

The company is energetically pursuing cross-promotional opportunities, of which the largest is a 15-year agreement signed in April whereby Eastman Kodak Co. will pay a multimillion-dollar fee to use Disney characters in its advertising and will be the sole supplier of film at Disney theme parks. The addition of the Muppets can only promote similar merchandising deals.

Disney's "Who Framed Roger Rabbit," which grossed $78 million in theatrical rentals was the No.1 movie last year. Other Disney winners were third-ranked "Good Morning, Vietnam" and sixth-ranked "Three Men and a Baby." They have grossed rental totals of $58.1 million and $36.3 million respectively, since their late-1987 releases, according to *Variety*.

Disney led *Variety's* studio ranking of theatrical rentals with a 20% share, up from a second-place 14% last year—and a 3% last place in 1985. Second-ranked Paramount Pictures had 16% and 20th Century-Fox and Warner Bros. were tied at 11%.

Measured advertising for the films totaled $65.4 million, up from only $13.7 million in 1987. The heaviest concentration was in spot TV.

Disney released 14 films in 1988, including the heavily-promoted "Roger Rabbit," which had measured spending of over $7 million, and "Oliver & Company," for which over $6 million was spent.

In home video, "Cinderella," promoted via a reported $25 million campaign, sold over 7 million copies, making it second only to "E.T.," and helping push Disney into first place in home video sales. Measured spending for home video advertising increased 78.1% to $12.4 million.

Subscriptions to the Disney Channel now top 4 million. Measured ad spending for the cable service totaled $5.4 million, up 71.9%.

Although Disney reports lower revenues from TV, it continues to have hits in the "Golden Girls" and "Empty Nest" on network TV, and the syndicated "DuckTales," "Win, Lose or Draw" and "Siskel & Ebert."

In December 1988 Disney took over KHJ-TV in Los Angeles, its first TV broadcast property acquisition.

Price increases resulted in an 11% increase in total revenue from the company's theme parks and resorts, which include Walt Disney World and Epcot Center in Florida, Disneyland in California and Tokyo Disneyland. Attendance was down 5%, however, compared to record levels attained in 1987 when Disney World ran a 15th anniversary promotion.

Measured advertising for Disney's U.S. theme parks, hotels and resorts totaled $54.7 million, up 45.1%.

On the promotion side, Disney touted Mickey Mouse's 60th birthday in 1988 with an estimated $100 million, the U.S. portion of which AA included in the estimated unmeasured spending for Disney.

In addition to enhancing its direct marketing posture via the Childcraft acquisition, the Disney catalog was sent to more than 8 million homes, compared to 2.8 million the year before. Disney also opened 10 more Disney retail stores, bringing its total to 13 with 100 planned by 1992.

WALT DISNEY CO.
500 S. Buena Vista St.
Burbank, Calif. 91521
(818) 560-1000

Walt Disney Studios
Marketing personnel: Jeffrey Katzenberg, chmn; Richard H. Frank, president; Bob Levin, president-worldwide mktg; Robert Jahn, sr vp-creative svcs; Gary Kalkin, sr vp-domestic mktg; Ed Pine, vp-publicity & promo.
Corporate media buying: Western International Media, Los Angeles: Dennis Holt, president.
Brands/services by agency of record:
Walt Disney Studios
Ad agency: (In-house): Robert Jahn, sr vp-creative svcs; Anthony Sella, vp-creative svcs.

Disney Consumer Products
Marketing personnel: Barton K. Boyd, president; Stephen B. McBeth, sr vp, US & Canada; Paul S. Pressler, vp, licensing.
Corporate media buying: Western International Media, Los Angeles: Dennis Holt, president.
Brands/services by agency of record:
Consumer products
Ad agency: Janklow-Bender & Associates, New York: Bruce Janklow, president.

Walt Disney Attractions
Marketing personnel: Richard A. Nunis, president; Tom Elrod, sr vp-mktg; Phil Lengyel, vp-mktg, Walt Disney World; Mike McPhillips, mgr-adv, Walt Disney World; Bob McTyre, vp-mktg, Disneyland; Jackie Schneider, temporary mgr-adv, Disneyland.
Corporate media buying: Western International Media, Los Angeles: Dennis Holt, president.
Brands/services by agency of record:
Attractions
Ad agency: (In-house): Vista Advertising: Mike McPhillips, mgr-adv, Walt Disney World; Jani Lopez-Mead, acting mgr-media, Disneyland.

Zsa Zsa lends TV glitter

Miss Gabor added sparkle to Noxell's Lestoil cleaner in '59 when it was the lone product of Leader, Adell Chemical Co.

RANK **62**

Dow Chemical Co.

Midland, Mich.
ADVERTISING: **$156.7 MILLION**

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	18,682	13,377	24.7
Earnings	2,398	1,240	93.4
U.S.	**1988**	**1987**	**% chg**
Sales	7,497	5,976	25.5
Operating income	1,746	1,037	68.4
Division sales	**1988**	**1987**	**% chg**
Chemicals	5,190	4,054	28.0
Plastics	6,938	5,301	30.9
Hydro-carbons	1,502	1,449	3.7
Consumer specialties	3,029	2,530	19.7

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	17,309	17,237	0.4
Newsp supp	379	332	14.2
Newspaper	5,773	80	7,106.6
Outdoor	76	49	54.6
Network TV	73,407	64,678	13.5
Spot TV	5,750	5,677	1.3
Synd TV	3,288	4,852	(32.2)
Network cable	5,766	2,132	170.5
Network Radio	2,154	6,423	(66.5)
Spot radio	1,828	433	322.1
Farm pub	2,542	1,488	70.9
Measured	118,270	103,380	14.4
Unmeasured	38,400	33,500	14.6
Total	156,670	136,880	14.5

When Dow lacks products to give it access or greater exposure in a market, it buys the access through acquisition or some form of partnership as it did in 1988 and 1989.

The biggest of current alliances came this July with the announced merger of Merrell Dow and Lakeside with Marion Laboratories to form Marion Merrell Dow Inc., an entity to be 67% owned by Dow Chemical. Sales are projected at about $1 billion higher than the present Dow Pharmaceutical's $1.3 billion, making it the 13th largest U.S. pharmaceutical marketer.

Marion brings to the union its big ethical drugs division headed by Cardizem, the leading U.S. cardiovascular drug, and Carafate, fastest-growing ulcer medication in 1988.

Merrell Dow's prescription drugs include Seldane non-sedating antihistamine and Lorelco cholesterol-lowering agent. Seldane G, with an added decongestant, is awaiting government approval.

Marion's OTC lineup includes Gaviscan antacid, OsCal calcium products, Gly-Oxide gel hydrogen peroxide and Debrox ear wax softener.

Lakeside markets Citrucel, which is No. 2 at a 6.9% share of the bulk laxative market behind Procter & Gamble's Metamucil, Cepacol, No. 5 in the mouthwash market at a 4.5% share behind Listerine, Scope, Plax and Listermint. It also markets Nicorette, a smoking-cessation product.

In April 1989, Dow and Eli Lilly & Co., the Indianapolis-based pharmaceutical and chemicals company, announced formation of a joint venture company, Dow Elanco Inc., to produce and market insecticides, weed killers and seeds.

Sales of $1.5 billion expected in its first year would make Dow Elanco the biggest in the $5 billion U.S. agri-chemicals market.

Dow joined forces with Exxon Chemical Co., a specialist in adhesives and sealants, in June 1988 to develop new products and expand markets. The 50/50 venture will develop and supply styrenic thermoplastic elastomers. Dow contributes the engineering and manufacturing; Exxon provides the worldwide marketing and applications savvy.

In October 1988, it purchased for $345 million Essex Chemical Corp., Clifton, N.J. Essex's Special Products subsidiary, an industry leader in auto sealants and adhesives, gives Dow sales access to 80% of the world auto industry including all U.S. auto makers.

During 1989, Lakeside Pharmaceutical's Nicorette smoking cessation gum ran the first known brand-specific advertising of a prescription drug, nicotine polacrilex, stating, "If you have a smoking problem, use Nicorette." These ads, by Rubin, Gace & Associates, New York, are limited to print because of the required explanation of side effects. TV messages for Nicorette still don't name it. The brand received about $6 million in U.S. ad spending. On a worldwide basis, its sales jumped 44% to nearly $100 million.

The other big chunk of consumer spending was for Dow Chemical's packaged consumer goods group now called DowBrands, which got $74.7 million in measured media, according to LNA/Arbitron.

Lamaur hair-care line, added in late 1987, gave Dow skills in marketing and distributing personal care products. Lamaur's advertising for 1988 brought another $13.6 million to the DowBrands' media budget.

Comparing existing home care and food care lines shows a combined 41% jump to $60.1 million, broken down into $34.8 million for home care (Texize and Fantastik cleaners among leading spenders) and $25.3 million for food care (Saran and Handi wraps and Ziploc bags).

For DowBrands, Henderson Advertising, Greenville, S.C., created an $18 million campaign to promote the food care division's introduction of Spiffits premoistened cleaning towels. The campaign, targeted to working women, began with TV spots in May 1989.

Ad spending for agricultural products eased up just 2% to a shade over $1.1 million in 1988 from a little more than $1 million in 1987, mostly for the pyridine-based herbicides and pesticides, such as Lorsban, used on cereals, forage crops and row crops.

Dow corporate advertising—the ". . . Lets you do great things" series in both the winter and summer Olympics—cost about $14 million.

DOW CHEMICAL CO.
2030 Willard H. Dow Center
Midland, Mich. 48674
(517) 636-1000

Corporate personnel: Paul F. Oreffice, chmn; Frank R. Popoff, president-ceo.

Dow Chemical USA
Corporate personnel: Keith R. McKennon, president; William S. Stavropoulos, group vp, plastics & hydrocarbons; Enrique J. Sosa, group vp, chemical & performance prods; Thomas K. Smith, vp, govt & public affairs; Richard K. Long, dir-corp comm; Richard F. Dalton, mgr-corp adv.
Brands/services by agency of record:
Corp programs
Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.: H.J. Hogan, sr vp-mgmt super; W.L. Gaer, vp-acct super.

Chemicals & Performance Products
Marketing personnel: John W. Tysse, vp-sales & mktg; Stewart D. Brown, dir-mktg, performance prods, latex & new ventures; Ron S. Ihrig, dir-mktg, separation systems; Ron E. Taylor, dir-mktg, chemicals & metals; Timothy W. Noonan, group mgr-comm; Joy B. Hutchinson, comm mgr, chemicals & metals; Terry F. McNeill, comm mgr, performance prods.
Brands/services by agency of record:
Chemicals & metals
Ad agency: Hoffman, York & Compton, Milwaukee: John Murphy, sr vp-acct group super; Reed Allen, sr vp-creative dir.
■
PR for-
Chemicals & metals
Performance prods
Latex prods
Ad agency: Gibbs & Soell, New York: Cos Malozzi, president; Richard Kerrigan, acct super.
■
Latex prods
Ad agency: Weller, Cook & Misamore Advertising, Grand Rapids, Mich.: Robert Cook, vp.
■
Performance prods
Separation systems
New ventures
Ad agency: Alexander Marketing Services, Grand Rapids, Mich.: Robert Milroy, president-acct group super; Richard Hill, vp-acct super; Christopher Beaudon, acct super.

Dow Plastics
Marketing personnel: Lee A. Schobe, vp-sales & mktg; Mike Butcher, dir-comm; Gordon E. Butte, Alan Ambrose, comm group mgrs; Michael G. Caparon, comm consultant; Richard J. Proskow, sr comm mgr.
Brands/services by agency of record:
Dow plastics
Ad agencies: Anderson & Lembke, Stamford, Conn.: Bob Lillienfeld, acct exec.
Alexander Marketing Services, Grand Rapids, Mich.: Robert Milroy, president-acct group super; Richard Hill, vp-acct super; Christopher Beaudon, acct super.
Jayme Organization, Cleveland: Lawrence Cavanaugh, exec vp.
Sefton Associates, Grand Rapids, Mich.: Gary Petertyl, sr vp.

Consumer Specialties
Agricultural Products
Marketing personnel: Robert C. Spears, mgr-mktg resources & comm; Jeff Reimer, mgr-mktg resources, industrial & specialty ma-

terials mktg comm; Ev Germon, mgr-mktg resources, agri-crop mkts; Jack D. Eadie, mgr-commercial pr & employee comm.

Brands/services by agency of record:

Infestational materials
Infestational vegitative mgmt
Small grains specialty crops

Ad agency: Bader Rutter & Associates, Brookfield, Wis.: Miller Hogan, acct super.

■

Midwestern agriculture
Coastal agriculture

Ad agency: Creswell, Munsell, Fultz & Zirbel, Cedar Rapids, Iowa: Randy Thompson, vp-acct super.

■

Media planning

Ad agency: Vitt Media, New York: F. Richard Olsen, vice chmn.

Merrell Dow Pharmaceuticals
Merrell Dow USA
Cincinnati

Marketing personnel: Vaughn Kalian, president; John Julian, vp-mktg; John Bruton, dir-adv.

Brands/services by agency of record:

Targocid
Lorelco

Ad agency: Bozell Healthcare, New York: Joyce Knapp, vp.

■

Allergy adv

Ad agency: Medicus Consumer Communications, New York: Joe Davis, exec vp-mng dir.

■

Seldane

Ad agency: Medicus Intercon, New York: Jennifer Greenblatt, vp-acct super.

■

Lorelco
Norpramin

Ad agency: (In-house): Merrell Dow, Cincinnati: John Bruton, dir-adv.

Lakeside Pharmaceuticals
Cincinnati

Marketing personnel: John Dishaw, president; George Quesnelle, dir-mktg; Ryan Abbate, adv mgr.

Brands/services by agency of record:

Cepacol Gold
Cepacol Mint
Citrucel
Novahistine

Ad agency: Rubin, Reed, Noto & Ehrenthal, New York: Herb Ehrenthal, acct super.

■

Nicorette

Ad agency: Rubin, Gace & Associates, New York: Francis Gace, exec vp-acct dir.

■

Bentyl
Singlet
Tenuate

Ad agency: (In-house): Lakeside, Cincinnati: Ryan Abbate, adv mgr.

DowBrands Inc.
Home Care Division
Greenville, S.C.

Marketing personnel: Jim Bernhardt, vp-mktg; John Borgo, group prod mgr, laundry prods; Mike Cooper, group brand mgr, hard surface cleaners; Rob Grant, vp-new prod devel.

Brands/services by agency of record:

Home Care div

Ad agency: Henderson Advertising, Greenville, S.C.: Mike Zeller, sr vp-group acct dir; Beverly Grant, sr vp-mgmt super; Rich Stoffer, vp-mgmt super; Mark Klein, vp-acct super; Erica Kieffer, acct super; Tom Dunn, acct exec.

Food Care Division
Indianapolis

Marketing personnel: Joe Bucci, vp-mktg; Steve Johnson, vp-new prod devel; Debi Burns, group brand mgr, wraps; Dennis Barsten, mgr, bags; Ann Kramer, adv mgr.

Brands/services by agency of record:

Food Care prods

Ad agency: Della Femina, McNamee WCRS, New York: Ed Pedeschi, exec vp, dir-acct svcs; Mike Jeary, exec vp-group acct dir; Phil Juliano, exec vp-mgmt super; Barbara Johnston, Nadine Saker, acct supers.

Personal Care Products
Minneapolis

Marketing personnel: Nina Diamond, vp-mktg; Peter Carey, group brand mgr.

Brands/services by agency of record:

Personal Care prods

Ad agency: Campbell-Mithun-Esty, Minneapolis: Howard Lixzt, sr vp; John Purdy, vp-mgmt super; Donna Wiederkehr, acct super.

RANK
86

Dr Pepper/ Seven-Up Cos.

[illegible]

ADVERTISING: $121.9 MILLION

U.S. advertising by media

($ in thousands)

Media	1988	1987	% chg
Magazine	977	263	272.0
Newsp supp	0	0	NA
Newspaper	1,446	1,927	(25.3)
Outdoor	532	560	(5.0)
Network TV	35,035	32,677	7.2
Spot TV	29,106	30,959	(6.0)
Cable TV	4,849	2,406	101.7
Network radio	414	103	301.6
Spot radio	5,101	4,729	7.9
Measured	79,147	76,421	3.6
Unmeasured	42,800	41,300	3.6
Total	121,947	117,721	3.6

Dr Pepper/Seven-Up Cos. will face two distinct challenges in the coming months: maintaining momentum for Dr Pepper brands and regaining momentum for 7UP products.

Although Dr Pepper Co. and Seven-Up Co. formally merged to become the nation's No. 3 soft drink company little more than a year ago, sales and marketing functions remain separate for the Dallas-based company.

Dr Pepper is coming off a record sales year with 13% overall sales increases in 1988. Regular Dr Pepper alone posted growth of 14.4% while Diet Dr Pepper was up 4.1%, according to John C. Maxwell, beverage analyst at Wheat First Securities.

The picture for 7UP products was bleaker. After record sales gains in 1987 led to a sharp turnaround, Seven-Up stumbled with the failure of spicy caffeinated 7UP Gold in 1988. Further, sales for 7UP last year were off 2.1% while Cherry 7UP was down 41.3%, according to Mr. Maxwell. Diet 7UP posted a slight 1.5% increase. Overall, sales dropped 6.1% in 1988 compared to the previous year.

Dr Pepper brands together account for a 4.8% share of the total 7.5 billion case soft drink category, and its Welch's grape juice line added another 0.5% giving the group a 5.3% share, up from 5.0% in the prior year, according to Mr. Maxwell. Regular Dr Pepper is the No. 5 selling brand with a 4.4% market share, and the top selling non-cola.

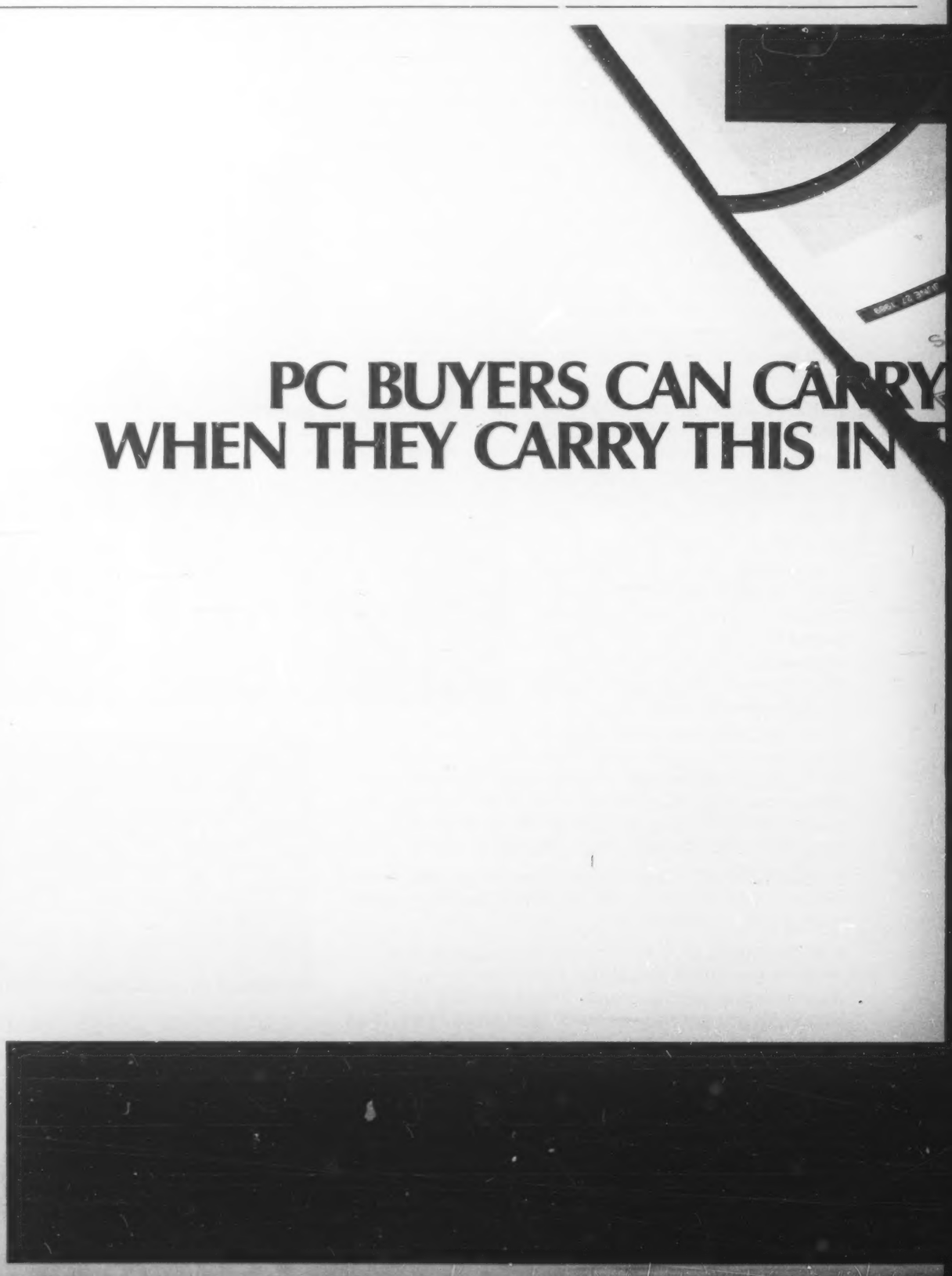
Seven-Up in late 1988 returned to a core brand focus with marketing emphasis on brand 7UP, Diet 7UP and Cherry 7UP. Its newest product, 7UP Gold, never grabbed hold nationally and basically has been dropped by most bottlers.

Ad dollars were directed 100% into network TV rather than local and regional buys—to achieve greater efficiencies and boost overall impact, according to Russ Klein, Seven-Up senior VP-marketing.

Olympic Gold Medal athlete Jackie Joyner-Kersee became spokeswoman for 7UP, Seven-Up continued to target children ages 6 to 12 with its "Spot" campaign, the animated character made from 7UP's red dot. Cherry 7UP also used its established "Isn't it cool in pink?" theme aimed at teens.

Early in 1989, Diet 7UP launched its own version of the cola wars: a campaign that poked fun at Coke and Pepsi advertising. The parody spots spoofed Coke's 3-D effort, the statistics game of how many people switched to which cola and the use of rock stars in commercials.

Seven-Up's overall market share slipped to 4.7% in 1988 from 5.2% in 1987, according to Mr. Maxwell. Brand 7UP dropped to the No. 8 position overall at a 3.1% share, edged out by Coca-



Cola's Sprite (No. 6) and Pepsi's Mountain Dew (No. 7). 7UP had been ahead of Mountain Dew in 1987.

"It's a daily vigil to hold our own when we have two giants that take aim directly against us," said Mr. Klein. "We want to continue to raise top-of-mind awareness for brand 7UP among teens and young adults."

DR PEPPER/SEVEN-UP COS.
8144 Walnut Hill Ln.
Dallas, Texas 75231-8144
(214) 360-7000

Marketing personnel: John Albers; president-ceo; True Knowles, Dr Pepper exec vp-coo; Dale Schaufel, Seven-Up exec vp-coo; John Clarke, Dr Pepper sr vp-mktg; Russ Klein, Seven-Up sr vp-mktg.

Brands/services by agency of record:
Dr Pepper
Ad agency: Young & Rubicam, New York: Bill Thompson, group dir; John Swan, mgmt super.

■

Seven-Up
Ad agency: Leo Burnett USA, Chicago: John Miller, exec vp; Jack Woods, vp-acct dir; Sue Matson, Peter Boczar, acct supers.

RANK **77**

E.I. du Pont de Nemours & Co.

Wilmington, Del.
ADVERTISING: **$131.4 MILLION**

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	32,917	30,468	8.0
Earnings	2,190	1,786	22.6
U.S.	**1988**	**1987**	**% chg**
Sales	20,021	18,817	6.4
Operating income	1,607	1,418	13.3
Division sales	**1988**	**1987**	**% chg**
Chemicals	4,701	3,979	18.1
Biomedical prods	1,330	1,266	5.1
Coal	1,757	1,770	(0.7)
Fibers	5,749	5,261	9.3
Ind. & consumer prods.	3,561	3,284	8.4
Petroleum exploration	1,878	2,066	(9.1)
Polymer prods	9,674	9,031	7.1
Polymer prods	4,267	3,811	12.0

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	34,676	41,676	(16.8)
Newsp supp	1,659	2,119	(21.7)
Newspaper	704	409	72.3
Outdoor	74	112	(33.9)
Network TV	31,418	26,603	18.1
Spot TV	11,867	9,351	26.9
Synd TV	203	436	(53.6)
Network cable	1,105	1,187	(6.9)
Spot radio	2,719	2,291	18.7
Farm pub	5,111	4,978	2.7
Measured	89,535	89,161	0.4
Unmeasured	41,900	41,700	0.5
Total	131,435	130,861	0.4

Du Pont, which will enter the Sears, Roebuck & Co. furniture showrooms this fall with a line of upholstered chairs and sofas, continued to spend heavily in 1988 to advertise its fiber lines and finishes.

The furniture line, branded Lasting Images, gives added value to the Du Pont product, Dymetrol, a high-tech seating-support material billed as six times more durable than the usual springs and webbing it replaces.

As part of the sales promotion for the line, model living rooms will be installed in 450 of the retailer's larger stores and in-store video monitors will play tapes explaining the product.

Du Pont continued strong support for its Stainmaster carpet, which had sales of over $600 million in 1988. Measured ad spending on Stainmaster climbed fivefold to $31.9 million. Stainmaster led the 13% surge in increased media advertising for all Du Pont carpet fibers.

Media spending for fabric treated with Teflon stain repellent rose 11.4% to $5.9 million; Lycra fiber advertising was down 53% to $4.7 million; Dacron fiber advertising was up 8.7% to $3 million, while general fiber advertising rose 10.5% to $2.9 million, according to LNA/Arbitron.

Demand for Spandex, a fiber used to make tight-fitting stretch clothing, has resulted in a 10% jump in the sales of Lycra, a Du Pont fiber critical to its manufacture. With estimated sales of $600 million for Lycra, Du Pont is the world's leading supplier. Analysts say Lycra is Du Pont's most lucrative product.

The textile fibers operation provided the training ground for Du Pont's new chairman-ceo, Edgar Smith Wollard Jr., who succeeded Richard E. Heckert last April. Mr. Wollard approved the decision years ago to advertise Du Pont fibers directly to the public. The move was costly, but eventually paid off.

Changes may be afoot at Conoco, Du Pont's energy operation that now accounts for 30% of Du Pont's sales, although only 16% of its profits. Some analysts predict a partial spinoff as a means to better control costs. Conoco is valued as a supplier of the raw materials for 70% of the company's products that are hydrocarbon-based.

Among Du Pont's move to expand its printing and imaging businesses have been joint ventures with Xerox Corp. to develop electronic proofing technology and with Toyo Ink Manufacturing Co. of Japan to market inks in North America.

In May 1989, Du Pont, the leading U.S. printing plate and chemical supplier, bought Howson-Algraphy, the leading British plate supplier, from Vickers PLC. Howson last year had sales of $300 million, making it the third-largest supplier of lithographic plates behind Japan's Fuji Photo Film Co. and West Germany's Enco-Hoechst.

During the year, Du Pont strengthened its ties with Young & Rubicam, its agency of record for automotive products, imaging systems and polymer products in the U.S. Du Pont tapped Y&R for its $4.2 million Du Pont Canada account. Y&R Detroit also opened a satellite office in Wilmington this year.

E.I. du PONT DE NEMOURS & CO.
1007 Market St.
Wilmington, Del. 19898
(302) 774-1000

Corporate personnel: Edgar S. Wollard Jr., chmn-ceo; Elwood P. Blanchard, vice chmn.
Marketing personnel: J.R. Malloy, sr vp-external affairs; R.E. Williams, mng dir-mktg comm; H.E. Davis, comm dir, auto prods, polymer prods, chemical & pigments, petrochemicals; J.M. Murray II, comm dir, electronics, imaging systems, medical prods; D.O. Nail, comm mgr, agricultural prods; R.W. Nightingale Jr., comm dir, fibers; L.C. Tashjian Jr., mng dir-public affairs, corp ads.
Brands/services by agency of record:
Polymer prods
Ad agency: N W Ayer, New York: Theodore M. Regan, exec vp.

■

Chemicals & pigments
Corp adv
Fibers
Ad agency: BBDO, New York: Arnold Ross, sr vp.

■

Medical prods
Ad agency: Barnum Communications, New York: Peter Neaman, sr vp.

■

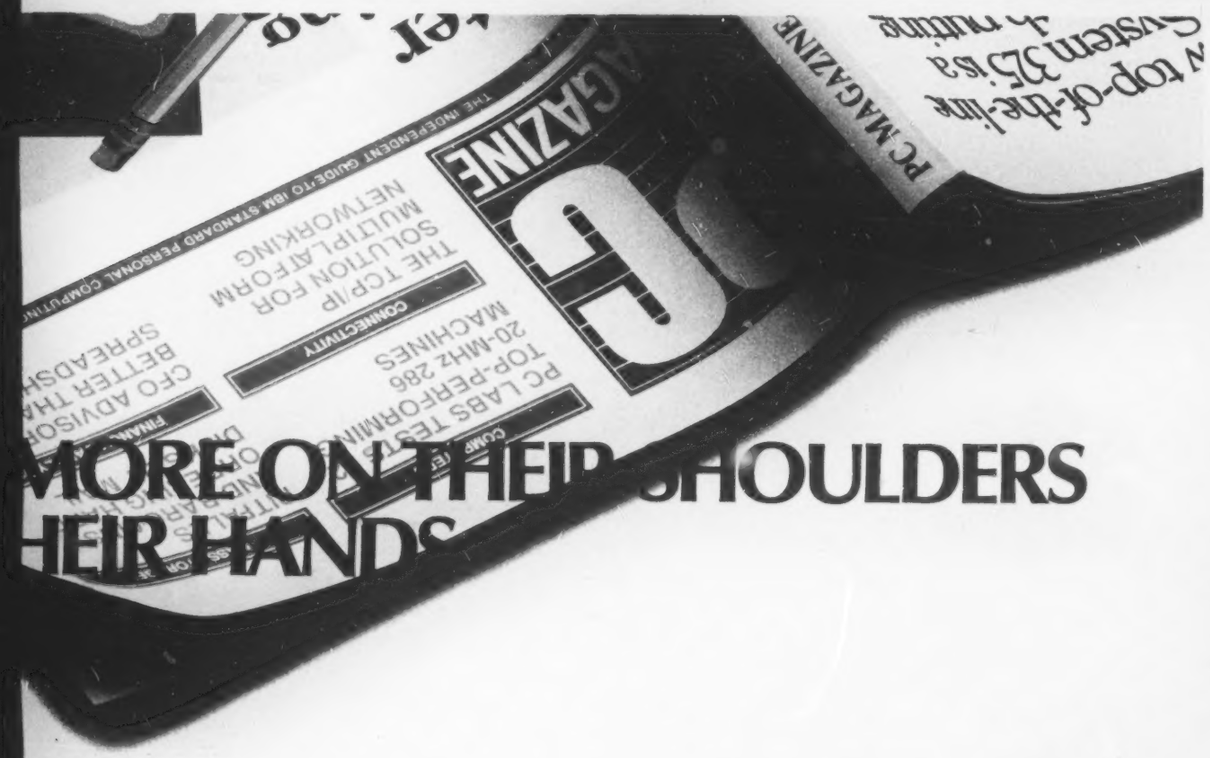
Electronics
Ad agency: Ketchum Communications, Philadelphia: Scott Franks, sr vp.

■

Hotel du Pont
Ad agency: Reese, Tomanes & Ellick, Wilmington, Del.: Alan B. Poland, sr vp.

■

Polymer prods
Ad agency: Richardson, Myers & Donofrio,


MORE ON THEIR SHOULDERS
HEIR HANDS
PC MAGAZINE
THE INDEPENDENT GUIDE TO IBM-STANDARD PERSONAL COMPUTING
THE TCP/IP SOLUTION FOR MULTIPLATFORM NETWORKING
CONNECTIVITY
PC LABS TESTED TOP-PERFORMING 20-MHz 286 MACHINES
PC MAGAZINE
Top-of-the-line System 35 is a nullity

PC MAGAZINE

Top 25 syndicated TV advertisers

Rank	Advertiser	Syndicated TV expenditures 1988	1987	% chg	as % of co.'s '88 ad total
1	Philip Morris Cos.	$88,592	$64,200	38.0	4.3
2	Procter & Gamble Co.	60,899	48,910	24.5	4.0
3	Bristol-Myers Squibb	32,647	27,455	18.9	7.6
4	Unilever NV	26,959	30,836	(12.6)	4.4
5	Nestle SA	26,644	17,599	51.4	4.6
6	Mars Inc.	23,780	12,996	83.0	7.0
7	Kellogg Co.	23,376	21,733	7.6	3.4
8	Grand Metropolitan PLC	21,808	16,611	31.3	2.8
9	Hasbro Inc.	21,103	14,836	42.2	12.8
10	Warner-Lambert Co.	19,565	14,119	38.6	3.2
11	Coca-Cola Co.	18,952	10,264	84.6	4.9
12	Quaker Oats Co.	18,414	18,150	1.5	4.3
13	SmithKline Beecham	17,851	15,260	17.0	6.8
14	H.J. Heinz Co.	17,111	15,439	10.8	5.0
15	Eastman Kodak Co.	16,946	13,533	25.2	2.3
16	RJR Nabisco	15,146	19,138	(20.9)	1.9
17	Lee Pharmaceuticals	13,575	NA	NA	NA
18	Hershey Foods Corp.	13,180	14,280	(7.7)	4.4
19	Johnson & Johnson	12,810	13,727	(6.7)	2.7
20	McDonald's Corp.	12,516	7,603	64.6	1.7
21	Wm. Wrigley Jr. Co.	10,449	6,096	71.4	7.8
22	Tonka Corp.	10,100	18,123	(44.3)	12.2
23	Anheuser-Busch Cos.	9,757	5,146	89.6	1.5
24	Ralston Purina Co.	9,328	8,895	4.9	2.2
25	Clorox Co.	9,278	8,835	5.0	6.3

Note: Dollars are in thousands. Source: Leading National Advertisers/Arbitron.

AA chart: Kevin Brown

Baltimore: Jamie Rice, exec vp.

■

Agricultural prods
Chemicals & pigments
Fibers
Petrochemicals

Ad agency: Rumrill-Hoyt, Rochester, N.Y.: Richard Thomson, chmn-ceo.

■

Medical prods

Ad agency: Sutton Communications, New York: Steve Spittel, sr vp.

■

Automotive prods
Imaging systems
Polymer prods

Ad agency: Young & Rubicam, Detroit: Dan Wagner, sr vp-mgmt super.

RANK **7**

Eastman Kodak Co.

Rochester, N.Y.

ADVERTISING: $735.9 MILLION

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	17,034	13,305	28.0
Earnings	1,397	1,178	18.6
U.S.	**1988**	**1987**	**% chg**
Sales	10,024	8,040	24.7
Operating income	1,957	1,317	48.6
Division sales	**1988**	**1987**	**% chg**
Imaging	10,575	9,711	8.9
Chemicals	3,033	2,600	16.7
Health	3,691	1,230	200.1

U.S. advertising by media

($ in thousands)

Media	1988	1987	% chg
Magazine	31,943	32,884	(2.9)
Newsp supp	3,125	1,232	153.6
Newspaper	7,546	2,092	260.7
Outdoor	557	1,096	(49.2)
Network TV	144,751	145,961	(0.8)
Spot TV	21,239	15,000	41.6
Synd TV	16,946	13,533	25.2
Network cable	11,387	7,989	42.5
Network Radio	4,725	3,941	19.9
Spot radio	1,826	960	90.3
Farm pub	0	247	NA
Measured	244,045	224,935	8.5
Unmeasured	491,900	453,400	8.5
Total	735,945	678,335	8.5

Eastman Kodak Co., with a string of moves to reduce debt and overhead costs already under its belt, said in August 1989 it would trim the fat again. It plans to eliminate 4,500 jobs worldwide by yearend and sell off some unidentified businesses. The company also reported it would reduce ad spending, though it vowed "we will not jeopardize our clout in the marketplace."

Kodak earlier said it might renegotiate its major agencies' compensation agreements to include bonus incentives. J. Walter Thompson USA handles film and media buying; Young & Rubicam handles cameras. The incentive plan would not apply to agencies for Kodak's Sterling Drug subsidiary.

Kodak's media buying clout got a huge boost with its $5.1 billion purchase of Sterling in February 1988. Sterling, the larger advertiser of the two, spent over $150 million in measured media in 1988, according to LNA/Arbitron.

Kodak said disappointing second-quarter 1989 financial results—net income was down 85%—led to the latest restructuring, which Kodak claims will generate up to $1 billion in operating cash flow during 1990.

But that cash, and possibly more, could flow into the pockets of Polaroid Corp. which won a lawsuit in U.S. District Court in Boston against Kodak for infringing on seven of its instant-photography patents. Damages have not yet been determined, but Kodak's payoff has been estimated to be over $1 billion.

The company said it will increase in ad spending for film by 25%, partly to back the U.S. introduction of Ektar. Kodak spent about $35 million in measured media on film in general in 1988, LNA/Arbitron reported. Ektar will receive ad backing of $17 million in 1989.

Kodak said the sweeping restructuring and future efforts will not affect its major sponsorship deals signed this year. It signed a multi-million, 15-year deal with Walt Disney Co. becoming the official supplier of photographic products to Disney theme parks. This year Kodak was the second advertiser to sign on as a worldwide sponsor of the 1992 Olympics.

Kodak also said new product development has not and will not be slowed as a result of ongoing cost reductions. As evidence, Ektar was only one of 80 new or improved products to emerge in 1988 from Kodak. Other entries include three new models of it S-Series 35mm camera line, its first weatherproof 35mm camera, Ektachrome 100 HC film and Kodachrome 200 film.

Perhaps the most significant development this year in the U.S. conventional film market was the emergence of a new competitor, Polaroid Corp., which entered the $2 billion U.S. amateur-conventional film market in April with OneFilm, a single-speed, 35mm film backed by $30 million in advertising and promotional spending.

And while Kodak virtually owns the conventional film market with an estimated 80% share, analysts say Polaroid has a good shot at whittling away at No. 2 Fuji Photo Film USA's 10% share.

Kodak's Sterling Drug subsidiary, like other aspirin marketers, scurried in 1988 to take advantage of reports showing aspirin use may lower the incidence of heart attacks in healthy men.

Glenbrook Laboratories, the Sterling division that markets OTC drugs including Bayer aspirin, ran ads touting the findings, but under regulatory pressure Glenbrook and others softened their claims. The Bayer line got nearly $35 million in measured media in 1988, up 35%.

Expected sales gains for aspirin failed to materialize and this year aspirin marketers, including Glenbrook, shifted strategies to reemphasize pain relief in ads. Currently, in the aspirin segment of the $2.4 billion analgesic category, Bayer leads the market with a 7% share, with American Home Products' Anacin a close second at 6%, according to Kline & Co., pharmaceutical consultants. Bristol-Myers Excedrin and Bufferin brands rank third and fourth, each with about 5% of the market.

Besides slight gains in Bayer's market share, Glenbrook's U.S. sales also were paced by improved performances from three other brands: Midol menstrual pain-relief got $5.7 million in media, down 36%; Campho-Phenique topical antiseptic received $3.7 million, up 43% and Stri-Dex medicated pads got $5.1 million, up 53%, reported LNA/Arbitron.

Sterling says its Winthrop Pharmaceuticals division "will produce a flow of new ethical drug products by the mid to late 1990s." One such drug under development is Primacor in oral form. The drug is used for treatment of congestive heart disease.

Sterling's household division, Lehn & Fink, introduced new products and line extensions to such mainstay products as Lysol disinfectants and d-Con insecticides. The Chubs baby-wipe line was expanded as was the Lysol line which now includes a light scent spray.

EASTMAN KODAK CO.
343 State St.
Rochester, N.Y. 14650
(716) 724-4000

Corporate personnel: Colby H. Chandler, chmn-ceo; Kay R. Whitmore, president-exec officer; J. Phillip Samper, vice chmn-exec officer.

Operating Business Groups
Commercial & Information Systems

Corporate personnel: Lawrence J. Matteson, group vp-genl mgr; Edgar J. Greco, vp-genl mgr, business imaging systems div; Edward V. Ince, vp-genl mgr, customer equipment svc; Charles L. Trowbridge, vp-genl mgr, copy prods div; Gary H. Connors, vp-genl mgr, federal systems div; C. Harold Gaffin, vp-genl mgr, graphics imaging sytems div.

Diversified Technologies/Life Sciences

Corporate personnel: Frank P. Strong Jr., group vp-genl mgr; Dennis M. DeLeo, vp-genl mgr, bioscience/emerging business div; John R. Zeman, vp-genl mgr, clinical prods div; Robert T. Hamilton, vp-genl mgr, health sciences div; Richard T. Bourns, genl mgr, mass memory div.

Photographic Products

Corporate personnel: Wilbur J. Prezzano, group vp-genl mgr; Peter M. Palermo, vp-genl mgr, consumer prods div; William P. McCarrick, vp-genl mgr, consumer svcs div; Joerg D. Agin, vp-genl mgr, motion picture & audiovisual prods div; Robert L. Smith, vp-genl mgr, photofinishing systems div; Raymond H. DeMoulin, vp-genl mgr, professional photography div; Robert C. Sharp, vp-genl mgr, US sales div.

Operating Support Units
Manufacturing/Distribution/Field Support

Corporate personnel: William F. Fowble, sr vp-genl mgr; Robert H. Graulich, vp-genl mgr, distribution; Frank D. Zaffino, vp-genl mgr, Kodak Apparatus div; Ronald L. Heidke, vp-genl mgr, Rochester Sensitized Products Mfg; Vernon A. Dyke, vp-genl mgr, Sensitized Components Mfg; John J. Powers, vp-mgr, US Field Support.

Communications & Public Affairs

Corporate personnel: David J. Metz, vp-dir.

Marketing personnel: Richard S. Bartlett, vp, dir-mtkg comm.

Brands/services by agency of record:

Professional photography div
Motion picture/AV div
Electronic photography div
Consumer prods sales promo
Film trade
Camera trade
Photofinishing trade
Batteries trade

Ad agency: Rumrill-Hoyt, Rochester, N.Y.: Richard Thomson, chmn-ceo; Nick Orioff, president-coo; Tim Cronin, sr vp-creative dir; Gale Johnson, sr vp, dir-pr; Helen Hutchings, vp-assoc group mgr; Vicki Lewis, vp-assoc group mgr, acct super; Anita Dangel, acct exec.

■

Amateur film
Business & industrial
Photofinishing
Ultratch batteries

Ad agency: J. Walter Thompson USA, New York: Jerry Gottlieb, mgmt dir; Marty Susz, acct dir, film & photofinishing; Richard O'Leary, sr vp-acct super, film; John Mittnacht, sr acct super, photofinishing; Jeff Bodenmann, acct super, film; Libby Light, acct rep, film; Anna Suessbrick, acct rep, photofinishing & processing labs; Anna Marie Mor, acct coord, film, photofinishing & processing labs; Doug Foster, vp-acct dir; Robert Losi, sr acct super, business & industrial; Jill Jackson, acct rep, business & industrial; Marty Rose, sr vp-mgmt super, Ultratech; Mitchell Brooks, acct dir, Ultratech; Hunter Madsen, acct super, Ultratech; Susan Resnick, asst acct rep, Ultratech; Lynn Bishop, acct coord, Ultratech.

■

Cameras

Ad agency: Young & Rubicam, New York: Peter Georgescu, president; Roby Harrington, exec vp; Fernan Montero, group dir; Tim Fitzgerald, mgmt super; Jonas Wagner, acct super; Maritza Roche-Smith, acct exec.

Eastman Chemical Division

Corporate personnel: Ernest Davenport Jr., group vp-president; R. Wiley Bourne Jr., vp-asst genl mgr; James L. Chitwood, vp, dir-rsch & devel; Tom Nethery, vp-mfg.

Brands/services by agency of record

Eastman Chemicals div.

Ad agency: FCB/Leber Katz Partners, New York: John Adams, sr exec vp; Howard Berg, group mgmt dir; Jack Benoze, mgmt dir; Randie Goldstein, acct exec.

STERLING DRUG
90 Park Ave.
New York, N.Y. 10016
(212) 907-2000

Corporate personnel: Hilary Hinchman, corp dir-adv svcs.

Glenbrook Laboratories

Corporate personnel: Richard F. Gaccione, president.

Marketing personnel: Steven Staves, vp-mktg; Ellen Miller; Susan Danehower, Marcia Bither, group prod mgrs.

Brands/services by agency of record:

Phillips' line
Haley's line

Ad agency: N W Ayer, New York: Ken McCarren, exec acct dir; Kathy Oberg, acct super.

■

Medical comm

Ad agency: Dugan/Farley Communications, Montvale, N.J.: John P. Dugan, president.

■

Hispanic adv.

Bayer line
Phillips' line
Panadol

Ad agency: Font & Vaamonde, New York: Pedro Font, president.

■

Bayer line
Panadol

Ad agency: Lintas:New York: Bob Wadsworth, exec vp; Elliot G. Dorfman, sr vp-mgmt super; Robert Nadelman, vp-acct super; Michael Simpson, acct exec.

■

Stri-Dex
Midol

Ad agency: Warwick Advertising, New York: Wilder D. Baker, president; John Sloan, sr vp-mgmt super; Ann Riddell, vp-acct super; Jane Pollock, Kirk Cameron Ayars, Jeanne Masuli, acct execs.

■

Neo-Synephrine brand
pHisoDerm
pHisoPUFF

Ad agency: Warwick Advertising, New York: Peter Black, mgmt super; Beth Kimbless, acct exec.

Lehn & Fink
Products Group
Montvale, N.J.
Personal Products Division

Corporate personnel: Herb Waller, president.

Marketing personnel: Peter Sinatra, vp-mktg; Mort Weisburd, vp-sales.

Household Products Division

Corporate personnel: Joseph M. Healy, president.

Marketing personnel: Jim Byrum, vp-sales; Christine McArdle, Kenneth Jones, William Smith, category mgrs.

National Laboratories

Corporate personnel: James J. Castello, president.

Marketing personnel: Donald R. Nowlin, vp-sales.

Minwax Co.
Montvale, N.J.

Corporate personnel: Peter Black, president.

Marketing personnel: Ridgely W. Harrison III, vp-sales; Richard A. Bachman, vp-mktg.

The d-Con Co.
Montvale, N.J.

Corporate personnel: Earle K. Borman, president; David C. Haffmeister, exec vp.

Marketing personnel: John J. McFadden, vp-sales dir; William Bassett, mgr-new prods.

Thompson & Formby
Memphis, Tenn.

Corporate personnel: Kenneth M. Evans, president.

Marketing personnel: Bill D. Stewart, vp-sales; Frederick D. Miller, vp-mktg.

Brands/services by agency of record:

Minwax consumer & industrial prods

Ad agency: Gilbert, Whitney & Johns, Whippany, N.J.: John Mimnaugh, exec vp.

■

Wet Ones
Chubs
Ogilvie
Tussy
Dorothy Gray

Ad agency: Jordan, McGrath, Case & Taylor, New York: Judy Neidert, acct super, Wet Ones, Chubs; Don Gilbert, Don Specht, sr vps; Anne Kirkwood, acct super; Suzanne Constantine, Jennifer Graham, acct execs; Jim Loh, media super; Peggy Shelly, vp-assoc rsch dir.

■

Lysol Pine Action

Ad agency: Lowe Marschalk, New York: Michael Lesser, chmn-ceo; Andrew Langer, president; Marshall Kapp; exec vp; Barry Linsky, exec vp; Carl Maier, sr vp-mgmt super.

■

Rid-X Septic Acid

Ad agency: Ramm Advertising, Cranford, N.J.: Ed Ramm, president; Jack Hernish, vp.

■

Thompson & Formby

Ad agency: Slater Hanft Martin, New York: Jerry Martin, chmn; Terry Koch-Bostic; sr vp-mgmt super; Lily Li, acct super.

■

Lysol prods
Love My Carpet
Mop & Glo

Ad agency: Lintas:New York: Robert Watsworth, exec vp; John Barnes, sr vp; Ray Hilton, Tom Perlstein, Doug Harting, acct supers; Kevin Driscoll, David Knise, acct execs.

■

Glass Mates
Insecticides
Rodenticides
Resolve carpet cleaners

Ad agency: Warwick Advertising, New York: Andrew Mockler, Lisa Halle, acct supers; Katherine Stuart, Melissa Dougherty, acct execs.

Winthrop Pharmaceuticals
New York

Corporate personnel: Harry A. Shoff, president.

Marketing personnel: Thomas L. Harkleroad, vp, pharmaceutical prods div; Thomas Giordano, vp-mktg, pharmaceutical prods div; John Cornille, vp-sales, pharmaceutical prods div; Dan Peters, vp, diagnostic imaging div; Alan Binaghi, vp-sales; Jack Talley, vp-mktg.

Brands/services by agency of record

Talwin Nx
Talwin injection
Talacen

Ad agency: Carrafiello, Diehl & Associates, Irvington, N.Y.: John F. Carlucci, vp-mgmt super.

■

Primacor

Ad agency: Klemtner Advertising, New York: Gavin A. Scotti, president.

■

Inocor
Plaquenil
Donocrine

Ad agency: KPR, New York: Gabor Ossath, acct super.

■

Omnipaque

Ad agency: Lavey/Wolff/Swift, New York: John Dillon, vp-acct super.

■

Biobrane
Carpuject

Ad agency: Vargas, Levy, Zales, New York: Tom Vargas, president.

Winthrop Veterinary

Corporate personnel: H. Dwight Koger, exec vp.

Marketing personnel: Joseph R. Losito, natl sales mgr; Susan Brennan, sales & mktg analyst.

Brands/services by agency of record:

Veterinary pharmaceuticals & disinfectants

Ad agency: Sawyer, Riley, Compton, Gainesville, Ga.: Louis Sawyer, vp-acct exec; Mike McCarty, acct exec.

RANK
16

Ford Motor Co.

Dearborn, Mich.
ADVERTISING: **$569.8 MILLION**

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	92,446	79,893	15.7
Earnings	5,300	4,625	14.6
U.S.	**1988**	**1987**	**% chg**
Sales	61,814	55,412	11.6
Operating income	2,474	2,723	(9.1)
Division sales	**1988**	**1987**	**% chg**
Automotive	82,193	71,797	14.5
Financial svcs.	10,253	8,096	26.6

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	125,532	125,529	0.0
Newsp supp	155	615	(74.8)
Newspaper	25,272	34,568	(26.9)
Outdoor	2,157	1,787	20.7
Network TV	175,688	161,177	9.0
Spot TV	68,885	50,292	37.0
Synd TV	4,543	5,437	(16.4)
Network cable	6,267	6,118	2.4
Network Radio	12,043	19,766	(39.1)
Spot radio	11,827	14,861	(20.4)
Farm pub	4,616	4,267	8.2
Measured	436,983	424,416	3.0
Unmeasured	132,800	129,000	2.9
Total	569,783	553,416	3.0

Ford Motor Co. posted its third straight record profit year in 1988, while tightening the reins on its ad spending.

Ford consolidated several overseas ad accounts, struck up more joint ventures to expand its vehicle lines and diversified heavily into financial services markets.

But its rosy performance concealed the slugfest in the U.S. market where declining demand and stiffer competition led to incentive wars that cost some manufacturers $900 a vehicle.

Ford's ad budget in 1988 remained flat as the company put together high incentive packages to boost unit sales and market share. Ford's share of the U.S. car market climbed to 21.7% in 1988, its 10-year high, and 1.5 points above 1987.

Ford sold 2,205,336 cars in the U.S., up 9.19%, and 1,523,215 trucks, up 4.8% for 29% share of the light-truck market.

Ford added to its Ford Financial Services Group in 1989 with the purchase of The Associates for $3.35 billion. Earlier it purchased Meritor Credit Corp., which had $1.4 billion in assets. Ford is planning to generate 30% of its profits from its FFSG operations.

Ford continued to set up joint ventures with foreign partners to become more competitive globally, and to augment its product lines with minimum investment. It struck an agreement with Nissan to produce and sell a new mini-van in the U.S., giving Ford up to 70,000 new front-drive carlike vans by fall 1991. Ford and Mazda in May 1988 agreed to build the Probe, a sports car that received $26.3 million in measured spending in 1988, according to LNA/Arbitron. Ford Division's third largest ad outlay for a nameplate.

Ford also inked a marketing agreement with Mazda for the latter to begin distributing three Ford vehicles through Mazda's U.S. distribution system in the next couple of years. The three include a redesigned Bronco II, a new small pickup and a redesigned Aerostar, being introduced beginning in 1991.

Ford consolidated its ad business worldwide with much of the changed accounts going to J. Walter Thompson USA. Ogilvy & Mather and Young & Rubicam hold other major pieces of business.

JWT defended its Ford de Mexico account in May, 1988, beat out O&M for the $7 million Taiwan-based Lio Ho Motor Co.'s account and picked up $5 million in business from Ford dealer co-op ad groups in New York and New Jersey. JWT ended up with about $400 million in Ford-related business in 13 countries.

The Ford Division account provides the bulk of JWT's dollars. In the U.S., the division sold 1,527,504 cars during 1988, up 9.9%, in out-distancing Chevrolet for the first time in nearly a decade. It maintained its long-standing "Have you driven a Ford lately?" theme and the more recent, "Winning the world over" tagline.

Heaviest advertised Ford Division nameplates were the Escort at $29.5 million, up 65% and Taurus $29.2 million, up 8.2%. The division spent $28.1 million, up 4%, on generic-type general promotion, and $25.5 million, down 32%, on Ford passenger cars, according to LNA/Arbitron.

Lincoln-Mercury and Y&R struggled to replace the theme, "The shape you want to be in," because its was considered outdated due to the plethora of competitive claims for aerodynamic styling. After a failed attempt at a new theme, L-M returned to its 1970s cougar to promote the image of agility and performance under a "Nothing moves you like a Mercury" themeline.

Lincoln continued to be promoted as "What a luxury car should be" and whittled down Cadillac's sales lead to less than 100,000 units. In measured ad spending, Continental leaped to $8.2 million, up 116%; Mercury Cougar got $11.3 million, up 1.8%; Mercury Sable drew $8 million, up 8.1% and Mercury Topaz received $9.9 million, up 106%.

Aside from nameplate advertising, heavy spending of $17.5 million backed Mercury passenger cars, an expenditure up 92%, and $8.4 million supported Lincoln-Mercury passenger cars, up from $2.5 million in 1987.

FORD MOTOR CO.
American Rd.
Dearborn, Mich. 48121
(313) 322-3000

Corporate personnel: Edsel B. Ford II, exec dir-mktg staffs; F.R. Wuellner, mgr-adv comm.
Brands/services by agency of record:
Corp adv
Ad agency: Wells, Rich, Greene, New York: James B. Lawrence, sr vp-mng dir, Detroit.

Ford Division
Corporate personnel: T.J. Wagner, vp-genl mgr.
Marketing personnel: R.L. Fenstermacher, genl sales mgr; J.D. Carey, exec asst, dealer affairs; P.M. Novell, genl mktg mgr; J.M. Ludlow, truck sales promo mgr; J.B. Vanderzee, adv mgr; R.J. Gillooly, car adv mgr; W.L. Glick, truck adv mgr; S.H. Beauchamp, merch mgr; J.F. Gwaltney, car sales promo mgr; D.M. Pohlod, training comm mgr; J.H. Merrifield, heavy truck sales mgr; J.H. Hicks, heavy truck adv & merch mgr; J.A. Pierce, heavy truck adv mgr; D.G. Allen, heavy truck merch mgr.
Brands/services by agency of record:
Ford cars & trucks
Ad agency: J. Walter Thompson USA, Detroit: C.J. Balestrino, sr vp-genl mgr; R. Buckhammer, sr vp-mgmt dir, Ford Div acct; Richard Howting, sr vp-exec creative dir; Sean Neall, vp-truck mgmt super; Hugh Trenkamp, sr vp-group mgmt dir; Steve Stepanek, vp-mgmt super, family cars; Gert Lembach, vp-mgmt super, specialty cars.

Lincoln-Mercury Division
Corporate personnel: R.H. Roberts, vp-genl mgr.
Marketing personnel: Mark Hutchins, genl sales mgr; D.E. Breedlove, genl mktg mgr; S.C. Taylor, adv mgr; R.J. Robbins, merch mgr; Chuck Schneider, major mkt dealer adv mgr.
Brands/services by agency of record:
Minority adv
Ad agency: UniWorld Group, New York; Byron Lewis, chmn-ceo; Herb Kemp, president; Fermina Platon, vp, dir-mktg.

■

Lincoln-Mercury
Ad agency: Young & Rubicam, Detroit: Roby Harrington, exec vp, chmn-Y&R USA natl group; John Saaders, chmn-ceo, Y&R Detroit; Chuck Riley, sr vp, dir-client svcs; Greg Stein, sr vp, dir-strategic planning; Ken Pool, sr vp, dir-media relations & planning; Warren Winstanley, vp-mgmt super, Lincoln luxury; Tim Cooney, vp-mgmt super, Mercury; Alexander Hogg, vp-acct super, Lincon-Mercury; Colleen K. Cleary, acct super, Merkur; Kathleen J. Fieger, Sandra A. Rowland, sr acct execs; Shelley Stowell, acct exec.

Ford Parts & Service Division
Corporate personnel: L.R. Misikowski, genl mgr; J.G. O'Connor, genl sales & mktg mgr.
Marketing personnel: K.W. Myers, parts & svc mktg mgr; L.K. Dwiggins, genl sales & svc mgr; A.L. Merritt, adv & sales promo.
Brands/services by agency of record:
Ford parts & svc
Ad agency: Ogilvy & Mather, Detroit: Jan Starr, genl mgr; Bill Behrmann, sr vp-media dir; Steve Kenety, David Murphy, vps-acct supers; Steve Hamilton, acct super.

North American Sales Operations
Ford New Holland
Marketing personnel: R.F. Moglia, chmn-ceo; R.M. Garrity, president-coo; G.A. Cowl, exec vp-sales & mktg; R.M. Reeves, dir-mktg svcs; H.D. Cotcamp, vp, N.America sales operations; R.A. Kinder, mgr-comm & sales promo.
Brands/services by agency of record:
Div adv
Ad agency: (In-house): R.A. Kinder, mgr-comm & sales promo; Don Shaw, mgr-adv.

Ford Motor Credit Co.
Corporate personnel: D.S. Cook Jr., exec vp, N. American auto financing operations.
Marketing personnel: J.P. Henley, vp, Western US operations; V.J. Radzid, vp, Eastern US & Canadian operations; S.M. Poth, vp-business planning; L.C. Larkin, vp-mktg; R.C. Donoghue, mgr, quality office; D.J.Wennerberg, mgr, operations svcs office; L.L. Mason, mgr, tractor & equipment operations.
Brands/services by agency of record:
Ford Motor Credit
Ad agency: Wells, Rich, Greene, New York: Allan Vernier, vp-mgmt super.

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For additional information call Miguel A. Suárez, Advertising Director, at (305) 633-3341.

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Founded July 4, 1953

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2900 N.W. 39th Street, Miami, Florida 33142-5193

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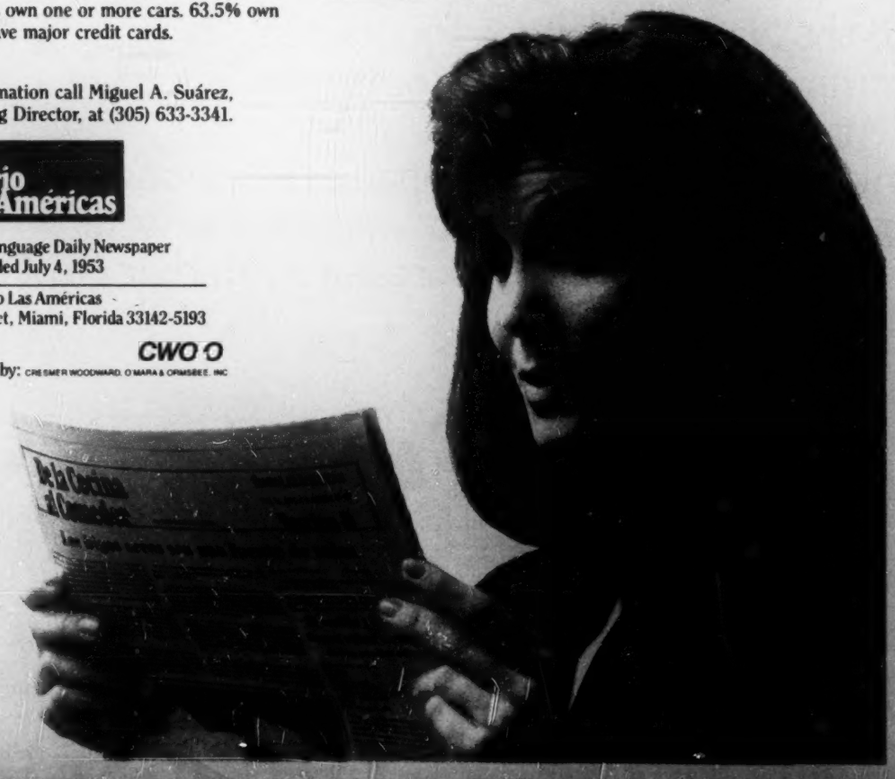

RANK
93

Franklin Mint

Franklin Center, Pa.
ADVERTISING: **$114.8 MILLION**

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	48,981	31,733	54.4
Newsp supp	29,683	17,497	69.6
Newspaper	5,484	3,395	61.6
Spot TV	3,816	3,960	(3.6)
Synd TV	0	167	NA
Network cable	2,157	1,295	66.6
Measured	90,102	58,052	55.2
Unmeasured	24,700	15,900	55.3
Total	114,802	73,952	55.2

Taking a fresh tack in marketing promotion for 1988-89, the Franklin Mint moved to celebrity testimonials featuring Indy 500 champ Danny Sullivan and famed man-about-media Ted Turner.

Advertising Age estimates the Mint's total 1988 sales at about $600 million out of a total $800 million for parent company American Protection Industries, Los Angeles.

Franklin Mint advertises heavily, spending by its own count $200 million in

1988, about one-third its total sales figure and including all corporate costs it attributes to marketing promotion.

The Mint overwhelmingly favors print, but its use of TV is growing because of an evolving product line with more than 300 items. Says VP-Public Affairs John W. Wilkie, "Franklin Mint is a direct-response company. The mailbox is our business place; the printed page and TV screen our show window."

Coins, stamps and Faberge eggs, which appeal to the connoisseur, appear in magazines, direct mail and inserts. Franklin Mint books into TV with products having broad appeal, such as figures of "Gone With the Wind" and "Wizard of Oz" stars.

Franklin Mint spends $84.1 million in print advertising out of a total measured media budget of $90.1 million. Franklin Mint is by far the biggest 1988 spender in newspaper supplements among *AA's* top 200 advertisers with $29.7 million in the medium, up 69.6% from 1987.

Newspapers and TV were limited to ads for books, coins, coin watches and board games. National newspapers got a 69% boost to $5.4 million in 1988.

Ad support for all of the Mint's major lines was up, but none as sharply as for jewelry, which rose 117% to $13.5 million. Sales volume leader for the company was its numismatic product line which received $36.5 million in measured media, up 75%. Porcelain drew $35.8 million in media, up 54%.

A prime ad medium for the Mint is its glossy *Almanac* magazine, a bimonthly distributed to more than a million readers, produced in-house. The company has been handling its own print advertising in-house, retaining Griffin Bacal, New York, for TV. But in 1988 the Mint took over its own creative and placement.

THE FRANKLIN MINT
U.S. Route 1
Franklin Center, Pa. 19091
(215) 459-6000

Corporate personnel: Stewart Resnick, chmn.

Marketing personnel: Lynda Resnick, exec vp; Thomas Durovsik, vp-mktg; Gregg Coccari, Kurt Graetzer, vps-adv; Martin Breisblatt, vp-sales; Allan Beer, vp-media; Michael Burgess, vp-media mgmt; Jack Wilkie, vp-public affairs.

Brands/services by agency of record:
Franklin Mint prods

Ad agency: (In-house): Gregg Coccari, Kurt Greatzer, vps-adv.

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RANK **37**

General Electric Co.

Fairfield, Conn.
ADVERTISING: **$276.6 MILLION**

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	50,089	48,158	4.0
Earnings	3,396	2,915	16.2
U.S.	**1988**	**1987**	**% chg**
Sales	46,364	45,160	2.7
Operating income	4,941	3,715	33.0
Division sales	**1988**	**1987**	**% chg**
Aerospace	5,312	5,262	1.5
Aircraft engines	6,481	6,773	(4.3)
Broadcasting	3,638	3,241	12.2
Industrial	7,061	6,662	6.0
Major appliances	5,289	4,721	12.0
Materials	3,539	2,751	28.6
Power systems	4,805	4,995	(3.8)
Technicals prods, svcs	4,431	3,670	20.7
GEFS	788	552	42.8
Other	384	3,176	(87.9)

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	35,747	37,727	(2.6)
Newsp supp	1,104	952	15.9
Newspaper	29,357	33,121	(11.4)
Outdoor	1,527	1,683	(9.3)
Network TV	42,939	38,356	11.9
Spot TV	10,991	6,419	71.2
Synd TV	50	637	(92.1)
Network cable	1,290	390	231.3
Network Radio	1,948	3,091	(37.0)
Spot radio	1,559	1,022	52.5
Farm pub	0	0	NA
Measured	127,511	123,396	3.3
Unmeasured	149,100	144,300	3.3
Total	276,611	267,696	3.3

Acquisitions and divestitures were common in the 1980s at General Electric as it honed itself from 100 diverse operations to 14 key business areas that are among the world's leaders. Now the company has started to turn to joint ventures as an added strategy.

Alliances in 1988 were linked by GE Lighting with Toshiba of Japan and by GE Motors with Bosch of West Germany, and expanded by GE Electrical Distribution and Control with Fuji.

Earlier this year GE completed a deal with GEC of the U.K. in which the two combined business investments in appliances, electrical distribution equipment and gas turbines. This August, GE entered a joint agreement with Ericsson of Sweden, a telecommunications company, to expand the mobile radio and cellular telephone businesses worldwide.

"GE's intent is not to gobble up big pieces before it knows precisely how things are going to shake out . . . but to learn what's going to go on and then create a base from which you can build," said Mark Altman, first VP, PaineWebber, New York.

The restructuring of GE to concentrate on its 14 core businesses, however, has given the company less of a consumer orientation, which has translated in recent years into less ad spending. This year's 3% increase halts two successive years of declines.

The major reason ad expenditures were up was a near doubling of GE's general promotion ad spending to $38 million. Most divisions reduced measured spending in 1988, according to LNA/Arbitron.

Major appliance spending, where GE is locked in a battle with Whirlpool for the lead in the $16 billion market, dropped 49% to $8.2 million in measured media in 1988.

Spending in media for light bulbs also dropped, according to LNA/Arbitron, but the division's ad budget, handled by BBDO Worldwide, increased to more than $20 million in 1988 from $15 million in 1987. The company has a 50% share of the $1.5 billion consumer bulb market in the U.S. but is under fire from rival Philips Lighting Corp., the worldwide leader in light bulb sales.

The other big spender among GE divisions was NBC. The nation's top-rated network spent $34.6 million in measured media in 1988, down 3.1% according to LNA/Arbitron. The majority of the spending went to magazines.

This year the network tied in with Sears Roebuck & Co. to create an "Instant Stardom" sweepstakes to create excitement surrounding the fall season premiere of new shows and bring viewers back to network TV. Entry forms are submitted at Sears stores. The contest and NBC's fall shows are supported by the network's on-air promotions and in four Sears' circulars this month. CBS-TV is running a similar tie-in with K mart.

The three-network average primetime share of total viewers during the 1988-89 season slipped to 68%. NBC's 16.1 rating was flat compared to the previous year, but was good enough for first place for the fourth year in a row. NBC also won all 30 weeks in the season. As the leader, NBC benefited from an extremely strong upfront market this summer, reaping about $1.6 billion in advance sales. The Big 3 networks and Fox Broadcasting Co. totaled a record $4.2 billion in upfront sales.

Program content on the networks became an issue this year with various groups attempting to organize boycotts of advertisers who bought time in shows deemed "indecent." NBC was under fire for some of its racier TV movies and miniseries, in particular, because it laid off 10 of its 12 broadcast standards division employees as a cost-cutting measure. The network has since added new personnel to the department.

NBC President Robert Wright has taken a leading role in attempts by the three networks to change the existing financial interest and syndication rules that prohibit networks from owning programs or syndicating products in the U.S.

Faced with declining audiences and potential declines in revenues, the network is being driven to seek alternatives. NBC, the same as parent GE, is looking overseas to expand its businesses.

The network purchased 37.5% of Visnews TV for $10 million. Reuters Holdings and the BBC also have major holdings in the service. NBC affiliated with the Australian Television Network, with an option to own a 15% stake, and has a 15% ownership agreement with TV-3, a new network in New Zealand.

Continuing its role as a programmer and a software provider, NBC signed an agreement with Westinghouse Broadcasting to jointly distribute programs from NBC Productions.

NBC paid $137.5 million in December 1988, for 50% of Cablevision Systems' existing cable program services including Bravo, American Movie Classics, News 12/Long Island News Network, Sports-Channel America and five regional sports channels. In turn, Cablevision got a 50% interest in NBC's new cable channel, Consumer News and Business Channel, which debuted this April 17 with 13 million subscribers. The cable channel is NBC's first venture into cable, and cost an estimated $65 million in start-up expenses. It is expected to lose money this year.

As part of the deal with Cablevision, NBC will make some of its 1992 Olympic programming from Barcelona, Spain, available to cable TV subscribers through a pay-per-view package.

NBC, which originally anticipated a hefty profit from its coverage of the 1988 Summer Olympic Games from Seoul, Korea, was disappointed with the event's ratings. The cable pay-per-view package could cut NBC's risk and insure a profit in 1992.

GENERAL ELECTRIC CO.
3135 Easton Turnpike
Fairfield, Conn. 06431
(203) 373-2211

Marketing personnel: Richard A. Costello, mgr-corp mktg comm; Barbara J. Parsky, mgr-corp adv; Victor H. Alcott, mgr, GE Appliances adv; Roger R. Waters, mgr, GE Lighting adv; W. Sanford Miller, mgr, GE Capital mktg.

Brands/services by agency of record:
Brand image
Corp adv
Major appliances
Lighting

Ad agency: BBDO, New York: Arnold Ross, mgmt rep-corp mktg & major appliances; Ken Angel, mgmt rep, consumer and industry GE Lighting.

GE Capital

Ad Agency: Jordan, McGrath, Case & Taylor, New York: Jack Taylor, exec vp.

NBC Entertainment
New York

Marketing personnel: John D. Miller, sr vp; Tim Miller, vp—adv & promo, East Coast; Paul Wang, vp—program & media planning; John Luma, vp, on-air promo; Maria Goldstein, dir-media planning, adv & promo; Martha Stanville, vp-affiliate adv & promo svcs; Jeaneen Brewer, vp-print production.

Brands/services by agency of record:
NBC Entertainment

Ad agency: D'Arcy Masius Benton & Bowles, Los Angeles: Jim Helin, exec dir; John Armistead, deputy exec dir, exec creative dir.

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*Estimated world advertising expenditures. *The Coen Report 1988.*

Top 25 cable TV advertisers

Rank	Advertiser	Cable TV expenditures 1988	1987	% chg	as % of co.'s '88 ad total
1	Procter & Gamble Co.	$30,202	$23,713	27.4	2.0
2	Time Warner	23,891	19,415	23.1	5.8
3	Philip Morris Cos.	23,075	21,024	9.8	1.1
4	Anheuser-Busch Cos.	21,397	22,943	(6.7)	3.4
5	General Mills	20,011	17,991	11.2	4.3
6	RJR Nabisco	14,252	14,667	(2.8)	1.7
7	Eastman Kodak Co.	11,387	7,989	42.5	1.5
8	Clorox Co.	10,126	6,894	46.9	6.8
9	Mars Inc.	9,995	14,877	(32.8)	2.9
10	Chrysler Corp.	9,700	6,684	45.1	2.0
11	General Motors Corp.	9,201	7,968	15.5	0.7
12	Unilever NV	8,279	4,865	70.2	1.4
13	Gillette Co.	8,226	7,909	4.0	5.1
14	American Home Products Corp.	8,174	7,254	12.7	2.1
15	American Telephone & Telegraph	7,773	6,440	20.7	1.4
16	Bristol-Myers Squibb	7,092	4,790	48.0	1.6
17	Wm. Wrigley Jr. Co.	7,075	6,680	5.9	5.3
18	Levi Strauss Associates	7,055	3,816	84.9	5.7
19	Thompson Medical Co.	7,000	8,374	(16.4)	14.6
20	Dow Jones & Co.	6,378	4,330	47.3	NA
21	American Dairy Association	6,301	2,080	203.0	5.0
22	Ford Motor Co.	6,267	6,118	2.4	1.1
23	Schering-Plough Corp.	6,137	2,870	113.8	2.3
24	Dow Chemical Co.	5,766	2,132	170.5	3.7
25	Charles Schwab & Co.	5,406	3,409	58.6	NA

Note: Dollars are in thousands. **Source:** Leading National Advertisers/Arbitron.

AA chart: Kevin Brown

RANK **19**

General Mills

Minneapolis

ADVERTISING: $470.1 MILLION

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	5,621	4,980	12.9
Earnings	414	283	46.3
Division sales	**1988**	**1987**	**% chg**
Consumer foods	3,999	3,668	9.0
Restaurants	1,622	1,312	23.6

U.S. advertising by media

($ in thousands)

Media	1988	1987	% chg
Magazine	18,404	18,779	(2.0)
Newsp supp	530	0	NA
Newspaper	24,689	2,771	790.9
Outdoor	295	877	(66.4)
Network TV	137,450	133,724	2.8
Spot TV	145,945	135,805	7.5
Synd TV	5,715	5,897	(3.1)
Network cable	20,011	17,991	11.2
Network Radio	5,809	2,473	134.9
Spot radio	1,212	1,060	14.3
Farm pub	0	0	NA
Measured	360,058	319,377	12.7
Unmeasured	110,000	136,900	(19.6)
Total	470,058	456,277	3.0

Business restructuring is a major focus at General Mills, which in May 1988 sold its last specialty retail units, Eddie Bauer and Talbots, to focus on its consumer foods and restaurants divisions.

In fiscal 1989, General Mills closed all York Steak House retaurants, resulting in a loss of $27.3 million. The company's frozen novelties division, Vroman Foods, was sold in June 1989, resulting in a loss of $26 million.

General Mills' Big G cereals achieved a 24.6% annual dollars share of the $6.3 billion ready-to-eat cereals market based on sales of $1.4 billion, up 21%. Advertising across all brand lines totaled $209.6 million, up 27.1%.

For the second consecutive year, Cheerios received the most measured spending of any General Mills cereal—$50.2 million, up 52%. To capitalize on consumer interest in oat bran and strengthen market share, General Mills invested $10 million in a TV and print campaign from Saatchi & Saatchi Advertising, New York.

The company also rolled out Apple Cinnamon Cheerios, which completed nationwide distribution in February 1989, becoming Big G's best-selling new brand since Honey Nut Cheerios. Combined dollar volume market share for the three Cheerios products in fiscal 1989 was over 8%, according to John C. Maxwell Jr., analyst with Wheat First Securities.

Total Raisin Bran, newest member of the Total line, completed national distribution in April 1989 with an introductory $28.7 million ad budget. Kellogg's Raisin Bran commands a 3.5% market share in dollar volume while General Foods USA's Post Raisin Bran has 2.0%.

The company has committed $25 million in advertising to launch Benefit cereal. Ads cite a General Mills study showing cholesterol reductions of 9% with a diet using the cereal.

The oat bran craze sweeping the country has affected the hot cereal market where industry sales reached $730 million, compared to $500 million a year ago. Big G completed its second year in the market with a 9.0% combined share for its Total Oatmeal and Total Oatmeal Swirlers.

General Mills held a dominant 65% share of the $305 million add-meat dinner mix market and increased its measured ad spending 17.4% to $10.8 million for its Betty Crocker Hamburger Helper line. It maintained the lead in the $390 million family flour market with its oldest consumer product, Gold Medal flour.

The Betty Crocker line drew $37.4 million in advertising in 1988, down about 29%, according LNA/Arbitron. In February 1989, General Mills moved $26.9 million in measured spending to DDB Needham Worldwide, Chicago, from Campbell-Mithun-Esty, Minneapolis. Assignments included Betty Crocker Potato Medleys and Microwave Potatoes (General Mills holds 60% of the $133 million specialty potato mix market) and Suddenly Salad (General Mills holds 55% of the $73 million dry-packaged salads market).

General Mills held solid No. 2 market positions in the $1.1 billion yogurt market with Yoplait at 21%, up 4 share points (Dannon has 25%); and a 21% market share for Pop Secret in the microwave popcorn segment behind Orville Redenbacher's 28.3%. The company introduced Yoplait Light with NutraSweet this February with an estimated $25 million national TV campaign from DDB Needham Worldwide, Chicago. Print and FSIs support.

Red Lobster Inns Restaurant, with 444 restaurants in 38 states, can now make efficient use of network TV advertising. Network spending in 1988 grew 6.8% to $39.5 million out of total Red Lobster media spending of $50.8 million, up 5.2%, according to LNA/Arbitron. Olive Garden continues to beef up, adding another 53 units to bring its total to 145 in 22 states. Another 50 are planned in 1990 in more than 20 new markets. Its national media spending remains nominal.

GENERAL MILLS
Number One General Mills Blvd.
Minneapolis, Minn. 55426
(612) 540-2311

Corporate personnel: H. Brewster Atwater, chmn-ceo; F. Caleb Blodgett, vice-chmn, cfo; Arthur Schulze, vice chmn; Mark H. Willes, president-coo; Joe R. Lee, president, General Mills restaurants; Steven Rothschild, president, convenience & intl foods; Michael E. Cushman, president, Speary div; David D. Murphy, president, Betty Crocker prods; Stephen W. Sanger, president, Big G div; Edward K. Bixby, president, consumer foods.

Marketing personnel: Donald L. Knutzen, vp-genl mgr, mktg svcs; Robert J. Blake, dir-adv svcs, consumer foods.

Brands/services by agency of record:

Grocery
Military

Ad agency: Bozell Inc., Minneapolis: Eric Forslin, vp-acct super; Ron Oakland, creative dir; George Scott, media planner.

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Cinnamon Toast Crunch
Oatmeal Raisin Crisp
S'mores Grahams
Nature Valley prods
Pop Secret
New prods

Ad agency: Campbell-Mithun-Esty, Minneapolis: Tom Hanft, exec vp-acct svcs, Big G; Les Mouser, mgmt super, Betty Crocker, Nature Valley.

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Crispy Wheats 'n Raisins
Golden Grahams
Betty Crocker dessert mixes
Betty Crocker potatoes
Bisquick
Bac-Os
Wheaties
Hamburger, Chicken, Tuna Helper
Yoplait yogurt brands
Oriental Classics
Suddenly Salad
New main meals
New instant meal

Ad agency: DDB Needham Worldwide, Chicago: Kirk Borland, group acct dir; Peter Kuntz, mgmt rep, Betty Crocker, Yoplait; Bob Klein, mgmt rep, Big G.

■

Red Lobster Inns
Olive Garden

Ad agency: Grey Advertising, New York: Jordan Rosuck, exec vp, Red Lobster; Stew Hegleman, exec vp-mgmt rep, Olive Garden.

■

Gorton's fish
Market Fresh

Ad agency: Laurence, Charles, Free & Lawson, New York: Carev Purcell, vp-mgmt super; Pam Schreiber, acct exec.

■

Food service
Bakery flour

Ad agency: Harris & West Advertising, Bloomington, Minn.: Dennis Gallagher, genl acct super; Andy Martin, acct exec, food service; Kevin Deahler, acct exec, Bakery flour.

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Cheerios
Clusters
Cocoa Puffs
Fiber One
Honey Nut Cheerios
Apple Cinnamon Cheerios
Benefit
Kix
Lucky Charms
Monsters cereals
Raisin Nut Bran
Total
Total Raisin Bran
Total Oatmeal
Total Oatmeal Swirlers
Gold Medal flour
Gold Medal whole wheat blend flour
Fruit Roll-Ups
Swirl bars
Wrinkles

New prods

Ad agency: Saatchi & Saatchi Advertising, New York: Michael Burns, mgmt dir; Anne Altmaier-Adriance, David Jackson, mgmt supers.

■

Betty Crocker pancake mix
Wheat Hearts hot cereals

Ad agency: Saatchi & Saatchi Advertising, San Francisco: Brian Burns, mgmt dir; Charles Skuba, mgmt super.

■

Gorton's seafood, special assignment

Ad agency: Wattenmaker Inc., Cleveland: James S. Wattenmaker, acct mgr.

RANK **3**

General Motors Corp.

Detroit

ADVERTISING: $1,294.0 MILLION

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	123,642	114,870	7.6
Earnings	4,856	3,551	36.8
U.S.	**1988**	**1987**	**% chg**
Sales	91,260	86,681	5.3
Operating income	1,752	1,702	2.9
Division sales	**1988**	**1987**	**% chg**
Automotive	97,438	89,613	8.7
Financing & insurance	10,665	10,921	(2.3)
Other	12,285	11,745	4.6

U.S. advertising by media

($ in thousands)

Media	1988	1987	% chg
Magazine	190,799	153,926	24.0
Newsp supp	12,233	7,789	57.1
Newspaper	86,835	83,641	3.8
Outdoor	2,997	1,989	50.6
Network TV	443,402	272,953	62.4
Spot TV	115,286	103,522	11.4
Synd TV	6,054	6,147	(1.5)
Network cable	9,201	7,968	15.5
Network Radio	38,255	18,906	102.3
Spot radio	40,185	34,829	15.4
Farm pub	3,648	3,355	8.7
Measured	948,895	695,224	36.5
Unmeasured	345,105	270,776	27.5
Total	1,294,000	966,000	34.0

General Motors Corp.'s share of the U.S. car market declined for the fourth straight year in 1988, but the company is staying on track with its long-range plan to develop distinct images for its five car divisions.

Buick, Cadillac, Chevrolet, Oldsmobile and Pontiac divisions all are planning to keep their same ad theme lines in 1990, an indication that company officials believe that products now in development will provide the eventual "proof" of the marketing messages.

Improved earnings were attributed to programs aimed at bringing costs under control, but U.S. profits would have been even stronger except for continued heavy reliance on consumer incentives to move inventory.

Worldwide factory sales of vehicles reached 8,108,000, up 4.4% from 1987. In the U.S., GM sold 3,822,014 cars, a 2.5% increase, and 1,689,406 light-duty trucks, an increase of 13.8%.

GM's U.S. car share was 36.08% in 1988, compared to 36.47% in 1987. Buick's share of the market was 5.49%, up from 5.45% in 1987; Cadillac fell to 2.52%, from 2.56%; Chevrolet declined to 13.97%, from 14.67%; Oldsmobile fell to 6.75%, from 6.99% and Pontiac rose to 7.36%, from 6.80%. In the light-truck market, Chevrolet and GMC Truck combined grabbed 34.7%, up 2.5 points from the previous year.

It became clear in 1988 that GM was adjusting to the reality that it could no longer dictate the market to its competitors or consumers. The company's car market share was 44.5% in 1984, before beginning its continuous slide. The significant increase in ad spending in 1988 reflected a decision to pour money into new-product launches and into troubled divisions.

In 1988, GM boosted Buick spending 51.3% to $118.3 million; Cadillac by 56.1% to $48.4 million; Chevrolet by 16.6% to $178.1 million; Oldsmobile by 98.7% to $139.5 million and Pontiac by 62.2% to $94.9 million.

GM spent $112 million in measured media in the first six months of 1988 to launch three new mid-size coupes, Oldsmobile Cutlass Supreme, Buick Regal and Pontiac Grand Prix. The introduction of the mid-size Chevrolet Lumina sedan in April 1989 was accompanied by an estimated $70 million ad and promotions blitz that used Walt Disney Co.'s animated characters in a tie-in to the new Disney/MGM Studios theme park in Orlando, Fla.

The most troubled brands are Buick and Oldsmobile. Almost all of GM's lost sales in the last four years have been traced to the two big-volume aspiration nameplates. For the 1989 model year, Oldsmobile's ad budget was boosted to $140 million, up 40%. Celebrities and their siblings touted the car as the "New generation of Oldsmobile" that is "not your father's Oldsmobile."

Buick in the 1989 model year rode forth as a premium motorcar to the theme, "The great American road belongs to Buick." Academy Award-winning best picture "Rain Man," featuring a 1949 Buick Roadmaster convertible, led Buick to sponsor the videocassette release, which included a specially-created 90-second spot.

Chevrolet continued to use "The heartbeat of America" theme. It also established Geo, the nameplate given cars and trucks marketed by GM but made by its Japanese-based partners Isuzu, Suzuki and Toyota.

Pontiac drove into third place in overall industry car sales, behind only Ford and Chevrolet, as it stuck with "We build excitement" for the eighth consecutive year. The division focused much of its 1988 advertising on the Grand Prix, named *Motor Trend* magazine's Car of the Year.

For the 1989 model year, Cadillac reversed its downsizing trend by lengthening De Ville by six inches and Fleetwood by nine. "The only way to travel is Cadillac style" remained the theme.

GMC Truck advertising, themed, "It's not just a truck any more," dropped TV in the 1989 model year, shifting an estimated $15 million to other media, primarily print.

Saturn Corp. picked creative hotshop Hal Riney & Partners as agency in May 1988, more than two years before its first model was to be introduced. The first ads could come this fall.

Chevrolet and GMC boosted regional marketing power by initiating a 1% mandatory ad charge on dealer invoices in the 1989 model year. The money was returned to dealer ad groups and individual dealers. Oldsmobile and Cadillac planned to follow suit in the 1990 model year.

Oldsmobile, Pontiac and Buick were expected to give heavy ad backing in the 1990 model year to new mid-size sedans entering their lineups. Chevrolet, Pontiac and Oldsmobile also will put emphasis on a new line of minivans, but the biggest backing probably won't come until spring, when plants are expected to be running near capacity.

GENERAL MOTORS CORP.
3044 W. Grand Blvd.
Detroit, Mich. 48202
(313) 556-5000

Corporate personnel: J.W. McNulty, vp-pr; G.H. Pruette Jr., dir-public affairs adv; Hugh Wells, mgr-creative svcs.

Brands/services by agency of record:

Corp adv

Ad agency: N W Ayer, Detroit: Louis Hagopian, chmn; Jerry Siano, president-ceo; Dominick Rossi, exec vp, dir-natl operations; Patrick Cunningham, exec vp-chief creative officer; Robert Knysbury, sr vp-mng dir; Richard Prince, sr vp-mgmt super; Randall Schroeder, sr vp-media dir; R.C. Morrison, vp-mgmt super; Deborah Worrell, vp-acct super; David Wozniak, sr acct exec; Dennis McMillan, asst acct exec.

Allison Gas Turbine Division
Indianapolis

Marketing personnel: F. Blake Wallace, genl mgr; W.C. Campbell, dir-comm; A.A. Perona, mgr-pr & adv; D.A. Raflo, coord, pr & adv.

Brands/services by agency of record:

Allison Gas Turbine div

Ad agency: Martin Agency, Richmond, Va.: Harry Jacobs, chmn; Mike Hughes, vice chmn; Don Just, president; Tom Robinson, sr vp; Glenn Allenbaugh, sr acct exec; Shirley Bricker, mgr-media operations.

Allison Transmission Division
Indianapolis

Marketing personnel: R.M. Clark Jr., genl mgr; Arthur Tregenza, dir-personnel & pr.

Brands/services by agency of record:

Allison Transmission div

Ad agency: Advertising Illustration, Southfield, Mich.: Curt Weskalnies, president.

Buick Motor Division
Flint, Mich.

Marketing personnel: E.H. Mertz, genl mgr, GM vp; R.E. Coletta, genl sales & serv mgr; W.E. Powell, asst genl sales mgr-admin & DAC; J.J. Fuerber, asst genl sales mgr, southeast; W.K. Ramsey, asst genl sales mgr, west; F.H. Dorgin, asst genl sales mgr, northeast; L.D. Robbins, asst genl sales mgr, svc; D.E.

Clark, genl mktg mgr; J.W. Qualman, genl dir-adv; J.E. DeCou, dir-pr.

Brands/services by agency of record:
Buick Motor div
Ad agency: McCann-Erickson, New York: Robert James, chmn-ceo.

McCann-Erickson, Troy, Mich.: Gerald Atkin, exec vp-genl mgr; Richard Hill, sr vp-mgmt rep; James Ramsey, sr vp-exec creative dir; Glynn Armitage, vp-acct super, adv support group; Harold Randall, vp-acct super, collateral group; Garry Nielsen, vp-group creative dir, natl; George Bak, vp-group acct super; Paul Johnson, vp-assoc rsch dir; Robert Cleary, acct super; Robert Schneider, John Holowaty, acct execs.

Cadillac Motor Car Division
Detroit

Marketing personnel: John Grettenberger, genl mgr, GM vp; Peter Gerosa, genl sales & svc mgr; Karl Pierce, asst genl sales mgr, admin; Carver Hendrix, asst genl sales mgr, field; William Lewellen, asst genl sales mgr, svc; Ellie Torre, asst genl sales mgr-mktg; Peter Levin, dir-adv; Larry Anderson, asst mgr, dealer mktg assoc, East; Mike Washington, asst mgr, shows & exhibits; Jerry Churchvara, asst mgr, dealer mktg assoc, West; Fred Teach, asst mgr-adv; William O'Neill, dir-pr.

Brands/services by agency of record:
Cadillac Motor Car div
Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.: Ronald Monchak, mng dir; Robin Smith, dept mng dir; Alexander Morton III, exec vp-mgmt super; George Rogers, sr vp, dir-media svcs; John Klinger, vp-group creative dir; John Johnson, vp-group acct super; Timothy Copacia, vp-acct super; Gretchen Snow, dir-regular mktg programs; Patrick McCarthy, ceo, Intergroup Marketing & Promotions; Count Darling, mng dir-ceo, Intergroup Marketing & Promotions; William Haney, sr vp, dir-acct devel; Roger Bailey, vp-acct super, CDMA; Jo Bourjaily, vp-mng dir, pr.

Central Foundry Division
Saginaw, Mich.

Marketing personnel: George Johnston, genl mgr; Gerald Frost, sales, mktg & strategic planning mgr, engine systems SBU; Richard Tardy, sales, mktg & strategic planning mgr, chassis & transmission systems SBU; Michael Baker, mgr-mktg & strategic planning; Gerald Holmes, dir-public affairs; James Hagedon Jr., asst dir-public affairs.

Brands/services by agency of record:
Central Foundry div
Ad agency: Creative Marketing, Traverse City, Mich.: Carl Zotter, acct rep.

Chevrolet Motor Division
Warren, Mich.

Marketing personnel: J.C. Perkins, genl mgr, GM vp; R.W. Starr, genl sales & svc mgr; M.H. Erdman, genl mktg mgr; R.F. Sobrero, sales mgr, admin; E.K. Roggenkamp, asst genl sales mgr, field; F.F. Raine, mktg mgr, trucks; S.D. McAvoy, mktg mgr, cars; Dannielle Colliver, mgr-car adv; C.M. Robbins, mgr-truck adv; R.J. Kramer, dir-pr.

Brands/services by agency of record:
Chevrolet Motor div
Ad agency: Lintas:Campbell-Ewald, Warren, Mich.: R.D. O'Connor, chmn-ceo, vice chmn, Lintas:USA; P.A. Dow, president-coo; L.M. Schultz, exec vp, dir-media svcs, Lintas:USA; Jan Homan, exec vp, strategic planning, Lintas:USA; William Ludwig, exec vp, co-dir, creative; A.J. Hopp, exec vp-acct dir; T.A. Thomson, sr vp-group mgmt super, cars; Frank Fraser, vp, dir-auto mktg; Bradley Tisdale, sr vp-mgmt super, merch; D.G. Connaughton, sr vp-group mgmt super, trucks.

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Chevrolet regional adv/West
Ad agency: Vic Olesen & Partners, Culver City, Calif.: Victor Olesen, president-partner; Irwin Davis, Eric Davison, William Donaldson, partners; Eric von der Lieth, genl mgr-partner; Lee Wilson, media dir.

Delco Electronics Corp.
Kokomo, Ind.

Marketing personnel: Donald Almquist, chmn & president-ceo; T.W. Evernham, dir-engineering & mktg; David Bastin, asst genl sales mgr-mktg & ventures; William Draper, dir-public affairs.

Brands/services by agency of record:
Delco Electronics Corp.
Ad agency: Lintas:Campbell-Ewald, Warren, Mich.: Robert (Ham) Schirmer, exec vp, dir-client svcs; Deborah Karnowsky, exec vp, co-creative dir; Dennis Connaughton, sr vp-mgmt super; Robert Hrtanek, vp-acct super; James Arthur, group sr vp-creative dir; John Hartgen, sr vp-assoc creative dir; Robert Gervason, sr vp-assoc media dir; James Plagens, media planning super; John Farsakian, sr vp, dir-rsch; James Huchok, sr vp, mgr-strategic planning; Robert Rosell, exec vp, admin & planning; Louis Bridenstine Jr., sr vp-genl counsel.

Delco Systems Operations
Goleta, Calif.

Marketing personnel: Robert McMillin, genl dir; Elena Sanchez, mgr-adv & exhibits.

Brands/services by agency of record:
Delco Systems Operations
Ad agency: Lintas:Campbell-Ewald, Los Angeles, Calif.: Ross Morgan, vp-acct super.

Delco Moraine NDH Division
Dayton, Ohio

Marketing personnel: Robert Wright, genl mgr; D. Dale Lewis, dir-div mktg, planning & joint ventures; David Darnell, genl dir, personnel & pr; James Conley Jr., dir-mktg & planning.

Brands/services by agency of record:
Natl adv
Ad agency: Lintas:Campbell-Ewald, Warren, Mich.: Jeffrey Jacobs, sr vp-mgmt svcs; David Woodard, sr acct exec.

Delco Products Division
Dayton, Ohio

Marketing personnel: Gerald Collins, genl mgr; William Bender, dir-sales & mktg; Robert Chandler, genl dir-personnel & pr; Charles Kronbach, div mgr-comm & pr; Richard Westfall, mgr-sales promo & adv; Richard Lee, sales mgr, suspension systems; Chester Pardee, sales mgr, wiper systems; Bruce Sing, mktg mgr.

Brands/services by agency of record:
Delco prods
Ad agency: Lintas:Campbell-Ewald, Warren, Mich.: Robert (Ham) Schirmer, exec vp; Michael Brogan, Jeff Jacobs, vps; Kelly Greenwald, acct exec.

Delco Remy Division
Anderson, Ind.

Marketing personnel: Homi Patel, genl mgr; T.F. Tierney, dir, technology & mkt devel; S.R. Ring, mgr-adv & prod svc; K.D. Collins, super-adv & media relation; K.J. Pitcher, dir-pr.

Brands/services by agency of record:
Delco Remy Division
Ad agency: Lintas:Campbell-Ewald, Warren, Mich: Jeffrey Jacobs, sr vp-mgmt super; Michael Brogan, vp-sr acct exec, intl coord; Kelly Greenwald, acct exec.

Electro-Motive Division
La Grange, Ill.

Marketing personnel: John Jarrell, genl mgr; J.P. Cregan, genl dir, personnel & pr, locomotive group; C.J. Liszka, staff asst-pr & adv.

Brands/services by agency of record:
Electro-Motive div
Ad agency: Martin Agency, Richmond, Va.: David Martin, chmn; Donald Just, president; R. Glenn Allenbaugh, sr acct exec.

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PR for
Electro-Motive div
Ad agency: Burson-Marsteller, Chicago: F.J. Green, client svc mgr.

General Motors Acceptance Corp.
Detroit

Marketing personnel: J.R. Edman, chmn; G.R. Samardich, vice chmn; R.M. McCarthy, president; W.J. Lovejoy, group vp-mktg; G.G. Fenner, exec vp-operation; C.A. Krauss Jr., vp-public affairs & adv.

Brands/services by agency of record:
General Motors Acceptance Corp.
Ad agency: Lintas:Campbell-Ewald, Warren, Mich.: Jeffrey Seregny, sr vp-group mgmt super; Michael Tuite, sr vp.

GMAC Mortgage Corp.
Elkins Park, Pa.

Marketing personnel: V.H. Schlesinger, chmn; G.C. Thomas, vice chmn; J.J. Reed, president; R.A. Gillespie, dir-pr & adv.

Brands/services by agency of record:
GMAC Mortgage Corp.
Ad agency: Lintas:Campbell-Ewald, Warren, Mich.: Robert (Ham) Schirmer, exec vp-dir client svcs; Jeffrey Seregny, sr vp-group mgmt super; Michael Tuite, sr vp.

GMC Truck Division
GMC Truck & Bus Group
Pontiac, Mich.

Marketing personnel: John Rock, genl mgr; Ray Rota, genl sales mgr; Rick Lee, dir-mktg; Donald Huss, group dir-pr; Frank Cronin, dir-pr; Sandra Dellinger, adv & publications mgr.

Brands/services by agency of record:
GMC Truck div
GMC Truck & Bus Group
Ad agencies: McCann-Erickson, Troy, Mich.: Robert James, chmn-ceo.

McCann-Erickson, New York: Gerald Atkin, exec vp-genl mgr; Michael Wilberding, sr vp-mgmt super; James Ramsey, sr vp-exec creative dir; Jan Woznick, sr vp, dir-mktg svcs; Glenn Sutherland, sr acct exec; Patrick Simmons, vp-acct super, light trucks; Paul Basil, acct super, medium duty; Paul Murray, assoc media dir; Barbara Gaston, vp-pr; Noel Doran, rsch dir.

GM Hughes Electronics Corp.
Detroit

Marketing personnel: Robert Schultz, chmn & president; J. Bruce McCristal, dir-public affairs.

Brands/services by agency of record:
GM Hughes Electronics Corp.
Ad agency: Lintas:Campbell-Ewald, Warren, Mich.: Edwin Acker, sr vp-media dir; John Hartgen, sr vp-creative group head; Harold Margolis, group sr vp, strategic planning & rsch; Michael Tuite, sr vp-mgmt super.

Hughes Aircraft Co.
Los Angeles

Marketing personnel: Malcolm Currie, chmn-ceo; Donald White, president; Lucius Gregg, staff vp-corp comm; Alma Gonzalez, mgr-corp adv.

Brands/services by agency of record:
Hughes Aircraft Co.
Ad agencies: D'Arcy Masius Benton & Bowles, Los Angeles: Jim Helin, mng dir; Andy Bielanski, exec vp-acct group dir; Mark Detrick, vp-mgmt super; Brooke Sloate, asst acct exec; Rebecca Chow, acct coord; David Blain, acct secretary; John Armistead, dept mng dir-exec creative dir; Jeff Weekley, vp-assoc creative dir; Peter Dreiband, vp-assoc creative dir.

Bernard Hodes Advertising, Encino Calif.: Marion Starr, exec vp-branch mgr; Debbie Sesek, Dave Evans, vps-mgmt supers; Flo Stevens, sr acct coord; Sharon Cobley, acct coord; Steve Mitchell, vp-creative dir; Bob Prado, sr art dir; Chris Robbie, vp-media & strategic planning.

Hughes Communications
Los Angeles

Marketing personnel: Stephen Petrucci, president-ceo; Penelope Longbottom, dir-adv & public affairs; Linda Pierson-Kahn, mgr-mktg comm.

Brands/services by agency of record:
Hughes Communications
Ad agency: Spring, O'Brien, House, New York: Edgar Jay House, president; Gary McKee, vp-creative dir; George Bradley, copy chief; Gloria Kestenbaum, mktg & media dir.

GM Corp. Marketing & Product Planning Staff
Detroit

Marketing personnel: J.B. Fitzpatrick, vp-mktg & prod planning; Philip Guarascio, exec dir-adv & strategic merch; D.J. Teasdale, dir-adv operation; H.D. Weed, dir-consumer influence operations; M.A. Browner, genl dir-media operations; M.J. O'Malley, genl dir, strategic merch & mktg; D.P. Bolen, asst adv mgr; K.M. Smagacz, adv super.

Brands/services by agency of record:
Marketing & product planning staff
Ad agencies: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.: Ronald Monchak, mng dir; Theodore Teegarden, exec vp-mgmt super; William Mara, vp-acct super; Stephen Kopcha, exec vp-creative dir.

Mingo Group, New York: Frank Mingo, chmn-ceo; Samuel Chisholm, president-coo; Allan Corwin, sr vp-creative dir; William McGugins, vp-mgmt super.

GM Service Parts Operations
Detroit

Marketing personnel: A.M. Long, exec in charge; R.J. Sherman, genl dir-US sales & mktg; D.P. Robison, dir-mktg; D.E. Poole, dir-pr.

AC-Delco
Detroit

Marketing personnel: A.H. Schwerzel, genl sales mgr, warehouse distributors; G.S. Cashion, genl sales mgr, natl accts; W.A. Carlson, adv & sales promo mgr; D.J. Smith, mktg mgr.

Brands/services by agency of record:
GM Service Parts Operations
Ad agencies: Lintas:Campbell-Ewald, Warren, Mich.: Robert (Ham) Schirmer, exec vp, dir-client svcs; Jeffrey Jacobs, sr vp-mgmt super; Robert Hartanek, acct super; Phillip Ruffino, Bruce Horner, acct execs.

Lintas:Ceco Communications, Warren, Mich.: John Moneyer, group sr vp, group dir-mktg comm; Barbara Bain, sr vp-acct dir, mktg comm; Robert Greer, Paul Curtis, vps-acct supers, mktg comm.

GM Parts
Detroit

Marketing personnel: J.T. O'Connor, genl sales mgr; E.J. Carey, sales mgr, East; S.D. Segalini, sales mgr, Central; E.L. Schreitmueller, sales mgr, West; K.F. Robinson, adv mgr; F. Pardo, mktg mgr.

Brands/services by agency of record:
GM Parts
Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.: John Bowmen, chmn-coo; Ronald Monchak, mng dir; Theodore Teegarden, exec vp-mgmt super; Charles Brandt, vp-group acct super; Cheryl Morgan, John Ottman, acct execs.

Harrison Radiator Division
Lockport, N.Y.

Marketing personnel: Thomas Stokes, genl mgr; David Drury, genl dir-allied program mgmt; Katherine Benoit, pr admin; Gordon White Jr., genl dir, personnel & pr.

Brands/services by agency of record:
Harrison Radiator div
Ad agency: Leo Burnett USA of Michigan, Southfield, Mich.: John C. Ryan, exec vp-genl mgr.

Motors Insurance Corp.
Detroit

Marketing personnel: J.R. Edman, chmn-ceo; J.J. Pero, president; G.S. Barquist, vp-mktg & devel; C.A. Krauss Jr., vp-public affairs & adv.

Brands/services by agency of record:
Motors Insurance Corp.
Ad agency: Lintas:Campbell-Ewald, Warren, Mich.: Deborah Karnowsky, exec vp, co-creative dir; Robert (Ham) Schirmer, exec vp, dir-client svcs; Jeffrey Seregny, sr vp-group mgmt super; Michael Tuite, sr vp.

Oldsmobile Division
Lansing, Mich.

Marketing personnel: J.M. Losh, genl mgr, GM vp; A.R. Buenz, dir-pr; D.E. Lahti, genl sales & svc mgr; C.E. Strong, exec asst to genl sales & svc mgr; W.E. Christell, genl mktg mgr; R.L. Ross, dir-field & consumer mktg; R.J. Billings, strategic mktg mgr; G.W. Card, adv mgr; J.J. Zubor, sales prom mgr.

Brands/services by agency of record:
Oldsmobile div
Ad agency: Leo Burnett Co. of Michigan, Southfield, Mich.: G. Ted Jordan Jr., sr vp-client svcs dir; N.R. Lichtman, vp-acct dir; W.E. Morden Jr., vp-creative dir; R.J. Wisniewski, vp-media dir; R.M. Abell, vp-acct dir.

Pontiac Division
Pontiac, Mich.

Marketing personnel: John Middlebrook, genl mgr, GM vp; Ruth Dutton, dir-Project 21 implementation; David Hansen, dir-mktg & prod planning; Kirklin Holbolth, mgr, personnel admin; John Losch, dir-fleet sales; E.M. Smith, dir-mktg; Charleen Curry, mgr, customer assistance; T.J. Maloney, mgr-natl dealer adv; John Orth, mgr-merch; Robert Hawley, mgr-mktg comm; Edward Lechtzin, dir-pr.

Brands/services by agency of record:
Pontiac div
Ad agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.: Ronald Monchak, mng dir; Robin Smith, dept mng dir; Stephen Kopchas, exec vp-exec creative dir; Mark Gjovik, sr vp-mgmt super; Mike Valant, vp-group acct super; Art Pepin, acct super; Richard Halladay, sr acct exec; James Holman, acct exec, Los Angeles; John Miutz, acct exec; John Greening, sr vp, dir-strategic planning; Charles Stannard, sr vp, dir-rsch & mktg; George Rogers, sr vp, dir-media svcs; Robert Brownell, vp, dir-production & traffic; Ronald Wroblewski, vp, corp spot broadcast; Noel Nauber, sr vp-group creative dir; Paul Stawski, Mark Zapico, vps-assoc creative dirs.

Saginaw Division
Saginaw, Mich.

Marketing personnel: James Ault, genl mgr; Allen Williams, mgr-mktg comm; Gerald Holmes, dir-public affairs.

Brands/services by agency of record:
Saginaw div
Ad agency: Leo Burnett Co. of Michigan, Southfield, Mich.: G. Ted Jordan Jr., sr vp-client svcs dir; W.E. Morden Jr., vp-creative dir; N.R. Lichtman, vp-acct dir; Robert Wisniewski, vp-media dir; Karen Campbell, media super. Scott Miller Group: Thomas Leinberger, president; Randall Young, vp-creative dir; Terry Grenell, vp-mktg dir.

Saturn Corp.
Troy, Mich.

Marketing personnel: Richard LeFauve, president; Donald Hudler, vp-sales, svc & mktg; Thomas Whaver, dir-mktg svcs; James Lewandowski, vp-human resources; Bruce MacDonald, vp-corp comm; Laurie Kay, dir-corp comm, Tennessee Operations.

Brands/services by agency of record:
Saturn Corp.
Ad agency: Hal Riney & Partners, San Francisco: Hal Riney, chmn-ceo.

Gillette Co.
Boston
ADVERTISING: $160.5 MILLION

RANK **59**

Sales & earnings
($ in millions)

■ Worldwide	1988	1987	% chg
Sales	3,581	3,167	13.1
Earnings	259	230	16.8
■ U.S.	1988	1987	% chg
Sales	1,251	1,166	7.3
Operating income	230	206	11.7
■ Division sales	1988	1987	% chg
Blades & razors	1,147	1,031	11.3
Toiletries & cosmetics	1,019	926	10.1
Stationery prods.	385	320	20.2
Braun prods.	824	703	17.2
Oral-B prods.	202	183	10.1
Other	5	4	14.6

U.S. advertising by media
($ in thousands)

■ Media	1988	1987	% chg
Magazine	15,337	10,579	45.0
Newsp supp.	353	0	NA
Newspaper	2,845	41	6,873.5
Outdoor	340	46	632.8
Network TV	46,540	29,882	55.7
Spot TV	5,243	5,512	(4.9)
Synd TV	6,415	9,714	(34.0)
Network Cable	8,226	7,909	4.0
Network radio	428	1,399	(69.4)
Spot radio	115	340	(66.1)
Measured	85,852	65,432	31.2
Unmeasured	74,600	56,800	31.3
Total	160,452	122,232	31.3

Gillette Co., looking to strengthen its dominance in the $2.4 billion worldwide razor and shaver market, is focusing on its highly-profitable blade-and-razor systems at the expense of its disposable razors.

Following a narrow victory in a proxy contest that kept it independent from suitor Coniston Partners, Gillette came out slugging in December with an $80 million pan-Atlantic campaign for its Atra Plus lubricating razor system. The product, called Contour Plus in Europe, is Gillette's only ad-supported razor system in 1989.

The year-long, multimedia campaign for Atra Plus ended a two-year stall forced on by a series of takeover attempts that distracted management and drained both financial and human resources.

The takeover battles, saddling the company with $2 billion in debt, precipitated a restructuring that included the closing and consolidation of several domestic and international operations as well as extensive layoffs.

With most of the cost-cutting efforts behind it, the Boston-based company, which reduced ad spending in 1987, poured big bucks back into its ad budget in 1988. Measured media jumped about 32% in 1988 to over $85 million, according to LNA/Arbitron.

The massive Atra Plus campaign that stresses Gillette's shaving heritage not only proves Gillette's commitment to systems but also is designed to rebuild its image and win back younger consumers.

Gillette boosted its overall ad budget for shaving systems 45.5% in 1989 to $80 million. Another $90 million will go to promotional activities, with $10 million in ad spending in 1989 for disposables.

Gillette's only media-supported disposable is the women's Daisy Plus, a mid-1988 launch. It received a $10 million marketing budget.

Gillette is clearly banking on the "plus" market--razors that feature lubricating strips—evidenced by the phasing out of the original Daisy razor, a "plus" line extension to Good News! men's disposables and the spending surge behind Atra Plus.

Tiny competitor Wilkinson Sword USA also looked to the "plus" market to cut into Gillette's 65% share of the wet-razor market by launching in early 1989 the Ultra Glide system with a commercial that claimed superiority over Atra Plus. Gillette got an injunction against Wilkinson to stop the Ultra Glide commercial.

Gillette will introduce in 1990 what it calls a "revolutionary" shaving system, its first new shaving system in a decade. Gillette said the marketing muscle behind the new product will top $100 million.

In early 1988, Gillette boosted its ad budget for deodorants/antiperspirants by 50% to $30 million. The increase was partly to support line extensions for brands like Dry Idea and Right Guard that were experiencing market share declines. Right Guard Sport Stick, touted in commercials by sport stars like Brian Bosworth and Marvelous Marvin Hagler, got about $12 million in ad support during 1988, according to LNA/Arbitron. Dry Idea for Men got $3 million.

In the haircare segment, Gillette introduced Epic Waves in January 1989 backed by $13 million in advertising. Also in January, it relaunched Silkience shampoos and conditioners with a $20 million ad campaign, marking the first ad effort for the brand in two years.

N W Ayer, New York, in early 1988 became Gillette's No. 2 agency, behind BBDO Worldwide, when it won the Silkience, new haircare products and $25 million pan-European Aapri apricot facial scrub accounts. Foote, Cone & Belding/Europe, London, had previously handled. Gillette, in August 1988, also shifted its Myoko skincare product line to Ingalls, Quinn & Johnson, Boston, after Hill, Holliday, Connors, Cosmopulos resigned the account.

GILLETTE CO.
Prudential Tower Building
Boston, Mass. 02199
(617) 421-7000

Advertising Services Division
Marketing personnel: Michael Nadelberg, vp-adv svcs; Thomas Lux, media dir; John Walp, dir-adv production.

Shaving Group
Marketing personnel: Peter Hoffman, vp-mktg, systems; Bruce Cleverly, vp-mktg, disposables.

Shaving Division
Marketing personnel: Michael Casner, vp-business mgmt.

Brands/services by agency of record:
Atra line
Trac II line
Good News line
Daisy line
Foamy Shave Cream
Microtrac
Ad agency: BBDO, New York: Symon Marlow, exec vp-sr mgmt rep; Michael Paxton, sr vp-mgmt rep.

Personal Care Group
Marketing personnel: Sandra Lawrence, vp-new prods & business devel.

Brands/services by agency of record:
Personal Care Group
Ad agency: Ingalls, Quinn & Johnson, Boston: Margaret Coughlin, dir-business devel.

Personal Care Division
Marketing personnel: Roger Crudgington, vp-mktg.

Brands/services by agency of record:
Dippity-Do
White Rain
Mink Difference

Toni Epic Wave
Right Guard
Silkience
Ad agency: N W Ayer, New York: David Gantman, sr vp-exec acct dir; James Haag, vp-mgmt super.

■

Soft & Dri
Dry Idea
Ad agency: BBDO, New York: Bruce Myers, exec vp, dir-acct svcs.

Stationery Products Group
Marketing personnel: Stephen White, vp-business strategy, new prods & acquisitions.

Stationery Products Division
Marketing personnel: Michelle Stacey, mktg dir.
Brands/services by agency of record
Paper Mate writing instruments
Waterman writing instruments
Ad agency: McCann-Erickson, New York: David Weiss, vp-group head dir.

Oral B Division
Marketing personnel: Thomas Farrow, mktg dir.
Brands/services by agency of record:
Ultra toothbrushes
Ad agency: BBDO, Los Angeles: Terry Bowman, sr vp-mgmt super.

RANK
82

Goodyear Tire & Rubber Co.

Akron, Ohio
ADVERTISING: **$124.6 MILLION**

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	10,810	9,905	9.1
Earnings	350	771	(54.6)
U.S.	**1988**	**1987**	**% chg**
Sales	6,361	5,908	7.7
Operating income	439	617	(28.8)
Division sales	**1988**	**1987**	**% chg**
Tires	7,927	7,305	8.5
Transportation prods	1,365	1,262	8.2
Industrial rubber, chem	1,442	1,246	15.8
Oil transportation	8	17	(53.5)
Other	69	76	(9.4)

U.S. advertising by media

($ in thousands)

Media	1988	1987	% chg
Magazine	12,727	3,781	236.6
Newsp supp	56	0	NA
Newspaper	2,029	1,597	27.1
Outdoor	108	120	(10.0)
Network TV	20,657	14,150	46.0
Spot TV	10,926	14,828	(26.3)
Synd TV	859	1,192	(27.9)
Network Cable	874	307	184.5
Network radio	214	2,198	(90.3)
Spot radio	760	592	28.4
Farm pub	635	855	(25.7)
Measured	49,844	39,620	25.8
Unmeasured	74,800	59,400	25.9
Total	124,644	99,020	25.9

Goodyear Tire & Rubber restored its advertising in 1988 to the level of expenditures in 1986 following an unsuccessful attempt by Sir James Goldsmith to acquire the company. Total advertising increased an estimated 25.9% over 1987, a year of cost-cutting, sell-offs and restructuring at Goodyear as it recovered from the debt incurred in its buyout defense.

The world's largest tire and rubber company continued consolidating operations, reorganizing into two divisions, tires and general products, each with its own manufacturing, development, financial, management and support functions.

Goodyear's realignment gives new division heads, Jacques R. Sardas (tires) and Hoyt M. Wells (general products), flexibility in decision-making. While both report to Goodyear's newly-elected CEO Tom Barrett, who succeeded retired chief Robert Mercer in January, each division head has the autonomy and authority to act on his own.

While Goodyear retained its leadership position in the $40 billion worldwide tire market with an 18.3% share, last year's merger of Bridgestone and Firestone significantly increased the pressure on Goodyear to differentiate its products and services from its competitors. In the mature, low-growth market category of tires and transportation items, advertising and promotion strategies have become more important in creating new images and building product awareness.

Goodyear's measured media ad expenditures in 1988 reached nearly $50 million, up 32%, according to LNA/Arbitron. The jump was fueled by increased spending in network TV to $20.7 million, up 47%, and magazines, $12.8 million, up from $3.8 million. Much of this was for Young & Rubicam's new "Nobody fits you like Goodyear" campaign.

Introduced in midsummer with humorous TV spots for Goodyear Certified Auto Services, which competes in the $80 billion auto service market, Y&R's campaign replaced the long-running "Goodyear, Take Me Home" theme created by former account-holder J. Walter Thompson USA, New York. During the Summer Olympics, the new campaign expanded to include TV spots for Goodyear passenger car and light truck tires.

Goodyear, in a tandem move, offered 4,600 free car-care clinics at company-owned stores and dealerships throughout the country. These were designed to spotlight Goodyear's certified auto service and nationwide warranty program.

To promote its Eagle all-season, high-performance tires, Goodyear provided 8 million brochure inserts to 10 automotive and sports magazines, as well as continuing its high-visibility involvement in Formula One, Indy Car and NASCAR auto racing. The company sponsored the development of a tire care booklet which was made available through the federal government's consumer information catalog.

Goodyear did not neglect promotional opportunities in other marketplaces. Goodyear truck trailers bearing Tirenet logo, which represents its road service program for truck fleet customers, attracted nationwide media attention when they hauled hay to drought-stricken Midwest farmers. And its sponsorship of the 1988 World Plowing Contest at the World Agricultural Expo in Amana, Iowa, garnered Goodyear exposure in the global agricultural machinery market.

GOODYEAR TIRE & RUBBER CO.
1144 E. Market St.
Akron, Ohio 44136
(216) 796-2121

Marketing personnel: James K. DeVoe, vp, tire mktg & worldwide adv; Robert L. Gray, dir-creative svcs; Davis M. Jones, dir-retail adv; James N. Neawedde, mgr-adv, auto & racing tires; Norbert J. Drol, mgr-adv, truck & farm tires; George S. Drop, mgr, major mkt programs; James T. Manning, mgr-adv, geal prods; William L. Newkirk, vp-public affairs; Leonard B. Elms, mgr-corp adv.
Brands/services by agency of record:
Geal prods
Retail adv
Ad agency: Malone Advertising, Akron, Ohio: Robert L. Haverback, vp-mgmt super; Scott Earhart, acct exec. Geal prods: Joseph A. Mazzagotti, vp-mgmt super; Donna Hessel, acct exec; Ira Bass, vp-media dir.

■

Western region retail adv
Ad agency: HDM Los Angeles: Chuck Reynolds, president; Fred Koplin, mgmt super; Jean Gillett, sr acct exec.

■

Eagle brand genl adv
Eagle high-performance tires
Goodyear Wrangler tires
Race enthusiast adv
Broad mkt tires
Certified auto svc
Commercial truck tires
Farm tires
Light truck tires
Ad agency: Young & Rubicam, Detroit: Charles Riley, sr vp-group dir; George Bak, vp-mgmt super.

■

High-performance group
Ad agency: J. Walter Thompson USA, Detroit: Austin Craig, vp-mgmt super; Pamela Csatari, acct super.

■

Corp adv
Ad agency: Brouillard Communications, New York: Doug Longmire, sr vp-acct dir; Kate Gomez, vp.

Kelly Springfield Tire Co.
Cumberland, Md.
Marketing personnel: B.D. Robbins, vp-sales & mktg; J.L. Florin, dir-adv.
Brands/services by agency of record:
Kelly tires
Ad agency: Malone Advertising, Akron, Ohio: Fred Bidwell, sr vp-geal mgr; Ralph Cutcher, vp-acct exec; Mark Bachmann, acct exec; Debby Neitzel, acct coord; Laura Ruth, art dir; Cathy Chapman, copywriter; Tracey Kleibscheidel, assoc media dir; Vince Felber, traffic coord.

Lee Tire & Rubber Co.
Cumberland, Md.
Marketing personnel: William E. Borst, geal mktg mgr; Gardner Bates, comm mgr.
Brands/services by agency of record:
Lee tires
Ad agency: Winchell Marketing Communications, Philadelphia: Carl Shaifer, chmn-acct mgr; Tom Rigg, production mgr; Lisa McKenna, media coord.

RANK
6

Grand Metropolitan PLC

London
ADVERTISING: **$773.9 MILLION**

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	10,681	8,994	18.8
Earnings	730	525	39.0
U.S.	**1988**	**1987**	**% chg**
Sales	3,211	2,803	14.6
Operating income	410	312	31.2
Division sales	**1988**	**1987**	**% chg**
Food	2,219	1,650	34.5
Drinks	4,573	3,433	33.2
Retailing	2,960	2,313	28.0

U.S. advertising by media

($ in thousands)

Media	1988	1987	% chg
Magazine	59,545	54,948	8.4
Newsp supp	2,256	2,863	(13.7)
Newspaper	13,867	6,352	118.6
Outdoor	7,796	7,314	6.6
Network TV	102,009	122,205	(16.5)
Spot TV	130,339	142,005	(8.2)
Synd TV	21,808	16,611	31.3
Network Cable	4,343	2,137	103.2
Spot radio	21,090	16,366	28.9
Measured	363,114	370,600	(2.0)
Unmeasured	410,800	419,300	(2.0)
Total	773,914	789,900	(2.0)

Grand Metropolitan transformed itself into one of the world's leading food and beverage companies last December when it captured a reluctant Pillsbury Co. in a $5.75 billion deal.

Grand Met initiated sweeping changes at Pillsbury. Burger King, Haagen-Dazs and Pillsbury's Industrial Foods were combined into a separate division. Pillsbury's U.S. Consumer Foods business, now also a separate operating unit within Grand Met, was renamed Pillsbury Foods.

"Now we make a bigger splash with our promotions."

Tim Schoen, Product Manager, Budweiser

Each year at more than 100 water sports events, people thrill to the sight of a 15-foot tall Budman speeding across the waves.

"Budman on a Jet Ski" is just one of several Anheuser Busch characters we've recreated to capture the attention of audiences everywhere.

We're Bigger Than Life, the nation's leading creator of high quality giant inflatables. Our memorable replicas of products, characters and mascots ensure lasting impressions for companies around the world.

Three Budmen on jet skis—and twenty other giant inflatable Budman characters—travel around the U.S. in support of Budweiser consumer promotions.

Bigger Than Life conveniently handles reservations, maintenance and distribution of each inflatable through a turn-key service program.

We'd like to show you how Bigger Than Life giant inflatables can help your promotions make a bigger splash. Call us today at 800-383-9980, extension 400.

BIGGER THAN LIFE INC.®
FOR PEOPLE WHO THINK BIG

1327 Fayette Street, El Cajon, California 92020

MARKETING—EXECUTIVES

Packaged Goods and Financial Services

MARTHA WARD ASSOCIATES

Top 25 network radio advertisers

Rank	Advertiser	Network radio expenditures 1988	1987	% chg	as % of co.'s '88 ad total
1	Sears, Roebuck & Co.	$67,612	$52,701	28.3	6.5
2	General Motors Corp.	38,255	18,906	102.3	3.0
3	Procter & Gamble Co.	25,534	23,665	7.9	1.7
4	Bayer AG	18,701	20,221	(7.5)	14.1
5	Campbell Soup Co.	18,572	14,763	25.8	9.2
6	Cotter & Co.	18,284	12,488	46.4	20.8
7	Warner-Lambert Co.	16,911	24,614	(31.3)	2.8
8	Anheuser-Busch Cos.	15,391	23,456	(34.4)	2.4
9	American Telephone & Telegraph	12,311	15,004	(17.9)	2.2
10	Ford Motor Co.	12,043	19,766	(39.1)	2.1
11	Unilever NV	11,816	8,627	37.0	1.9
12	K Mart Corp.	11,792	6,824	72.8	1.9
13	U.S. Government	11,788	10,124	16.4	4.0
14	City Investing Co.	11,549	NA	NA	NA
15	Schering-Plough Corp.	11,256	10,641	5.8	4.3
16	Chrysler Corp.	11,193	4,874	129.7	2.4
17	Dow Jones & Co.	10,218	8,951	14.1	NA
18	News Corp.	9,734	4,899	98.7	7.0
19	Philip Morris Cos.	8,696	9,611	(9.5)	0.4
20	Teledisc USA	8,591	15,758	(45.5)	NA
21	Black & Decker Manufacturing Co.	7,485	2,106	255.4	11.8
22	Hershey Foods Corp.	5,952	3,332	78.6	2.0
23	General Mills	5,809	2,473	134.9	1.2
24	State Farm Mutual Auto. Insurance	5,801	NA	NA	NA
25	Mars Inc.	5,721	8,569	(33.2)	1.7

Note: Dollars are in thousands. Source: Leading National Advertisers/Arbitron.

AA chart: Kevin Brown

Philip Smith left as head of Pillsbury. Ian C. Martin, Grand Met's top U.S. executive, assumed the role of chairman for both Pillsbury and Burger King.

Burger King conducted its third agency review in as many years, dropping N W Ayer from its $215-million business. D'Arcy Masius Benton & Bowles, New York, got brand identity or chain-image advertising and Saatchi & Saatchi Advertising, New York, got brand retailing, short-term and product-specific advertising.

Pillsbury management also consolidated its advertising with Leo Burnett USA, moving the estimated $4.8 million account for dessert mixes, frostings and microwave products from Young & Rubicam, New York.

During 1988, Pillsbury, which pioneered microwaveable refrigerated dough, introduced microwave brownies. The brand rolled out nationally with $6.5 million in measured spending, a first step on Pillsbury's part to improve its No. 3 position in the $1.1 billion dessert-mix market. General Mills leads the category with 39% share. Procter & Gamble's Duncan Hines holds second.

Pillsbury also sought to improve its standing in the frozen vegetable category with a $9.6 million media push behind the introduction of Green Giant Gourmet vegetable side dishes.

As the frozen pizza category leader with about a 50% market share through its Jeno's and Totino's brands, Pillsbury is testing a line of "quality" frozen pizzas called Papalo's in southwestern markets. Early in 1988 Pillsbury's Godfather's Pizza chain was sold to management. Pillsbury then followed by selling Bay Street and Key West Grill restaurants to that division's management.

Pillsbury broke a $15 million TV campaign for Bennigan's, a casual-dining restaurant chain. But once under Grand Met management, Bennigan's and Steak & Ale restaurants were sold to management.

By mid-1989, two more Pillsbury units were put on the block: Bumble Bee Seafood and Van deKamp's Frozen Foods.

Grand Met's International Distillers and Vintner's U.S. units, Paddington, Carillon and Heublein, focused on the few liquor categories that are expanding. Overall U.S. liquor consumption declined 4.2%, more rapidly than it had in recent years.

Carillon's Absolut vodka, with its Peppar and Citron formulations, was the category leader in imported vodka, a segment which grew by 24% to 3.1 million cases, according to *Impact*, a wine and spirits newsletter. Absolut led the way with an increase of 33.5% to 1.89 million credited to its innovative advertising and promotions, according to Grand Met. Measured spending for the brand increased 19% to $7.5 million.

Heublein, which markets Smirnoff vodka, the top-selling domestic vodka in that $3 billion brand category, backed Smirnoff with $6 million in media, down 28.6%. Sales of the vodka increased 2% to 6.6 million cases, according to *Market Watch*. To take on the hot-selling premium imported vodkas, Smirnoff has introduced Smirnoff Silver, a premium-price brand selling for as much as 50% more than regular Smirnoff. Ad spending behind the brand should hit $10 million in 1989. Heavy media support also was provided Fosters lager at $6 million, up 11%; J&B Scotch at $6.5 million, down 15.6%, and Grad Marnier, $4.78 million, down 7.8%.Heublein's Jose Cuervo tequila is the market leader in the category, which is growing by about 4% annually. In 1988, about 4 million cases of tequila were shipped to wholesalers, according to *Impact* Cuervo led with 1.65 million case depletions, an increase of 16%. The No. 2 brand, Sauza, marketed by Domecq Importers, increased 22% to 605,000 cases. Measured media spending for Jose Cuervo totaled $2.6 million.

To fortify its wine and brandy business, Heublein acquired Mont La Salle Vineyard and its Christian Brothers label. The estimated $5 million account was shifted from Goodby, Berlin & Silverstein to one of Heublein's main agencies, Young & Rubicam, New York.

In 1988 Grand Met spent about $15.3 million, down 8.9%, in support of the Alpo dog food brands.

Alpo plans to launch its first branded cat food in November to replace Alpo's regional brand, Tabby, which ranked 12th among the top-selling brands in 1988, with $1 million in sales. Anticipated costs for the rollout will be about $70 million, including an undisclosed marketing fee for the use of the Garfield cat cartoon character. U.S. cat food sales climbed 3.8% in 1988 to $2.3 billion. Dog food sales only climbed 2.45% during the same period to $3.6 billion, according to John C. Maxwell, a pet food industry analyst for Wheat First Securities in Richmond, Va.

Alpo canned dog food is the category leader, with 1988 sales of $262 million, up 2.9% from $240 million. The No. 2 brand, Kal Kan Pedigree; had $200 million sales, according to Mr. Maxwell.

Alpo's Beef Flavored Dinner dog food was the third best-selling brand in 1988 with sales of $113.5 million, up 5% from $108 million. Ralston Purina's Dog Chow and Puppy Chow had higher sales. Three of its other dry brands, Hunters Choice, Jim Dandy Chunk & Ration and Alpo Puppy, were among the top 20 brands.

Pearle Vision Centers acquired two chains of vision superstores: Vision Express, which has 27 stores in the Midwest and Eye-Tech, with 38 stores in the Southwest and western states. To compete in the growing prepaid medical plan market, Pearle launched Managed Vision Care to sell Pearle Products and services to the 35 million people covered by these plans. Measured spending for Pearle was down 18.9% to $21.5 million.

Grand Met in 1988 sold the Inter-Continental Hotels subsidiary to Japan's Saison group for $2.27 billion. Cash from the sale was used to lure Pillsbury.

GRAND METROPOLITAN P.L.C.
11-12 Hanover Square
London W1A 1DP

Grand Metropolitan
100 Paragon Dr.
Montvale, N.J. 07645
(201) 573-4000

Corporate personnel: Ian A. Martin, chmn; J.H. Chandler, exec vp, legal, personnel, external affairs; J.H. Gross, sr vp, legal, secretary; R.C. Mitchell, dir & vp, corp finance, treasurer; M.E. Carroll, vp, external affairs; Joseph Pollack, vp, taxes; P.E. Phillips, jr controller.

Petfoods
Allentown, Pa.

Corporate personnel: Frank W. Krum, president-ceo; Willard Cessman, sr vp, finance.

Marketing personnel: Robert Beckwith, vp-sales; Katherine Hillman, vp-mktg.

Brand/services by agency of record:
Alpo canned & dry dog food
Alpo Dinner canned & dry dog food
Alpo Jerkey Bits

To cover Houston, split your buy between the two biggest newspapers:

Alpo Light canned dog food
Alpo puppy food
Alpo Snaps treats
Alpo Stew Biscuits dog food
Bi-ta dog biscuits
Beef Bites treats
Tabby cat food

Ad agency: Weightman Inc., Philadelphia: John Goodchild, president; Mark Plamondon, exec vp; Neil Harrison, sr vp-media.

Burger King Corp.
Miami, Fla.

Corporate personnel: Ian C. Martin, chmn; Barry Gibbons, ceo.

Marketing personnel: Gary L. Langstaff, exec vp-mktg; Jeff Meyers, vp-creative; Donald Dempsey, exec vp, northeast; Kevin K. Moriarity, exec vp, central; C. Scott Connor, exec vp, southeast; David I. Geddes, exec vp, west.

Brands/services by agency of record:
Burger King brand identity

Ad agency: D'Arcy Masius Benton & Bowles, New York: Roy Bostock, president; Steve Gramps, sr vp-acct dir.

■

Burger King brand retailing

Ad agency: Saatchi & Saatchi Advertising, New York: Edward L. Wax, ceo; Harvey Hoffenberg, exec vp.

Pillsbury Foods
Minneapolis

Corporate personnel: Ian C. Martin, chmn-ceo; Paul S. Walsh, coo.

Marketing personnel: Michael J. Paxton, president, Pillsbury Brands Group; Gary Klingl, president, Green Giant Group; Mark L. Stevens, president, Haagen-Dazs Ice Cream; Michael Bailey, sr vp-sales & mktg, Haagen-Dazs Ice Cream.

Brands/services by agency of record:
Al-Ready pie crusts, cakes & frosting mixes
Artificial sweeteners
Figurines
Green Giant prods
Refrigerated prods
Hungry Jack potatoes & pancakes
Pillsbury microwave prods
Totino's pizza
Jeno's pizza

Ad agency: Leo Burnett USA, Chicago: Susan Ball, acct super; John Miller, sr vp-acct dir; Edson Sessions, vp-acct dir.

■

Haagen-Dazs Ice Cream

Ad agency: Margeotes/Fertitta & Weiss, New York: George A. Fertitta, president.

■

Van deKamp's frozen seafood
Van deKamp's frozen entrees

Ad agency: D'Arcy Masius Benton & Bowles, Los Angeles: Jim Helin, mng dir; Diane Krouse, vp-mgmt super; Arlene Spector, vp-acct super; Phil Odell, sr acct exec.

■

Corp trade adv

Ad agency: Pride, Barber & Whaley, Minneapolis: Bob Pride, chmn; Lynn Dekker, vp-acct super.

Pearle Health Services
Dallas

Marketing personnel: Howard Stanworth, president-ceo; Joe Dono, sr vp-mktg; Debbie Tippett, dir-mktg; Randy Henry, dir-field mktg; Barbara Pijot, creative mktg mgr.

Brands/services by agency of record:
Pearle Vision Centers
Texas State Optical Service

Ad agency: Foote, Cone & Belding Communications, Chicago: Joan Black, sr vp-group acct dir; Bob Kubis, vp-acct dir.

International Distillers and Vintners
Paddington Corp.
Fort Lee, N.J.

Corporate personnel: Peter Thompson, president-ceo.

Marketing personnel: Roger Slone, sr vp-mktg; Joe McKenna, vp-pr; Robert Green, sr vp-sales; Tony Foglio, vp-sales; Kevin Mc Hugh, vp-sales, eastern region; Keith Greggor, brand mgr-Baileys Original Irish Cream; David Margolis, brand mgr, J&B; Jim Signorile, group mktg dir, Malibu rum; Aldo Tenaglia, brand mgr, Cinzano, Rumple Minze, Amaretto di Saronno; Christine Bowdring, asst brand mgr, Amaretto di Saronno; Jamie Friedman, asst brand mgr, Rumple Minze schnapps; Mark Teasdale, asst brand mgr, Rumple Minze schnapps.

Brands/services by agency of record:
Asti Spumanti wines
Bailey's Original Irish Cream liqueur
Cinzano vermouth
Sambuca Romana

Ad agency: Berentner, Greenhouse & Webster, New York: Bill Berentner, chmn; Martin Greenhouse, exec vp; Barrie Webster, president.

■

Amaretto di Sarrono
Malibu Rum
Rumple Minze schnapps

Ad agency: Geer, DuBois, New York: Dave Eastbrook, vp-mgmt super; Robert Rosengarten, vp-acct super; Dawn Dresher, sr acct exec.

■

J&B rare scotch
Knockando scotch

Ad agency: Grace & Rothchild, New York: Gordon Sleeper, genl mgr; Tom White, mgmt super; Gene Wilhoft, dir-media svcs.

Carillon Importers
Teaneck, N.J.

Corporate personnel: Michel Roux, president-ceo; Jerry Ciraulo, vp-finance & admin.

Marketing personnel: Dick McEvoy, sr vp-mktg & sales; Ernie Capria, dir-mktg svcs; Pamela Taylor, mgr-pr.

Brands/services by agency of record:
Absolut vodka
Absolut Peppar
Absolut Citron
Bombay gin
Champagne Devonage
Catullo red & white wine
Cremant Rose
Fernet Blanca
Grand Marnier
O'Kir
O'Mint mineral water
Pia D'Or wine

Ad agency: TBWA Advertising, New York: Richard Lewis, Brian Barry, vps-mgmt supers; Claude Fromm, sr vp-media dir; Reatha Braxton, vp-media super; Page Murray, Darren Finnic, acct execs.

Heublein Inc.
Farmington, Conn.

Corporate personnel: John A. Powers, chmn; Robert M. Furek, president-ceo; G.T. Eisenberg, exec vp-sales & mktg.

Marketing personnel: David G. Eickholt, vp-mktg svcs; William F. Engster, president, Intl Vintage Wines Co.; Edward Gaultieri, vp-spirits mktg; Gregory Czarnecki, mktg dir, Palace Brands Co.; Peter Seremet, vp-pr; G. William Seawright, sr vp-intl; Charles Trynor, vp-wines mktg; Charles Wheeler, dir-adv svcs.

Brands/services by agency of record:
Almaden wines
Blossom Hill wines
Black Velvet Canadian whisky
Smirnoff Vodka
Smirnoff Silver Vodka
Famous Grouse scotch whisky
Yukon Jack Canadian liqueur

Ad agency: McCann-Erickson, New York: Dave Cohen, sr vp-group super; David Katz, Kathy Faust, Margot Jackson, acct execs.

■

Arrow Cordials
Club Cocktails
Christian Brothers brands
Finlandia vodka
Heublein Cocktails
Inglenook-Napa Valley wines
Inglenook Navalle wines
Jose Cuervo tequila
Lancers wine
Mouton Cadet wines
Tropic Freezer Cocktails
Truffles Liqueur du Chocolat

Ad agency: Young & Rubicam, New York: Bernadette Murray, Ed Daley, acct supers.

■

Pernod

Ad agency: D'Arcy Masius Benton & Bowles, New York: Dan Cole, acct super.

■

Beaulieu Vineyards

Ad agency: Lowe Marschalk, New York: Bob Glassman, acct super.

■

Smirnoff vodka-Hispanic adv

Ad agency: Robles Communications, New York: Neil Campbell, acct exec.

■

Smirnoff vodka-Black adv

Ad agency: UniWorld Group, New York: Byron Lewis, ceo.

All Brand Importers
Hartford, Conn.

Corporate personnel: John J. Kucich, chmn-ceo.

Brands/services by agency of record:
Clausthaler non-alcoholic malt beverage
Dos Equis beer
Moosehead Canadian Lager

Ad agency: McCann-Erickson, New York: Steve Monahan, acct super.

■

Foster's Lager

Ad agency: AC&R/CCL, Los Angeles: Bill Isenberger, acct mgr.

Kraft's still Kraft, sort of

Since '56, Kraft has been National Dairy Products, Kraftco, Kraft Inc., Dart & Kraft and Kraft GF on the Leaders.

RANK **90**

Hallmark Cards

Kansas City, Mo.
ADVERTISING: **$119.8 MILLION**

U.S. advertising by media
($ in thousands)

Media	1988	1987	%chg
Magazine	1,720	3,384	(49.2)
Newsp supp	9,659	2,523	282.8
Newspaper	10,994	7,174	53.3
Outdoor	1	3	(73.3)
Network TV	38,180	38,230	5.4
Spot TV	2,975	1,173	153.7
Synd TV	2,085	711	193.0
Network Cable	424	77	447.3
Network radio	433	1,300	(66.7)
Spot radio	4,769	2,426	96.6
Measured	71,240	55,002	29.5
Unmeasured	48,600	37,500	29.6
Total	119,840	92,502	29.6

Hallmark Cards is reopening the competition in the mature greeting card industry as it breaks new ground with its products and advertising via Leo Burnett USA, its fourth agency in seven years.

The privately held No. 1 greeting card maker also is using characteristic caution with these moves, hedging its risks and downplaying any appearance of change.

As Hallmark rejuvenates its marketing efforts in greeting cards, it continues to invest heavily in advertising via Spanish-language broadcasting.

The $4 billion greeting card industry was relatively flat from 1985 to 1987, mainly due to a saturation of retail card outlets and higher prices for cards overall, says E. Gray Glass III, a greeting card industry analyst with Prudential-Bache Securities.

However, the industry began to grow again in 1988, and is expected to increase by approximately 3% through 1989, says Mr. Glass who believes greeting card makers are showing stronger marketing at the retail level.

Hallmark is maintaining its leadership with 40% share of the overall market. American Greetings Corp. follows with about 35%, and Gibson Greetings has 10%-12% share.

Citing the need for fresh creative approaches, in late 1988 Hallmark put its $40 million account up for review, and picked Burnett as its new agency to succeed Ogilvy & Mather, New York, which had the account for four years.

The review followed several years of agency turnover at Hallmark, beginning in 1982 when Hallmark dismissed Foote, Cone & Belding, Chicago, its agency for 37 years. The account had moved to Young & Rubicam, New York, for two years before it settled at O&M.

Burnett's first campaign introduced a new, secondary theme to Hallmark's advertising: "Hallmark has a way to make somebody's day," which is now being used alongside Hallmark's umbrella theme: "When you care enough to send the very best."

The new agency was given the task of nurturing a new product niche that's the first of its kind—Hallmark's "non-occasion" line of cards for children, called: "To Kids With Love."

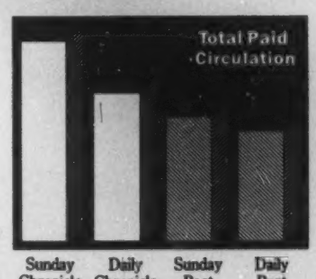
The cards are designed to convey everyday messages of love and caring from adults to kids between 7 and 14 years old, an age group Hallmark says is 26 million strong and expected to grow 15% by the end of the next decade. Hallmark

The Sunday Chronicle and the daily Chronicle.

Surprised that The Houston Chronicle sells the two biggest newspapers in Houston? Well, it does.

The Sunday Chronicle sells 222,998 more papers than the city's other Sunday paper, giving it a 61% lead. And the daily Chronicle? It's got a 33% lead over their daily edition, and even outsells their Sunday paper by 64,996. The Houston Chronicle is also the largest paper in the Southwest and one of the top 20 papers in the country.

So if you want big advertising results, give us a call at (713) 220-7761. One phone call, and you'll get Houston's two biggest newspapers.



Sunday Chronicle	Daily Chronicle	Sunday Post	Daily Post
585,845	427,843	362,847	322,193

Calculations computed from the March 31, 1989 Publisher's Statements for The Houston Chronicle and The Houston Post.

Houston Chronicle
Houston's primary advertising investment.

introduced the line in January 1989, with a $5 million network TV campaign created by O&M.

Hallmark stepped up its sales promotion efforts to increase card sales for occasions and holidays. In October 1988, it introduced its first video purchase-with-purchase deal for Halloween, called "Creepy Classics," which it supported with a print-and-radio campaign.

In February, it brought out a stuffed bear purchase-with-purchase offer for Valentine's Day, backed with a network spot by Burnett.

HALLMARK CARDS
2501 McGee Trafficway
P.O. Box 580
Kansas City, Mo. 64141
(816) 274-5111

Corporate personnel: Donald J. Hall, chmn; David H. Hughes, vice-chmn; Irvine O. Hockaday Jr., president-ceo; Robert L. Stark, exec vp.

Marketing personnel: Thomas H. Johnston, group vp, Hallmark brand; Robert Firnhaber, group vp, Ambassador brand; Lanny Julian, Hallmark vp-sales & retail devel; Homer Evans, Hallmark vp, Hallmark Cards prods div; Buddy Jones, Hallmark vp, specialty prods div; Donald Fletcher, div vp, Ambassador prod devel; Brad Moore, div vp-adv & promo; Ira Stolzer, mgr-natl & retail adv; Jim Welch, consumer promo dir.

Hallmark Division

Corporate personnel: Donna Kelly, vp-genl mgr, Hallmark properties; Charles W. Hucker, div vp-public affairs & comm.

Brands/services by agency of record:

Hallmark natl adv

Ad agency: Leo Burnett USA, Chicago: Jim Thompson, sr vp-acct dir; Tom Dickson, vp-acct dir; Jan Karzen, Ken Fill, acct supers; Greg Matsunami, Greg Markovits, acct execs.

■

Hallmark local retail adv

Ambassador div

Ad agency: Valentine-Radford, Kansas City, Mo.: T. Craig Ligibel, vp-client svcs; Greg Kirsch, vp-acct super; Michael St. Pierre, acct super; Karen Bogle, acct super, Ambassador.

Binney & Smith
Easton, Pa.

Corporate personnel: Richard S. Gurin, president-ceo.

Brands/services by agency of record:

Binney & Smith

Ad agency: Avrett, Free & Ginsberg, New York: Tom James, mgmt super; Miriam Cohen, acct super.

Univision Holdings
New York

Corporate personnel: William Grimes, president-ceo.

Univision
New York

Corporate personnel: Joaquin Blaya, president.

Brands/services by agency of record:

Univision

Ad agency: Alan Spess & Associates, Miami: Alan Spess, president.

RANK **58**

Hasbro Inc.

Pawtucket, R.I.

ADVERTISING: **$164.5 MILLION**

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	1,358	1,345	1.0
Earnings	72	48	50.2
U.S.	**1988**	**1987**	**% chg**
Sales	925	933	(0.9)
Operating income	83	72	15.7

U.S. advertising by media

($ in thousands)

Media	1988	1987	% chg
Magazine	4,368	5,970	(26.8)
Newspaper	30	1	2,057.1
Outdoor	1	0	NA
Network TV	25,006	26,697	(6.3)
Spot TV	78,681	72,148	9.1
Synd TV	21,103	14,836	42.2
Network Cable	2,386	2,445	(2.4)
Spot radio	16	0	NA
Measured	131,591	122,086	7.8
Unmeasured	32,900	30,500	7.9
Total	164,491	152,586	7.8

Hasbro Inc. is at a crossroads. Although it is the largest, most diversified toy company in the industry, in 1989 the man credited with bringing Hasbro to its No. 1 position—Stephen Hassenfeld—died at the age of 47.

He was replaced in May as president by his brother Alan, 41, who has a long track record with Hasbro.

Hasbro grew dramatically through the 1980s, but that momentum slowed in 1987 and 1988. Analysts predicted that 1989 sales would be relatively flat because of no runaway toy hit. And by late 1989, Hasbro looked as if it would have another average year.

Hasbro made several moves in 1989 aimed at invigorating sales. It added a second agency to its roster to join Griffin Bacal, New York, which has been principal agency on its $100 million account for years.

Hasbro had consolidated the entire account at Griffin Bacal, New York in early 1988 after dismissing DDB Needham, Chicago, but in mid-1989 it opened up a review to several agencies for $20 million in billings for its girls' toys and some Milton Bradley board games. Jordan, McGrath, Case & Taylor, New York, won the review.

Hasbro's game plan in 1989 also called for acquisitions—central to its growth strategy throughout the 1980s—and the addition of new products and line extensions to existing brand names.

Hasbro's gained the assets of bankrupt Coleco Industries, including the Cabbage Patch Kids doll line and Scrabble, the veteran board game that has churned out sales for decades without any signficant advertising.

Although Cabbage Patch was a hit in the early 1980s, the line had wilted in recent years. Hasbro moved to revive it in the fall 1989 with a $7 million TV campaign via Griffin Bacal, themed: "A special kind of love."

The rejuvenation of Cabbage Patch is part of Hasbro's emerging philosophy: strong toy brands can have long-lasting value if nurtured by consistent advertising and marketing.

Such examples of that strategy are G.I. Joe, its boys' action figure doll that has produced solid sales for several years, along with TransFormers and My Little Pony, its girls' toy line.

But Hasbro also is taking risks on new product entries, such as the new battery-operated super-fast cars, which burst upon the U.S. toy industry in 1989 after creating a sensation in Japan. Hasbro debuted Record Breakers, its super-fast cars, in September 1989, with a strong TV campaign and plans to support the line through 1990.

Several other Hasbro attempts at launching new products have not met with much success. Its behind-the-scenes plan to develop a videogame in 1988 was a $20 million flop, and Maxie—the fashion doll Hasbro launched amid much fanfare in 1988 to compete with Mattel's Barbie—has yielded lackluster sales.

Diversification remains the key to its success, and Hasbro continues to spread its efforts between core toys and its Milton Bradley and Playskool divisions.

In addition to selling its first videogames for use with the Nintendo Entertainment System, in 1989 the Milton Bradley games division launched "Trump: The Game," along with another board game called "Scattergories," targeting adult audiences.

Playskool continues to produce excellent sales for Hasbro, and in 1989 it broadened its practical and promotional toys to include a plush Gumby, whose license Hasbro acquired in 1988.

HASBRO INC.
1011 Newport Ave.
Pawtucket, R.I. 02861
(401) 727-5000

Marketing personnel: Alfred C. Carosi Jr., sr vp-mktg svcs; Wayne Charness, assoc vp-pr; John A. Gildea, vp, licensing & creative design; Deborah Boyd, assoc vp-media svcs; Walter Baric, dir-mktg rsch; Ellen Franklin, dir-corp shows & exhibits; Pat Schmidt, dir-promotions.

Hasbro Division

Marketing personnel: Larry Bernstein, president; Neil Friedman vp-mktg, boys' toys; Maurene Souza, vp-mktg, girls' toys; Barry Tunick, vp, Cabbage Patch dolls.

Playskool Division

Marketing personnel: Steven A. Schwartz, president; Bob Wann, sr vp-mktg; Sharon Hartley, vp, Playskool Preschool; Kirk Bozigian, sr mktg dir, Playskool baby.

Milton Bradley Division

Marketing personnel: George Ditomassi, president; Larry Bernstein, sr vp-mktg; George Merritt, vp-adv & pr.

Brands/services by agency of record:

Broadcast-
Hasbro
Milton Bradley
Playskool

Ad agencies: Griffin Bacal, New York: Tom Griffin, co-chmn-ceo; Joe Bacal, co-chmn, dir-creative svcs; Paul Kurnit, president-coo, dir-client svcs; Leonard Leokum, exec vp-creative dir; Art Heller, exec vp, dir-media; Loretta Volpe, sr vp, dir-media, programming & mktg svcs; Bob Kantor, sr vp-group dir, Playskool; Arnie Berger, sr vp-group dir, Milton Bradley; Jeff Dunetz, vp-assoc media dir, boys' & girls' toys, Playskool; Steve Margaritov, vp-assoc media dir, Milton Bradley; Heidi Kahme, vp-media buying; Lisa Kaye, Mary Tricoli, vp-buying group supers; David Biebelberg, vp-mgmt super, boys' toys; Janice Figueroa, vp-mgmt super, girls' toys.

Jordan, McGrath, Case & Taylor, New York: Pat McGrath, president; Donald Weir, sr vp-agmt rep, Hasbro, Milton Bradley, new prods; Mark Itkowitz, Mal MacDougall, execs, creative dirs; Alisa Litwin, creative dir, Hasbro (My Little Pony); Katy Ryan, vp-mgmt super; David Hauer, mgmt super; Gene Case, creative director, Milton Bradley (board games).

■

Print adv-Playskool

Ad agency: Kidvertisers, New York: Larry Nunno, acct dir; Deyna Vesey, creative dir.

RANK **29**

H.J. Heinz Co.

Pittsburgh

ADVERTISING: **$340.1 MILLION**

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	5,801	5,244	10.6
Earnings	440	386	14.0
U.S.	**1988**	**1987**	**% chg**
Sales	3,473	3,053	13.8
Operating income	468	423	10.5

U.S. advertising by media

($ in thousands)

Media	1988	1987	% chg
Magazine	17,865	18,375	(2.8)
Newsp supp	2,142	778	175.3
Newspaper	11,499	4,972	131.3
Outdoor	24	18	34.1
Network TV	67,792	44,550	52.2
Spot TV	30,078	25,259	19.1
Synd TV	17,111	15,439	10.8
Network Cable	3,241	1,962	65.2
Network radio	0	69	NA
Spot radio	337	290	16.1
Farm pub	0	0	NA
Measured	150,089	111,712	34.4
Unmeasured	190,000	166,900	13.8
Total	340,089	278,612	22.1

H.J. Heinz is eying growth in foreign markets and is increasing promotion of its biggest advertised brand, Weight Watchers, to the health-conscious.

Heinz is formulating a worldwide blueprint to respond to the U.S.-Canada trade agreement, the upcoming integrated European Community market of 1992 and the emergence of economic liberalism in Eastern Europe. As a prelude, 48 varieties from the Weight Watchers line were moved in 1988 onto the Continent under the Geniesserplan brand, and Weight Watchers' frozen meals entered the U.K.

Heinz continued to bulk up with acquisitions: Canada's W.P. Foods (frozen unbaked pie and tart shells), Shady Maple Farms Ltd. (maple syrup) and the Fitness Institute (a fitness and exercise club).

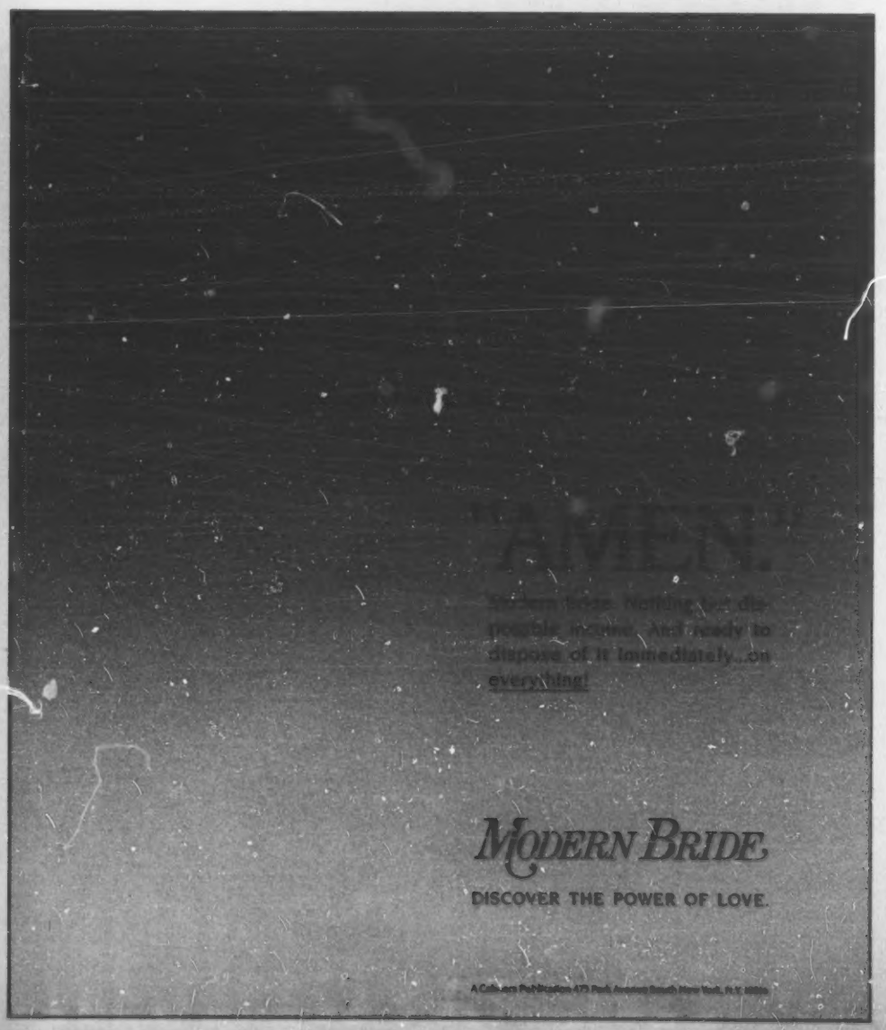
Weight Watchers established a unified marketing strategy even though products are handled by separate Heinz units and ad agencies. TV spokeswoman Lynn Redgrave is the focal point. Rather than pitch only frozen entrees and desserts, the brand's largest ad spenders, she promotes the entire line.

Measured spending for Weight Watchers rose 54% to $47.4 million, according to LNA/Arbitron. TV claimed $38.8 million of that, up 61.7%.

New Weight Watchers products include Ultimate 90 yogurt, chocolate mousse on a stick, six additional frozen entrees, four new Mexican varieties and two more frozen desserts. Heinz also bought back the license to Weight Watchers margarine, cheese, mayonnaise, spoonable salad dressings and other such products from Nutrition Industries Corp.

Weight Watchers holds a 13% market share of frozen sweet goods, up from 10%, according to Jane Shickich, analyst with Prudential Bache. Top competitors, Sara Lee at 40% market share and Pepperidge Farm, at 11%, are non-diet. In the frozen dinner category, the company reports Weight Watchers has overtaken leader Stouffer's Lean Cuisine, though figures are unavailable.

The pet food segment, because of its rapid growth, was spun off from Heinz' seafood unit in 1988. The resulting units: Heinz Pet Products Co. and Star Kist Seafood Co.



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In the $900 million canned dog food market, Ms. Shickich said Heinz' multi-brand listing had increased approximately 1% to a 16% share on volume growth of 4%. Mars' Kal Kan holds 20.1%, up from 19% and Grand Met USA's Alpo is still No. 1 with 21.8%, down from 23%.

Nine Lives' somewhat surly Morris the Cat is transformed, in a $15 million campaign from Leo Burnett USA, into a lovable family pet that follows its master to school. The campaign featured new can sizes. TV spending grew 47% to $9 million for the 9 Lives canned product; total brand spending fell 16.7% to $9.2 million, according to LNA/Arbitron.

Heinz, with a 21.8% share of the overall cat food market, ranked third at yearend, behind Purina at 28.4% and Carnation at 23.7%. Company officials said in December, though, that acquisitions had moved Heinz to No. 2.

Four Heinz brands—9 Lives, Amore, Kozy Kitten and Petuna—combined for a 29.9% share in the canned cat food segment, still at the top of the category, though down from 33%. Kal Kan has 18% of the wet segment, down from 19%; Nestle's Carnation's Friskies 17%, up from 14%. In semi-moist, Ralston Purina's Tender Vittles leads with 49% and 22.9% for Happy Cat; 9 Lives Tender Meals earns 15.3%. Heinz' share of the dry market with its Crunchy Meals is 7.4%; Purina Cat Chow 16.3%; Carnation's Friskies 14.5%; Purina Meow Mix 11.2% and Mars' Crave 8.1%.

Media spending for Heinz Ketchup grew to $17.3 million, a 56% increase largely attributed to promotion of the revamped 64-oz. Ketchup Lovers' plastic bottle, now with a handle. Heinz holds a 55% share, down a share point from 1987's record high; Hunt's has 19% and Del Monte 9%.

Heinz 57 Sauce saw heftier media spending of $6.8 million, up 42%. Network TV rose from zero to $2.5 million. New Heinz USA products include Good 'N Spicy and Good 'N Garlic pickles, a 10-oz. size of dill relish and Chico-San Popcorn Cakes.

Ore-Ida posted another hefty ad increase. Regular french fries spending rose six-fold to $3.9 million, and microwave fries grew 253% to $4.4 million. Ore-Ida market shares in the frozen potato category dipped three points to 53%.

Star Kist Seafood rolled out Prime Catch, which is a quality light tuna, a reduced-salt Weight Watchers brand and a salt-restricted dietetic variety under the StarKist name. StarKist holds a 37% market share, up from 36%, followed by Ralston Purina's Chicken of the Sea at 19%, down from 20%, and Grand Met's Bumble Bee, also 20%.

HEINZ U.S.A.
P.O. Box 57
Pittsburgh, Pa. 15230
(412) 237-5757

Consumer Products Marketing

Marketing personnel: Brian Ruder, vp; Barbara Behrman, genl mgr; Jeff Conner, prod mgr; Mary Ann McCollough, genl mgr-mktg svcs; Bill Gwynn, mgr-adv svcs.

Food Service Marketing

Marketing personnel: Jeff Berger, vp; Hank Lockard, group prod mgr; Rick Sweet, Jack Musher, mktg mgrs.

Packaged Goods Division

Marketing personnel: John Crawshaw, vp; Bob Roussey, genl business mgr; Jay Abraham, genl mgr-mktg.

Brands/services by agency of record:

Heinz ketchup
HomeStyle gravy
Specialty sauces
Near East

Ad agency: Leo Burnett USA, Chicago: Connie Nelson, acct dir.

■

Weight Watchers yogurt, frozen novelties, Grand Collection, dairy prods, mayonnaise & dressings

Ad agency: Ally & Gargano, Westport, Conn.: Jim Hanzlik, mgmt dir.

■

Heinz 57 sauce
Heinz vinegar
Alba

Ad agency: Ketchum Advertising, Pittsburgh: Mark Hurst, mgmt super.

■

Chico-San rice cakes

Ad agency: Hill, Holliday, Connors, Cosmopulos, Boston: Justin Harrington, sr vp.

StarKist Seafood Co.
Long Beach, Calif.

Marketing personnel: A.A. Ayotte, vp-sales & mktg; J.T. O'Meara, genl mgr-seafood mktg; T.E. Sanford, genl mgr-new prods; R.L. Wilkerson, genl mgr-business devel; D.H. Gallagher, genl mgr, broker sales; R.E. Worsham, genl mgr-sales devel; J.R. Ryan, genl mgr, brand sales; F.M. Horak, mktg mgr, seafood.

Brands/services by agency of record:

Star Kist tuna
Prime Catch

Ad agency: Leo Burnett USA, Chicago: Jeff Herscovitz, sr vp-acct dir.

Ore-Ida Foods
Boise, Idaho

Marketing personnel: Geoffrey V. Supko, vp-sales & mktg; J. Patrick Kinney, genl mgr, foodservice sales; John A. Heil, genl mgr-retail mktg; M. Vince Shaar, genl mgr-retail sales; Margaret E. Carlson, genl mgr-venture mktg; Martin V. Thomas, genl mgr-sales & mktg svcs.

Foodways National
Boise, Idaho

Marketing personnel: Stanford P. Darger, vp-sales & mktg; Scott D. Mirkin, genl mgr-sales; Douglas C. Haines, genl mgr-mktg, current formulated prods.

Brands/services by agency of record:

Ore-Ida frozen foods
Weight Watchers frozen entrees & desserts

Ad agency: DDB Needham, New York: Darryl Lindbergh, group sr vp.

Weight Watchers International
Jericho, N.Y.

Marketing personnel: Dr. Lelio G. Parducci, vp-mktg, devel; Wayne A. Perra, mgr-natl adv & promo; Michael Schiffmiller, mgr, co-owned adv & promo; Kathy Diamond, asst mktg mgr-promo; Denise L'Hommedieu, asst mktg mgr-adv; Anna Moses, asst mktg mgr, pr.

Corporate media buying: SFM Media Buying Corp., New York: David Tabin, sr vp.

Brands/services by agency of record:

Weight Watchers Intl

Ad agencies: DDB Needham Worldwide, New York: Alan Krinsky, mgmt super; Mary Beth Williams, acct super; D.D. Spencer, acct exec.

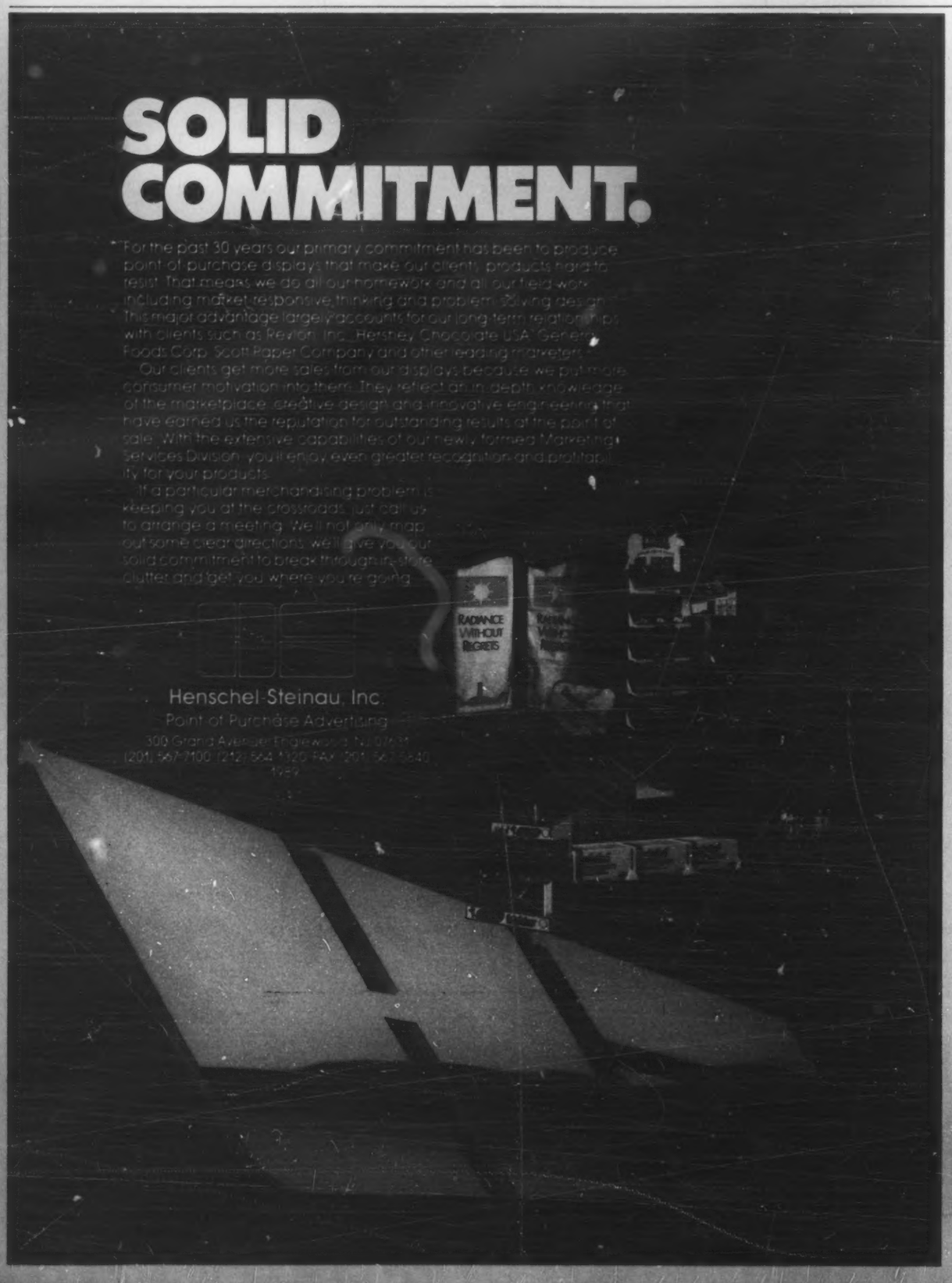
Wunderman Worldwide/Y&R, New York: Richard Stollenwerck, exec vp; Debra Brown, mgmt super; Julie Adams, acct exec.

Manning, Selvage & Lee, New York: Ann Simon, mgmt super; Florence Greenberg, acct super.

Impressions Inc., Roslyn Heights, N.Y.: Diane Gallagher, acct super.

Swift jogs through 100 Leaders

Swift & Co., was the world's largest meat packer when it ranked No. 23 as a 100 Leader in 1956 (it also marketed cheese, Pard dog food, Allsweet margarine and Peter Pan peanut butter), sank below the 100 cut-off in 1970 and did not show up again until 1976 as a division of Esmark Inc. It is now part of BCI Holdings after a stopover at Beatrice Cos.


SOLID
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Premium Channels Publishing Co., Inc.
TV BLUEPRINT delivers more copies each month than Ford Motor Company produces passenger cars all year!
1965 Sunrise Highway, Bay Shore, NY 11706
(516) 665-9800

RANK **35**

Hershey Foods Corp.

Hershey, Pa.

ADVERTISING: $298.6 MILLION

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	2,168	1,864	16.3
Earnings	214	148	44.4
U.S.	1988	1987	% chg
Sales	1,969	1,740	13.2
Operating income	257	239	7.5

U.S. advertising by media

($ in thousands)

Media	1988	1987	% chg
Magazine	14,426	6,574	119.4
Newsp supp	702	0	NA
Newspaper	4,234	524	708.3
Outdoor	32	11	195.3
Network TV	36,105	42,616	(15.3)
Spot TV	17,077	26,572	(35.7)
Synd TV	13,180	14,280	(7.7)
Network Cable	2,775	2,288	21.3
Network radio	5,952	3,332	78.6
Spot radio	4,049	3,528	14.8
Measured	98,531	99,723	(1.2)
Unmeasured	200,100	154,400	29.6
Total	298,631	254,123	17.5

Hershey Foods Corp. finally grabbed the candy market lead from Mars Inc. in 1988 with the acquisition of the U.S. confectionery operations of Cadbury Schweppes PLC's and from strong new-product introductions.

Led by Cadbury and its Mounds, Almond Joy and York Peppermint Pattie—all among the U.S. 20 best-selling candy bars—Hershey has achieved a 20.4% share of the U.S. confectionery market, valued at almost $8 billion at the wholesale level.

Competitors Mars and Suchard/Brach hold 18.4% and 7.3% shares, respectively. In the candy bar market, about 65% of the confectionery market, Hershey leads with 44% to Mars' 37%.

Hershey turned to sales promotion to help build its lead. Holding media ad spending basically even, Hershey hiked its promotional budget 34.5% worldwide. Hershey distributed 750,000 full-size candy bars on 170 college campuses for sampling, and placed a 30-second spot for Hershey's kisses at the beginning of the home video release of "Princess Bride."

To focus on its confectionery businesses, Hershey sold its 840-chain Friendly Ice Cream restaurant division in August 1988, to Tennessee Restaurant Corp.

Candy bar launches included Bar None, supported with $6.6 million in measured media, according to LNA/Arbitron. Its first-year sales moved it into the U.S. top 30 candy bars. Symphony, a bar that went into test in California in 1988, will roll national later this year. 5th Avenue, a candy bar acquired with Ludens, went national in 1988, supported with $4.5 million in measured spending.

Hershey's heaviest single brand measured spending was for Kit Kat bar, with slightly more than $9 million, up 29%.

During the year, Hershey shifted its Cadbury brands from Wells, Rich, Greene, New York, to its existing agencies: DDB Needham Worldwide received York Peppermint Patties, Caramello and all Cadbury brand bars.

Ogilvy & Mather, New York, got Mounds and Almond Joy and Cadbury's creme-filled chocolate eggs. Hershey also moved its Hershey Pasta business from regional shop Della Femina, McNamee WCRS, New York, to Weightman Group, Philadelphia.

This year, Hershey began to test a refrigerated chocolate pudding. Hershey's varieties bear the names of its best-selling chocolate bars. The new line goes head-to-head with Kraft General Foods USA's Jello-O Pudding Snacks, which holds 53% of the $156.3 million pudding market that has more than doubled in past two years.

HERSHEY FOODS CORP.
100 Manelon Rd. East
Hershey, Pa. 17033
(717) 534-4000

Hershey Chocolate U.S.A.
Hershey, Pa.

Corporate personnel: Joseph P. Viviano, president.

Marketing personnel: Jay F. Carr, vp-mktg; Michael H. Holmes, genl mgr, grocery prods; Anthony J. Fingitore, genl mgr, special mkts.

Brands/services by agency of record:

Cadbury label items
Caramello
Hershey's fudge topping
Hershey's syrup
Hershey's chocolate milk mix
Kit Kat
Ludens throat drops
Mr. Goodbar
Reese's Pieces
Skor
Whatchamacallit
Y&S candies
York Peppermint Patties
Symphony
New prods (includes refrigerated pudding)

Ad agency: DDB Needham Worldwide, New York. Peter Tate, exec vp; Leo Mamorsky, Emily Cohen, sr vps-mgmt supers; Jeff Hughes, Jeff Saverine, Stephanie Moffett, acct supers.

Bar None
Big Block
Easter Eggs
5th Avenue
Giant Kiss
Golden Almond bar
Golden Almond Solitaires
Golden III
Hershey's Kisses
Hershey's milk chocolate bar
Hershey's milk chocolate bar w/almonds
Hershey's milk chocolate w/crisped rice
Hershey's baking chocolate
Hershey's chocolate chips
Hershey's cocoa
Hershey's granola bars
Hershey's miniatures
Marabou milk chocolate rolls
Almond Joy
Mounds
Reese's peanut butter cups
Reese's peanut butter chips
Rolo

Ad agency: Ogilvy & Mather, New York: Michael Vaughn, sr vp-group dir; Gerry Lantz, sr vp-mgmt super; Barbara Wittner, Michael Edmeades, Jane Weiss, vps-acct supers; Tony Macinovich, sr vp-assoc media dir; Steven Lanzano, David Leveton, Lisa Gallant, vps-asst media dirs.

Hershey Pasta Group
Hershey, Pa.

Corporate personnel: C. Mickey Skinner, president-ceo.

Marketing personnel: Clifford K. Larsen, vp-mktg.

Brands/services by agency of record:

American Beauty
Delmonico
Light 'n Fluffy
P&R
San Giorgio
Skinner brands

Ad agency: Weightman Inc., Philadelphia: John Goodchild, president; Andrew Gray, sr vp-mgmt super.

RANK **45**

Honda Motor Co.

Tokyo

ADVERTISING: $243.3 MILLION

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	26,434	24,504	7.9
Earnings	737	759	(2.9)

U.S. advertising by media

($ in thousands)

Media	1988	1987	% chg
Magazine	47,159	42,701	10.4
Newsp supp	711	389	82.8
Newspaper	3,377	5,584	(39.5)
Outdoor	451	102	340.1
Network TV	91,864	78,085	17.7
Spot TV	14,139	17,063	(17.1)
Synd TV	1,428	1,191	19.9
Network Cable	4,653	5,244	(11.3)
Network radio	1,725	4,360	(60.4)
Spot radio	11,531	4,661	147.4
Measured	177,058	159,360	11.1
Unmeasured	66,200	59,500	11.3
Total	243,258	218,860	11.1

American Honda Motor Co., a subsidiary of Honda Motor Co. Ltd., Tokyo, maintained its lead among Japanese car makers supplying the U.S. market, as it prepared for luxury car competition from fellow countrymen and pushed to revive motorcycle sales.

Honda is readying a variety of 1990 car models, four of which may replace the current line of Accords. It also has kicked off a massive $75 million "Come Ride With Us" campaign to expand its shrinking U.S. motorcycle sales.

Honda's market share for 1988 U.S.-built and import cars (including Acura) was 7.26%, up from 7.22%. That kept it

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And while we've earned a repu-

ahead of Toyota at 6.50%; Nissan, 4.46%; Hyundai, 2.50% and Mazda, 2.42%.

Honda, the first Japanese automaker to assemble cars in the U.S., plans to increase auto sales in this country to 1 million annually by 1992. Sales of 300,000 upscale Acuras are expected to be part of that total. Honda has put on hold plans to expand its Acura dealer association from 285 to 350 by the end of this year because shipments of the car from Japan remain slow due to trade quota restrictions amid heavy consumer demand.

Honda, also the first Japanese company to export a car to Japan, shipped 4,000 Accords from its Marysville, Ohio plant in 1988. The goal is to export 50,000 of the U.S.-made cars to Japan per year by 1991.

Measured media expenditures for 1988 show the best-selling Accord models (114,629 units sold from $11,770 to $15,920) accounted for the major portion of ad support given the Honda line. Its measured spending was $36 million, 65% of it in network and spot TV. The Civic/CRX models (97,962 units sold from $6,385 to $20,930) drew about the same, most of it on network TV and magazines. The Prelude, which sold 52,541 units priced from $13,945 to $18,450, accounted for another $12 million in measured media.

But the Acura line of luxury autos accounted for the lion's share of Honda's 1988 ad budget. Measured media figures show Acura with total expenditures of $56.7 million, about $40 million of which was earmarked to the top-of-the-line Legend, priced at $22,000 to $30,000. Acura's lower-priced Integra models ($11,260 to $15,950) accounted for the remainder.

Acura, currently the only Japanese importer of luxury cars, will lose that distinction this fall when Toyota and Nissan begin selling their upscale cars, the Lexus and Infiniti, respectively.

Acura's response to Lexus and Infiniti will arrive next year with the introduction of a mid-engine sports car, priced $40,000 to $50,000, and assume the flagship status now held by the Legend.

Spending for the Acura division will be up about 30% for the 1989 calendar year, to between $70 million and $80 million, notes the company. U.S. motorcycle sales have declined every year for the past five, from the market's last high of 1.3 million units in 1984 to about 710,000 in 1988. Rising prices have been a factor, with a small 125-cc Honda now selling for $2,100 and the big 1,500-cc Honda Gold Wing touring bike priced at $11,500.

Honda still leads in the shrinking market even though its share dropped to 40.7% from 50.8% in 1987. Industry figures through March 1989, show further losses, down to a 29% share. All major competitors during 1988 achieved market share gains, however. Yamaha was second at 21.5% (up from 19.8%), followed by Suzuki at 13.7% (up from 11.6%), Kawasaki at 12.7% (up from 10.2%) and Harley-Davidson at 9.8% (up from 6.3%).

AMERICAN HONDA MOTOR CO.
100 W. Alondra Blvd.
Gardena, Calif. 90247
(213) 327-8280

Corporate personnel: Automobiles: Koichi Amemiya, president. Motorcycles: John Petas, sr vp. Power equipment: Shoichi Tanaka, sr vp; Terry Mulligan, vp.

Marketing personnel: Automobiles: T. Okusa, exec vp; Thomas Eliot, exec vp-auto operations; Edward R. Taylor, vp-Acura sales; Eric Conn, auto adv mgr; Kurt Antonius, pr mgr; Bob Butorac, pr admin. Motorcycles: Ray Blank, asst vp-mktg; Wayne Toyota, natl adv mgr; Gary Mathers, motorcycle sports comm mgr. Power equipment: Steve Bailey, sr adv & sales operations mgr; Jess Hass, asst adv mgr; Rob Clum, natl field sales mgr.

Brands/services by agency of record:

Power equipment
Motorcycles
Scooters
ATVs

Ad agency: Dailey & Associates, Los Angeles: Dennis Kanagae, Dean Thompson, vps-mgmt supers; Andrew Halpern, acct super; Danny Fujimori, sr acct exec; Deborah Heisman, acct exec. Power equipment: Roger Van Remmen, mgmt super; John O'Mera, acct super; John Wight, asst acct exec.

■

Acura autos

Ad agency: Ketchum Advertising, Los Angeles: Craig Mathiesen, president; Peter Goodwin, Kevin Kitagawa, vps-group acct supers; Tim Hart, exec vp-coo-client svcs dir; Linda Malley, Peter Gottfried, acct supers; Mike Mincin, sr acct exec; Giovanna Minghetti, Katie Sweeney, acct execs.

■

Honda autos

Ad agency: Rubin, Postaer & Associates, Los Angeles: Chuck Valentine, sr vp-group acct dir; Steve Woolford, vp-acct dir; David Jenkins, vp-special projects; Steve Straley, Julie Boston, Joan Egan, Ron MacMillan, vps-acct supers; Larry Black, tech svcs mgr; Alfred Valdez, tech svcs asst; Ted Craddock, Sandy Edelstein, Tony Janowski, Patti Kirk, Dan McLaughlin, Joe Sajbel, David Patchen, acct execs.

RANK
51

Hyundai Group

Seoul, S. Korea
ADVERTISING: $284.5 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	7,713	6,383	20.8

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	11,170	8,110	37.7
Newsp supp	25	0	NA
Newspaper	14,304	13,563	5.9
Outdoor	389	440	(16.1)
Network TV	36,508	13,205	176.5
Spot TV	73,305	76,487	(4.2)
Synd TV	1,278	0	NA
Network Cable	479	0	NA
Network radio	0	0	NA
Spot radio	8,459	4,797	76.3
Farm pub	0	0	NA
*Measured	145,897	116,542	25.2
Unmeasured	58,600	46,800	25.2
Total	204,497	163,342	25.2

Hyundai Motor America, the U.S. sales arm of the South Korean car-maker that rose to the No. 4 auto importer in the U.S. by the end of 1988, has stumbled temporarily in trying to move up in class.

Hyundai dealers have been hard hit since early 1989 by falling sales, largely due to delayed and inadequate shipments of the more upscale 1989 Sonata and some ill-timed advertising for its launch last fall.

Sales for the first six months of 1989 are expected to be about 100,000 units, down 32% from mid-year levels in 1988. Hyundai has scaled back projected sales of 300,000 to 220,000 units for 1989. Of the total, Sonata sales have been revised from 80,000 to 40,000. Forecasts call for sales of 350,000 cars in 1990.

Some of the once-exclusive Hyundai outlets are converting to dual dealerships, concessions unheard of from a company that four years ago sifted through thousands of dealer applications and required standalone facilities costing millions.

Hyundai, which increased its ad support 25% in 1988, earned a 2.50% share of the total U.S. auto market in 1988, down from 2.58% the prior year. American Honda led importers with a 7.26% share of the overall auto market. Hyundai also is trying to hold its market share by pushing consumer rebates and dealer cash and incentive programs.

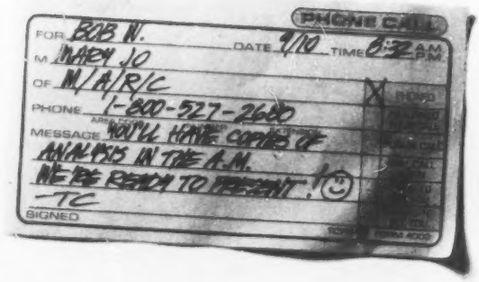
The front-wheel-drive Sonata represents Hyundai's first step toward becoming a full-line marketer. The 2.4-liter sedan, priced from $9,695 to $11,695 (compared with $5,500 for the Excel), is positioned against such imports as Toyota Camry, Honda Accord and Mazda 626.

By 1990, Hyundai will market three lines: the compact-to-mid-size Sonata; a new generation sub-compact Excel to debut this fall; and a sporty coupe, built on the Excel platform, to be launched in early 1990.

Hyundai's dealer expansion program currently is on hold. After plans to go from 280 dealers in 42 states to 350 in all 48 contiguous states in 1989, the company will close out the year with 325 dealers who made an average investment of $2.9 million per outlet.

Dealer relations were bruised early this year with news that Chrysler Motors' Jeep-Eagle outlets will get their own version of the Sonata. An annual supply of 30,000 units will come from Hyundai's Bromont, Quebec assembly plant, denying U.S. dealers exclusive rights to that model.

Dealers had counted on Sonata to draw fresh showroom traffic after three years of



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selling essentially the same model of the subcompact Excel. They even lack exclusivity with the Excel: Mitsubishi Motor Sales of America currently takes annual shipment of 30,000 Excels, which it calls the Precis.

Such supply situations are the result of cross-ownership and multiple partners. Chrysler owns a 25% share of Mitsubishi and Mitsubishi holds a 15% share in Hyundai. Gaining a Korean model is a small step in Chrysler's attempt to broaden the appeal of its Jeep-Eagle division.

AA's advertising estimates for Hyundai exclude $26 million spending by local dealers, but include the corporate co-op portion of $38.4 million spent by the Hyundai dealers association. These expenditures were in spot TV and newspapers, according to LNA/Arbitron.

Dealers were further handicapped by bad timing of a national ad campaign last fall. Hyundai broke a campaign during the Olympic telecasts from Seoul in September that featured new commercials for Excel, corporate spots and an announcement that the Sonata would be "Coming Nov. 14." However, because of a two-month strike in the summer of 1988, the Sonata arrived much later. Hyundai executives admit the launch did not go well.

Current monthly shipments of 4,000 to 4,500 Sonatas still lag projections of 8,000. Dealers are told availability will improve this fall when Hyundai Motor America nears full production of the car at the Quebec plant.

USE A PHONE, GET A LAUGH.
213/969-9494
Sarley, Bigg & Bedder's Award-Winning Radio Spot-of-the-Month

HYUNDAI MOTOR AMERICA
7373 Hunt Ave.
Garden Grove, Calif. 92642
(714) 890-6000

Corporate personnel: H.W. Baik, president-ceo; Greg Warner, exec vp-coo; Mark Juhn, exec vp-chief coordinator to ceo.
Marketing personnel: Art Meissner, [illegible]up vp-natl sales mgr; Jack Collins, vp-mktg [illegible]eph Corey, natl adv mgr.
Brands/services by agency of record:
Hyundai autos
Ad agency: Backer Spielvogel Bates Worldwide, Irvine, Calif.: Mike Roche, exec vp-western region dir; Harry Grusche, sr vp-mgmt rep, natl advertisers; Jim Sanfilippo, sr vp-mgmt rep, dealer assns; Brad Booth, Doug McFetters, acct execs.

RANK
50

IBM Corp.

Armonk, N.Y.
ADVERTISING: $214.4 MILLION

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	59,681	55,256	8.0
Earnings	5,806	5,258	10.4
U.S.	1988	1987	% chg
Sales	25,320	25,504	(0.7)
Operating income	1,408	1,936	(27.3)
Division sales	**1988**	**1987**	**% chg**
Processors	15,239	14,052	8.4
Peripherals	11,280	10,186	10.7
Workstations	11,315	10,370	9.1
Software	7,927	6,836	16.0
Maintenance svcs	7,347	7,691	(4.5)
Other info tech	4,477	3,816	17.3
Federal systems	2,065	2,238	(7.7)
Other	31	67	(53.7)

U.S. advertising by media

($ in thousands)

Media	1988	1987	% chg
Magazine	32,295	35,389	(8.7)
Newsp supp	2,335	858	172.0
Newspaper	17,139	18,133	(5.5)
Outdoor	22	95	(77.1)
Network TV	52,191	53,738	(2.9)
Spot TV	2,296	1,548	48.2
Synd TV	12	38	(68.3)
Network Cable	154	472	(67.3)
Network radio	5,446	5,434	0.2
Spot radio	201	469	(57.1)
Measured	112,081	116,175	(3.5)
Unmeasured	102,300	106,000	(3.5)
Total	214,381	222,175	(3.5)

International Business Machines was back in the driver's seat in 1988 with successful product introductions. And a new focus on solutions-based advertising surfaced early in 1989 in ads from Lintas:New York and Wells, Rich, Greene, New York. IBM's two new agencies.

New TV spots from WRG aired in April 1989 featuring actors representing IBM customers, who describe a problem and then explain how IBM solved it. Print ads, photographed by Richard Avedon, follow a similar approach. Analysts call the ad strategy a good one.

"Solutions advertising is a lot more sensible than what they had," says Brian Jeffrey, managing director of International Technology Group, Los Altos, Calif. "Dropping the 'M*A*S*H' characters was a thoroughly good idea."

Solutions advertising is replacing "The Bigger Picture" slogan, which was the heart of IBM's measured $33 million in corporate general spending in 1988. That total was down 16% from 1987.

IBM also is using "When you're thinking ahead, you're thinking IBM," which closes its newest commercials for Personal System 2. That system accounted for IBM's single biggest expenditure in 1988 with $36 million in measured media, according to LNA/Arbitron.

In the $28.7 billion U.S. market for personal computers, IBM held a 15.9% revenue share in 1988, vs. a 29.7% share of an $18.5 billion PC market in 1987. No. 2 Apple Computer held a 12.4% share in 1988, down from 14% in 1987, according to San Jose, Calif.-based Dataquest.

Analysts say IBM lost control of the original PC market when clone-makers duplicated IBM technology to create lower-cost compatible machines. Together, IBM clone makers, led by Compaq Computer Corp. with a 7% share of the PC market in 1988, now control more than double IBM's share of PC sales.

However, IBM is fighting back with the development of proprietary Micro Channel architecture, which IBM hopes to establish as a new industry standard.

The clone-makers are expected to fight back when the Compaq-led Extended Industry Standard Architecture (EISA) group of nine PC-compatible makers introduces its first versions of a rival PC standard later this year.

Jay P. Stevens, analyst at Dean Witter Reynolds, New York, predicts IBM will win the battle to become the standard for the new 32-bit operating systems.

"We expect Micro Channel to be the winner (over EISA) because the first company to introduce a product usually is the one that wins," he says. Mr. Steven's on-going "intention to buy" surveys of large end-users indicate that IBM has been gaining more than its share of planned PC purchases since February 1989, he says.

"Through all of 1988, IBM had steadily lost ground to Compaq and Apple Computer Corp. in planned purchases, bottoming out in January 1989. Since February, IBM has been coming back nicely," he adds.

IBM also has reason for optimism in mini and super-minicomputers with the introduction in June 1988 of the Applications System 400 series. AS/400 complements the larger IBM 9370 Information System, which IBM began shipping in March 1988, by permitting enhanced communications capabilities throughout the IBM line, analysts say.

AS/400 received $12 million in 1988 measured media, according to LNA/Arbitron. A new campaign for AS/400 was launched early in 1989 by WRG.

IBM's share of the $3 billion market for minicomputers grew to 37% in 1988 from 25.7% in 1987. IBM's share of the $3.2 billion market for super-minis grew to 36.5%, up from 30.6% in 1987.

In the $11.7 billion market for corporate mainframes, IBM still leads with a 52.6% share of revenue, compared with 68.3% in 1987.

IBM moved all product advertising to Lintas:New York and corporate advertising to WRG, New York, in September 1988. Both accounts previously had been handled at Lord, Geller, Federico, Einstein, New York. Media buying for both print and TV also went to Lintas:New York from LGFE.

IBM CORP.
Old Orchard Rd.
Armonk, N.Y. 10504
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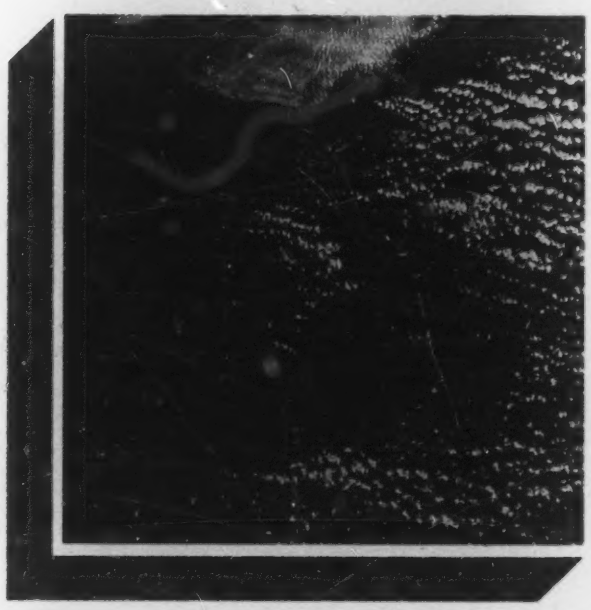

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St. Petersburg
TIMES
Tampa Bay's Largest Newspaper

Corporate personnel: Mary Lee Turner, dir-comm; Calvin C. LaRoche, dir-adv; Michael C. Gary, dir-adv & promo operations.
Marketing personnel: George H. Conrades, sr vp, genl mgr-US mktg & svcs; William O. Grabe, vp, asst genl mgr-mktg; James C. Reilly, genl mgr-mktg plans & comm; Byron G. Quann, dir-mktg comm; Jamesy J. Garrity, dir-adv; Barbara A. Clark, mgr, desktop systems adv; Thomas B. Heckel, mgr, industries adv; Lee D. Green, mgr, marketplace adv; William H. Harrison, mgr, systems & software adv; Merle B. Gordon, mgr-corp adv.
Brands/services by agency of record:
Desktop prods
Ad agency: Lintas:New York: Stephen Norcia, exec vp-president

■

Corp adv
Mktg image adv
Mainframes
Telecommunications
AS/400 computers
Software
Ad agency: Wells, Rich, Greene, New York: David Sklavar, exec vp; Judi Francis, sr vp; Mary Moran, vp.

Systems Intergration Division
Marketing personnel: Steve Eames, mgr-mktg comm; Judy DeHaas, program mgr-adv.
Brands/services by agency of record:
Systems Integration Division
Ad agency: HDM, New York: Jim Rosiello, vp.

RANK **92**

ITT Corp.

New York
ADVERTISING: **$115.9 MILLION**

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	19,355	18,195	6.4
Earnings	817	965	(15.3)
U.S.	**1988**	**1987**	**% chg**
Sales	13,820	13,284	4.0
Operating income	915	784	16.7
Division sales	**1988**	**1987**	**% chg**
Automotive	2,790	2,437	14.5
Electronic components	1,152	1,061	8.6
Fluid technology	839	741	13.2
Defense technology	1,387	1,279	8.4
Pulp, timber	1,084	847	28.0
Insurance	8,553	8,345	2.5
Finance	1,479	1,292	14.5
Communications & info services	1,086	896	21.2
Hotels	773	744	3.9

U.S. advertising by media

($ in thousands)

Media	1988	1987	% chg
Magazine	7,767	12,334	(37.0)
Newsp supp	59	287	(79.4)
Newspaper	7,635	10,230	(25.4)
Outdoor	1,263	1,310	(3.6)
Network TV	11,099	8,160	36.0
Spot TV	9,549	11,006	(13.2)
Synd TV	59	37	58.2
Network Cable	534	962	(44.5)
Network radio	170	363	(53.3)
Spot radio	306	2,105	(85.5)
Measured	38,440	46,795	(17.9)
Unmeasured	77,500	94,300	(17.8)
Total	115,940	141,095	(17.8)

ITT is no longer the quintessential conglomerate, and its new advertising reflects its more compact look.

Early this month, ITT unveiled new ads with tag line: "Building Businesses into Leaders." The campaign is appropriate if, perhaps, 18 months late. Company executives began concentrating full time on that task in 1988.

Today's ITT is far from the conglomerate built by Harold Geneen in the 1960s and early 1970s. Rand V. Araskog, chairman-CEO, spent much of the last five years selling off such groups as baked goods, cosmetics and consumer appliances while fine-tuning others.

ITT's advertising declined an estimated 18% in 1988, largely the result of reduced spending at Hartford Insurance Group, ITT's biggest unit. Reflecting the general downturn in the domestic insurance industry, Hartford cut its measured spending to $6.5 million, a drop of 40%, as total insurance premium revenues remained level with the prior year. The company's other major advertiser that showed a decline in year-to-year spending was its business and technical schools, which drew $6.1 million in 1988, down 8.3%.

Sheraton Hotels remained ITT's biggest spender. The chain received about $18 million in measured media, up 7.8%. The group continued its strong performance, and opened major new hotels in Long Beach, Calif. and in Australia, China and Japan.

ITT CORP.
320 Park Ave.
New York, N.Y. 10022
(212) 752-6000

Marketing personnel: Juan C. Cappello, sr vp-corp relations; Stephen A. Ehrenberg, dir-corp comm.
Brands/services by agency of record:
Corp adv
Ad agency: Wells, Rich, Greene, New York: Frank Sampogna, acct group head; Fariba Tehrani, acct exec.

Hartford Insurance
Hartford, Conn.
Marketing personnel: John J. Daly, asst vp-corp comm.
Brands/services by agency of record:
Hartford Insurance
Ad agency: McCaffrey & McCall, New York: Bruce Sherman, sr vp: Diane Stec, acct exec.

Sheraton Corp.
Boston
Marketing personnel: Robert Collier, sr vp, dir-mktg; Robert Quinn, vp, dir-corp comm.
Brands/services by agency of record:
Sheraton hotels
Ad agency: Wells, Rich, Greene, New York: Frank Sampogna, exec vp, Sheraton group head; Eileen McKenna, sr vp-mgmt super.

RANK **20**

Johnson & Johnson

New Brunswick, N.J.
ADVERTISING: **$468.8 MILLION**

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	9,000	8,012	12.3
Earnings	974	833	16.9
U.S.	**1988**	**1987**	**% chg**
Sales	4,576	4,167	9.8
Operating income	627	600	4.5
Division sales	**1988**	**1987**	**% chg**
Consumer	3,692	3,398	8.7
Pharmaceutical	2,338	1,993	17.3
Professional	2,970	2,621	13.3

U.S. advertising by media

($ in thousands)

Media	1988	1987	% chg
Magazine	30,636	32,816	(6.6)
Newsp supp	2,679	853	214.2
Newspaper	5,078	572	788.5
Outdoor	77	137	(43.3)
Network TV	167,276	181,999	(8.1)
Spot TV	10,903	8,953	21.8
Synd TV	12,810	13,727	(6.7)
Network Cable	4,274	2,569	66.4
Network radio	1,065	138	671.0
Spot radio	337	1,349	(75.0)
Measured	235,135	243,111	(3.3)
Unmeasured	233,700	200,000	16.9
Total	468,835	443,111	5.8

Johnson & Johnson generated considerable new product growth in each of its three business sectors in 1988, but its bid for dominance in the external sanitary protection market failed when it withdrew from its bid to take over Playtex Family Products.

There may still be pressures on J&J "to increase critical mass" with the heavy consolidation in the pharmaceutical industry, says Robert Goldman, analyst with Dean Witter Reynolds.

"Certainly, Johnson & Johnson is looking to move its ethical pharmaceutical business into the consumer segment," says Mr. Goldman, noting that many pharmaceutical companies are scheduled to lose patent protection on dozens of major products in the 1990s. To that end, J&J formed a joint venture with Merck & Co., the world's largest pharmaceutical company, to develop and market consumer versions of prescription drugs.

Imodium A-D, introduced in 1988, is the result of a joint development effort between J&J's McNeil Consumer Products, makers of Tylenol, and Janssen Pharmaceutical, maker of Imodium, the U.S.'sleading anti-diarrheal prescription.

In the consumer sector, the company credits the introduction of Imodium A-D and new adult Tylenol products, especially Tylenol gelcaps, with boosting 1988 sales 8.7%.

McNeil continues to lead the $2.4 billion analgesic market where its Tylenol brand, an acetaminophen, is estimated to have a 30% share of market, down from 33% in 1987, analysts say.

Acetaminophen and aspirin products account for 40% each of the pain killer market while ibuprofen accounts for 20%.

Key competitors are American Home Products Corp.'s Advil, an ibuprofen, with a 12% share of the analgesics market and Sterling Drug's Bayer aspirin and Bristol-Myers' Excedrin aspirin products, each with 7%.

Total Tylenol ad spending was $65 million, up 16.7%. Advil was the next largest analgesics advertiser at $47.4 million. Tylenol gelcaps gained momentum via a $16 million ad campaign with the line: "It's not a capsule, it's better." The campaign claims the gelcaps are 33% smaller than capsules.

Of the Tylenol total, Regular Strength Pain Reliever rose to $40 million in media support, up from $17.6 million, according to LNA/Arbitron.

McNeil introduced in 1988 Tylenol Cold, a new name and new package for the no-drowsiness formula cold products, formerly known as CoTylenol. Ad budget over the product's two lives remains flat.

New Tylenol Extra Strength Antacid debuted last November as a new entry being tested in the effervescent antacid field supported by TV spots themed: "It makes fast work of an upset stomach." Miles' Alka-Seltzer owns 13% of the total $870 million antacid category. If the new Tylenol product is rolled out nationally, it will be the first effervescent antacid to debut nationally since the 1960s.

McNeil also cut Medipren's ad budget 16.4% to $30 million in 1988. The ibuprofen product holds 2.5% of the total analgesic market and 13% of the ibuprofen market. Advil has a lock on the ibuprofen market with 50% share, followed by Nuprin 21% and Pden Medipren. New Sine-Aid Maximum Strength tablets and capsules were introduced with $3.8 million in ad support as spending shifted out of Sine-Aid Sinus Remedy. Total Sine-Aid ad expenditures rose 26.8% to $6 million.

J&J's introduced Purpose lotion, which combines a moisturizer with a sunscreen, as a cooperative effort of J&J's Baby Products Co. and Ortho Pharmaceutical's dermatological division.

J&J sees Purpose as a strong tie-in candidate with Retin-A, Ortho Pharmaceutical's prescription product for the topical treatment of acne. Retin-A dries the skin and makes it more susceptible to sunburn.

Dean Witter's Mr. Goldman also sees Sundown sunscreen as another companion product for Retin-A. J&J introduced Sundown in March 1989, with a $14 million launch.

Once J&J gets anti-cancer approval from the Food & Drug Administration for its Retin-A, it is expected to develop it on a mass market basis similar to Imodium A-D. The FDA has approved Ortho's marketing of a new low-dose Retin-A prescription cream for acne treatment.

J&J's personal products division still holds the lead in external sanitary protection at 37% of retail sales in 1988 against intense competition from Procter & Gamble's Always brand at 26% and Kimberly-Clark's Kotex line at 24%.

A convenient dispenser package for Care Free Panty Shields was introduced in 1988, receiving $8.2 million in ad support, up 25%. The total ad budget for sanitary products was slashed from $33.7 million in 1987 to $15.7 million. Sure and Natural maxi-pads spending was cut from $9.3 million in 1987 to under $200,000 in 1988.

JOHNSON & JOHNSON
1 Johnson & Johnson Plaza
New Brunswick, N.J. 08933
(201) 524-0400

Johnson & Johnson Health Care
Corporate personnel: J.J. Siemsen, president.
Marketing personnel: J.J. Guidone, vp-sales; R.E. Whittaker, vp-prod mgmt.
Brands/services by agency of record:
J&J Health Care
Ad agency: Young & Rubicam, New York: Barbara Islim, acct super; Jennifer Podger, acct exec.

Johnson & Johnson Orthopaedics
Corporate personnel: A.J. Prince, president.
Marketing personnel: G.K. Kunkle, vp-sales & mktg.
Brands/services by agency of record:
J&J Orthopaedics
Ad agency: Simms & McIvor, Somerville, N.J.: Gene Hollen, acct exec.

Johnson & Johnson Patient Care
Corporate personnel: A.C. Grieve, president.
Marketing personnel: J.J. Bohan, vp-sales & mktg; M.K. Clanton, Nino Pionati, group prod dirs.
Brands/services by agency of record:
General wound care
Ad agency: Simms & McIvor, Somerville, N.J.: Gene McGloughlin, vp-acct super.

■

Advanced wound care
Ad agency: McAdams, Richman & Ong, Bala Cynwyd, Pa.: Robert D'Emilio, vp-acct mgr.

■

Surgical prods
Ad agency: Kallir, Philips, Ross, New York: Meryl Fischman, sr vp-mgmt super.

Johnson & Johnson Baby Products Co.
Corporate personnel: W.C. Egan, president.
Marketing personnel: W.M. Carpenter, vp-mktg; S.L. Coleman, mktg dir.
Brands/services by agency of record:

Po-Boys?

Not quite. Even the man on the street can eat like a king In New Orleans. Whether the fare is a po-boy sandwich or blackened redfish, New Orleanians add a rich, unique flavor to the words "home cooking."

So it's not suprising that New Orleanians spend a higher percentage of their income on food than city dwellers anywhere else in the United States.* If you'd like an introduction to these insatiable appetites, call Lester Key at (504) 826-3000.

* Source: Department of Economics and Business Research, Southeastern Louisiana University

The Times-Picayune's Weekly Coverage of the New Orleans Food Market:

	%
Grocery Shoppers Past 7 Days	94%
Adults Who Spend $100 Or More A Week On Food	91%

Source: Belden CMS, Mar.-Dec. 1988

The Times-Picayune

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Baby shampoo & conditioner
No More Tangles
Swabs
Ad agency: Lintas:New York: Ian McGregor, exec vp; Russell Schaffer, sr vp-mgmt super; Katherine Persky, acct super.

■

Baby lotion
Baby oil
Baby powder
Baby sunblock
Purpose
Shower to Shower
Sundown
Ad agency: Young & Rubicam, New York: Anne Zopfi, group dir; Susan Machtiger, mgmt super; Tim Munoz, acct super; Edith Benzimra, Kary Fletcher, acct execs.

McNeil Consumer Product Co.
Fort Washington, Pa.

Marketing personnel: C.D. Simonds, president; J.T. Lenehan, vp-mktg; B.D. Perkins, dir-prod mgmt; S.J. Fanning, natl sales mgr; V.E. Brunell, exec dir, professional sales & mktg; J.L. Strickler, dir-mktg rsch; E.C. Watson, dir-comm; G.E. Griffiths, dir-sales promo devel & planning.

Brands/services by agency of record:
Adult Tylenol
Children's Tylenol
Delsym
Tylenol cold
Tylenol sinus
Sine-Aid
Ad agency: Saatchi & Saatchi Advertising, New York: Tom Lom, exec vp-mgmt dir; Joe McCarthy, vp-mgmt super; Linda Honan, Mary Alice LuDuc, sr vps-mgmt supers.

■

Imodium A-D
Medipren
Ad agency: Lowe Marschalk, New York: Barry Linsky, exec vp; Robert Petersen, vp-mgmt super; Mike D'Souza, Amy Earl, acct supers.

■

Pediacare
Ad agency: Cadwell Davis Partners, New York: Franchellie Cadwell, president; Herman Davis, chmn-creative dir; Eliot Glazer, sr vp, dir-acct svcs.

■

Sesame Street Vitamins
Ad agency: Susan Spindler Advertising, Weston, Conn.: Susan Spindler, president.

■48

Imodium A-D professional
Pediacare professional
Adult Tylenol professional
Children's Tylenol professional
Ad agency: Kallir, Philips, Ross, New York: John Racin, exec vp-mgmt dir; Lenora Harris-Field, Virginia Foley, vps-acct supers.

■

Hispanic adv
Ad agency: Mendoza, Dillon & Asociados, Newport Beach, Calif.: Richard E. Dillon, president; Robert Howells, vp-acct svcs.

McNeil Pharmaceutical
Spring House, Pa.

Marketing personnel: C.E. Williams, vp-prod mgmt; J.A. Kitchen Jr., vp-sales; J.C. Vaughan, natl sales mgr; E.R. Steel, exec dir-corp comm; D.A. Wissner, exec dir-mktg rsch; T.L. Bishop, exec dir-prod mgmt.

Brands/services by agency of record:
Tylenol acetaminophen w/codeine
Tylox oxycodone HCl & acetaminophen
Pancrease pancrelipase
Vascor bepridil hydrochloride
Ad agency: Botto, Roessner, Horne & Messinger, New York: Robert J. Botto, president.

■

Haldol haloperidol
Parafon Forte DSC chlorzoxazone
Myoscint mifamnomab
Ad agency: Kallir, Philips, Ross, New York: Norman Cooper, president.

■

Tolectin tolmetin sodium
Ad agency: Thomas G. Ferguson Associates, Parsippany, N.J.: John F. Zweig, exec vp-coo.

Personal Products Co.
Milltown, N.J.

Marketing personnel: G. Petronio, chmn; Francis G. Ziegler, president; M.H. McGuire, vp-mktg; C.C. Bergmann, J.D. Curtiss, mktg dirs; D.P. Fraser, mktg rsch dir.

Brands/services by agency of record:
o.b. tampons
Ad agency: Cadwell Davis Partners, New York: Eliot Glazer, sr vp, dir-acct svcs.

■

Assure & Natural Breathable panty liners
Carefree panty shields
Sure & Natural maxishields
Ad agency: Young & Rubicam, New York: Anne Zopfi, group dir.

■

Serenity Guards
Ad agency: Lintas:New York: Ian McGregor, exec vp-client svcs.

■

Stayfree maxi-pads
Stayfree mini-pads
Stayfree Silhouettes maxi-pads
Stayfree Silhouettes Thins
Stayfree Thins
Ad agency: Saatchi & Saatchi Advertising, New York: David Basch, exec vp-mgmt dir.

Johnson & Johnson Dental Care Co.
New Brunswick, N.J.

Marketing personnel: C.A. Spalding, president; J.J. Gallagher, vp-mktg & sales.

Brands/services by agency of record:
J&J Dental Care Co.
Ad agencies: Cadwell Davis Partners, New York: Eliot Glazer, sr vp, dir-acct svcs.
Gross, Townsend, Frank & Hoffman, New York: Risa Janoff, sr acct mgmt.
Lowe Marschalk, New York: Barry Linski, exec vp-mgmt dir.

Ortho Pharmaceutical Corp.
Raritan, N.J.

Marketing personnel: Eric Milledge, vp.

Brands/services by agency of record:
Ortho Pharmaceutical Corp.
Ad agency: Kallir, Philips, Ross, New York: Jim Linzer, vp-acct super.

Advanced Care Products Division

Marketing personnel: Harry Allan, dir-new prods; Rosemary Black, Jill Lesko, Steve Seiden, franchise dirs.

Brands/services by agency of record:
Fact Plus home pregnancy test
Micatin antifungal prods
Ad agency: McCann-Erickson, New York: H.L. O'Brien, sr vp-mgmt rep.

Dermatological Division

Marketing personnel: L.W. Riley, vp.

Brands/services by agency of record:
Dermatological div
Ad agency: Kallir, Philips, Ross, New York: Jim Linzer, vp-acct super.

Biotech Division

Marketing personnel: Rich Zahn, dir-sales & mktg.

Brands/services by agency of record:
Ortho Biotech
Ad agency: Kallir, Philips, Ross, New York: Jim Linzer, vp-acct super.

Chicopee
New Brunswick, N.J.

Marketing personnel: D.M. Lehman, vp-mktg, specialty prods div; R.I. Munoz, vp-mktg, affiliate div; J.R. Rinaldi, vp-mktg, private label div.

Brands/services by agency of record:
Chicopee
Ad agency: ST&L Associates, New Brunswick, N.J.: Howard Rich, acct exec.

Codman & Shurtleff
Randolph, Mass.

Marketing personnel: A.D. Stewart, vp-prod mgmt; D.G. Williams, mgr-mktg comm.

Brands/services by agency of record:
Codman & Shurtleff
Ad agency: Chalfin, Kostopelos & Gilmore, Boston: Barry Chalfin, acct exec.

Ethicon Inc.
Somerville, N.J.

Marketing personnel: R.W. Croce, group vp; D.R. Murray, vp-mktg.

Brands/services by agency of record:
Ethicon
Ad agency: Kallir, Philips, Ross, New York: Meryl Fischman, sr vp-mgmt super.

Surgikos Inc.
Arlington, Texas

Marketing personnel: J.D. Terry, vp-sales; R.C. Neil, vp-prod mgmt.

Brands/services by agency of record:
Surgikos
Ad agency: Pierce Davis, Arlington, Texas: Bill Pierce, mgmt super.

RANK **98**

S.C. Johnson & Son
Racine, Wis.
ADVERTISING: **$111.6 MILLION**

U.S. advertising by media
($ in thousands)

Media	1988	1987	%chg
Magazine	16,278	16,025	1.6
Newsp supp	2,393	1,087	120.2
Newspaper	2,370	363	552.5
Outdoor	269	0	NA
Network TV	18,783	20,862	(10.0)
Spot TV	11,875	9,892	20.0
Synd TV	3,582	4,103	(12.7)
Network Cable	1,925	878	119.3
Network radio	1,479	1,957	(24.4)
Spot radio	3,116	1,903	63.7
Measured	62,071	57,068	8.8
Unmeasured	49,500	45,500	8.8
Total	111,571	102,568	8.8

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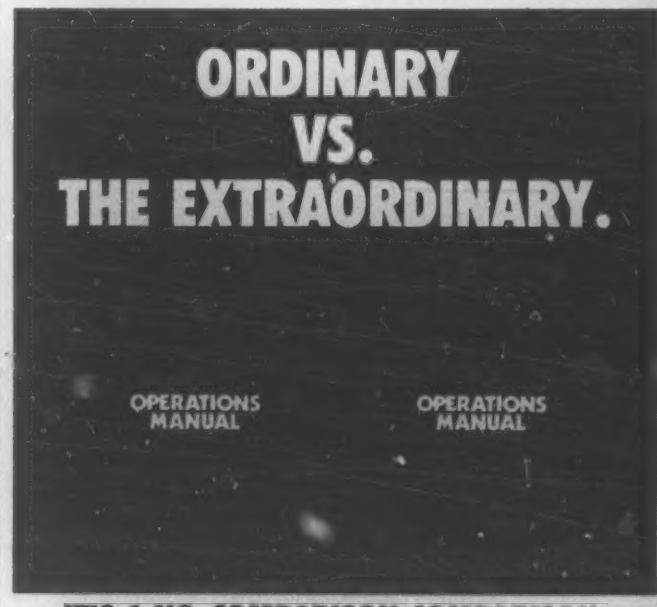
* Mass Media Research, September,1988



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S.C. Johnson & Son spent 1988 developing new niches for its well-established product lines and spinning off subsidiaries it felt had plateaued.

Divestitures included Johnson's 50% stake in Rydelle-Lion that went to Japan's Lion Corp. this June; Glade Litterfresh, a powdered cat-box deodorizer, to Edward Lowe Industries in February 1989; and Fiberall bulk-laxative line to Ciba-Geigy Corp. in August 1988.

The Rydelle-Lion joint venture was set up in 1985 to market Lion's Zact smokers toothpaste and Check-Up antiplaque and anti-gingivitis toothpastes and chewing gum, acquired by Johnson from Minnetonka Corp. in 1987. Both Zact and Check-Up each hold less than 1% share of the $1 billion toothpaste category.

Aveeno and Rhuli skincare products, and 9-1-1, a line of first aid creams and sprays testing on the West Coast, have been folded into Johnson's personal-care products division, though Rydelle still remains a Johnson subsidiary. "We're not sure what we'll do with Rydelle," says James May, corporate public relations manager.

Johnson's search for a major agency to handle virtually all its U.S. consumer products advertising ended May 1989, with the consolidation of $90 million in billings at longtime Johnson agency Foote, Cone & Belding, Chicago. The reassignment of $40 million in billings capped two years of agency switching by Johnson and epitomizes its plan to streamline operations in the U.S. and overseas.

Losing out were J. Walter Thompson USA, Chicago, which had Soft Sense and Edge, and Lotas Minard Patton McIver, New York, which handled Halsa, Curel and Agree. Pledge and Glade were unassigned since mid-1988, when the brands were abruptly removed from Dawson Johns & Black, Chicago.

Johnson's Pledge furniture polish led the home-care division in measured media with $8.9 million, double its support from 1987. Pledge commands an estimated 40% of the $145 million (manufacturers' level) furniture wax and polish category.

Between Future and Brite, the No. 2 and 3 brands, respectively, Johnson holds an estimated 60% share of the $96.2 million (manufacturers' level) floor-care category, one that has been declining at a rate of 3% annually, noted Kline & Co. consultant Gregory Good. Measured support behind Future declined 10.4% to $1.6 million in 1988, while support for Brite doubled to $3.5 million.

Glade, Johnson's air freshener line, received more than $3 million in measured media spending in 1988, a sharp contrast to 1987 when the company spent only $140,000 in media. Glade retained an estimated 14% of the $300 million (manufacturers' level) air freshener category aided by strong introductory sales of Glade Potpourri aerosol spray.

Johnson in April broke a $10 million campaign introducing Raid Max, a premium line of insecticides aimed directly at American Cyanamid Co.'s Combat in the $500 million business. Raid has 48% of the category to a climbing 22% for Combat. The Raid line received more than $16 million in media spending in 1988, up 23%.

Category sales of insect repellent are expected to jump 10% to $55 million in 1989, driven by a rebounding mosquito population and fear of Lyme disease, which is transmitted by ticks. Johnson's Off! line has more than a 50% share of the category.

In the haircare market, which grew 7% to $4.2 billion in 1988, Johnson slipped to an overall 3.8% share in shampoos and 5.2% in conditioners (supermarket sales only), according to Diana Temple, a Salomon Bros. analyst.

Ad support for Halsa dwindled from more than $13 million in 1985 to virtually nothing in 1987. Last September, Johnson broke a new $5 million TV and print campaign for Halsa to thwart further share erosion. Halsa shampoo's 1988 share dropped to 2.0% of the $1.36 billion (supermarket sales) segment, while the companion conditioner fell to a 2.4% share of the $610 million conditioner segment (supermarket sales) from almost a 3.4% share in 1987.

The company in January 1989, broke a $4 million TV and print campaign for new keratin-enriched Agree shampoo and hair conditioner. Agree shampoo in 1988 had only a 1.8% share of supermarket dollar sales, while the conditioner held a 2.7% share, according to Ms. Temple.

Johnson in April 1989, introduced Soft Sense Shave Gel, a shaving product aimed at women and positioned as providing a clean shave with less irritation than other shaving products. The product is viewed both as a line extension to Soft Sense body lotion brand and a boost to Johnson's overall share of the $250 million (supermarket sales) shaving preparation category. Edge, whose patent expired, doubled its measured spending to $2.5 million in 1988. It remained category leader at 27%.

Johnson introduced Edge Soothing After Shave with Aloe, the first mass-marketed after-shave product to be formulated without alcohol.

Johnson, the third-ranked hand lotion marketer, in 1988 held a 10.2% share for its Curel and Soft Sense brands in the estimated $641 million (supermarket sales) category, down from 12.3%. Johnson supported the brands with $4 million in measured media in 1988, down 20%.

The company in December 1988, named 38-year Johnson veteran, Raymond F. Farley its president-CEO. Samuel C. Johnson, former CEO, remains chairman.

S.C. JOHNSON & SON
U.S. Consumer Products
1525 Howe St.
Racine, Wis. 53403
(414) 631-2000

Corporate personnel: G.W. Delp, exec vp.
Marketing personnel: L.L. Beebe, vp-sales; C.J. Goldthwaite Jr., vp, personal prods; W.D. Perez, vp, home care; B.M. Pritchard, vp, insect control; P.G. Penman, adv svcs mgr; C.A. Georgeson, mktg pr mgr.
Brands/services by agency of record:
Raid
OFF!
Future
Brite
Shout
Pledge
Duster Plus
Favor
Glade
Curel
Edge
Soft Sense
Ad agency: Foote, Cone & Belding Communications, Chicago: Paul Vernon, sr vp-group acct dir.

■

Halsa
Agree
Ad agency: Foote Cone & Belding Communications, San Francisco: Richard Ward, sr vp-group acct dir.

■

Aveeno cleansing bar, bath, lotion
Rhuli spray, cream, gel
9-1-1 first aid line
Ad agency: Grant/Jacoby, Chicago: Pam Prosch, sr vp-group acct dir.

■ U.S.	1988	1987	% chg
Sales	2,766	2,492	11.0
Operating income	350	304	15.2

U.S. advertising by media
($ in thousands)

■ Media	1988	1987	% chg
Magazine	5,979	3,406	75.5
Newsp supp	158	71	122.5
Newspaper	17,199	259	6,540.4
Outdoor	70	0	NA
Network TV	297,740	237,985	25.1
Spot TV	53,287	61,925	(13.9)
Synd TV	23,376	21,733	7.6
Network Cable	4,008	4,496	(10.8)
Network radio	0	17	NA
Spot radio	73	0	NA
Measured	401,889	329,892	21.8
Unmeasured	281,200	230,900	21.8
Total	683,089	560,792	21.8

Kellogg Co. continues to increase its marketing expenditures between 15% and 25% annually to boost its commanding lead in ready-to-eat cereals.

A measure of the market's competitiveness was Kellogg's move to free up dollars for a major marketing push in 1989 by allowing its per-share earnings to decline during the first quarter, during the first quarter, and boost spending on cereals 25.2% in 1988 to $369.1 million, according to LNA/Arbitron.

The world's largest cereal maker ended 1988 with a 41.4% share of the $6 billion ready-to-eat cereal market, up from 41.1%, said County NatWest Securities analyst Timothy Ramey. For 1988, General Mills had a 21.3% share; General Foods USA's Post, 12%; Quaker Oats Co., 8.3%; Ralston Purina Co., 5.4% and Nabisco Brands, 5.4%.

Determined to increase U.S. annual per-capita cereal consumption beyond the current 9.8 pounds, Kellogg is trying three tactics. First, it has launched ad campaigns positioning such products as Frosted Flakes as snack foods, to build up non-breakfast consumption, now an estimated 15% to 20% of the total.

Second, to boost breakfast consumption, it is rolling out Smart Start cereal bars. The products, which were moved into the western U.S. this summer, are oven-baked bars made of five Kellogg cereals: Common Sense Oat Bran, Corn Flakes, Nutri-Grain (two varieties), Raisin Bran and Rice Krispies, all positioned as breakfast food for the family on the go.

Third, Kellogg continues to add new products and tinker with established ones. The company has introduced two blockbusters the past year: Common Sense Oat Bran and S.W. Graham cold cereals, with a combined ad budget of $40 million.

Riding the crest of the oat bran craze, Common Sense chalked up a 0.3% market share during a partial year of distribution in 1988, but already is treading at a 2% share through 1989, said Wheat First Securities analyst John C. Maxwell Jr. Industry watchers speculate that Common Sense will be Kellogg's next "umbrella" brand name, aside Nutri-Grain; already in 1989 the concept has been extended to a variety of Eggo frozen waffles.

Kellogg's other new products have been carefully placed line extensions. To the Nutri-Grain family it added Nutri-Grain Biscuits and Raisin Bran. A bite-size version was added to Frosted Mini-Wheats, Blueberry Squares were added to the Shredded Wheat line, and the Nut & Honey brand got Crunch Biscuits and O's. Nutri-Grain line (cereal, bars, frozen waffles) drew $29 million in media, while Nut & Honey pulled $16.7 million.

Behind Kellogg's heavy commitment to marketing is Horst Schroeder, 48, named Kellogg Co. president-chief opereting officer in November. He is seen as the successor to Chairman-CEO William LaMothe, who likely will retire in 1991.

In the past year's only account shift at Kellogg, Crispix and All-Bran, with a combined $10 million billings, were moved to Leo Burnett USA from Kellogg's other agency, J. Walter Thompson USA, Chicago.

KELLOGG CO.
One Kellogg Square
P.O. Box 3599
Battle Creek, Mich. 49016-3599
(616) 961-2000

Corporate personnel: W.E. LaMothe, chmn-ceo; H.W. Schroeder, president-coo; G.E. Costley, exec vp, president, US Food Products div; C.W. Elliott, exec vp-admin, cfo; A.G. Langbo, exec vp, president, Kellogg International.
Marketing personnel: W.H. Weintraub, vp, exec vp-mktg & new prod devel, US Food Products div; S.W. Richards, vp-US Food Products div, natl sales mgr; P.K. Hill, dir-mktg svcs.

US Subsidiaries
Corporate personnel: D.H. Brenner, president.

Mrs. Smith's Frozen Foods Co.
Marketing personnel: J.J. Feeney, chmn-ceo; R.D. Bateman, sr vp-sales; K. Harlan, vp-mktg; J.S. MacDonald, eastern zone mgr; C.T. Karlow, central zone mgr; T.C. Weverstad, western zone mgr.

Fearn International
Marketing personnel: D.H. Brenner, president; R. Franta, exec vp-genl mgr; E.K. Jorgensen, sr vp-sales & mktg.

Brands/services by agency of record:
Kellogg's cereals
Mrs. Smith's Frozen Foods Co.
Ad agency: Leo Burnett USA, Chicago: William Lynch, chmn-ceo; James Jenness, exec vp-acct dir; Tim O'Day, Al Roehl, vps-acct dirs; Mike Arnold, Larry Bruck, Eleanor Callison, R. Bloomfield, J. Brintnall, Stacey Sopcich, L. Ellrodt, Rick Remick, acct supers.

■

Kellogg's cereals
Ad agency: J. Walter Thompson USA, Chicago: Jack Tukey, sr vp; George Lange, sr vp-acct dir; George Schott, Deemid Eagen, vps-acct dirs; M. Haderlein, acct dir; Susan Frankel, sr acct super; Gloria Quigley, Susan White, acct supers.

■

Black consumer adv
Ad agency: Vince Cullers Advertising, Chicago: Vince Cullers, president.

RANK
10

Kellogg Co.
Battle Creek, Mich.
ADVERTISING: **$683.1 MILLION**

Sales & earnings
($ in millions)

■ Worldwide	1988	1987	% chg
Sales	4,349	3,793	14.7
Earnings	480	396	21.3

RANK
12

K mart Corp.
Troy, Mich.
ADVERTISING: **$632.0 MILLION**

Sales & earnings
($ in millions)

■ Worldwide	1988	1987	% chg
Sales	27,301	25,627	6.5
Earnings	803	692	16.0
■ Division sales	1988	1987	% chg
General mdse	23,187	22,140	4.7
Specialty retail	4,114	3,487	18.0

U.S. advertising by media
($ in thousands)

■ Media	1988	1987	% chg
Magazine	25,035	23,482	6.6
Newsp supp	734	2,603	(71.8)
Newspaper	73,073	82,033	(10.9)
Outdoor	123	319	(61.4)
Network TV	56,292	18,238	208.6
Spot TV	28,951	30,942	(6.4)
Synd TV	4,124	2,259	82.6
Network Cable	3,230	2,632	22.7
Network radio	11,792	6,824	72.8
Spot radio	6,596	3,696	78.5
Measured	209,950	173,028	21.3
Unmeasured	422,050	458,817	(8.0)
Total	632,000	631,845	0.0

K mart Corp. spent much of the past year implementing its diversification strategy, opening its first stores in various new grocery and warehouse-style retail operations and launching or continuing several key image-building marketing programs for its 2,200-plus K mart stores.

K mart, the No. 2 retailer, is working hard to stave off competition on two fronts: No. 1 Sears, Roebuck & Co. this year kicked off a major, company-wide restructuring that called for a switch to "everyday low prices"; and No. 3 Wal-Mart Stores, characterized by industry analysts as the nation's fastest-growing retailer, is expanding rapidly and experimenting with wholesale clubs, hypermarkets and supercenters.

Even though Sears racked up comparatively high sales gains in the months immediately following the launch of its new pricing strategy, K mart resisted short-term, defensive marketing moves beyond its own price-cutting measures that have been phased in since mid-1987. K mart did step up its price-reduction program by cutting prices on 500 items in fall 1988

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President, ***Marketing Consulting Company***

Excellent — exactly what I was looking for. No doubt that (the speaker) knows material inside and out, easily accessible, applied situation in real life to what we were learning.
Project Manager, ***Procter & Gamble***

Covered exactly the kinds of issues we face in advertising research, and more important, the material was made very understandable because of the context in which each tool was described. The speaker can't be beat.
V.P., Group Research Director, ***Leo Burnett Advertising***

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Top 25 spot radio advertisers

Rank	Advertiser	Spot radio expenditures 1988	1987	% chg	as % of co.'s '88 ad total
1	Anheuser-Busch Cos.	$42,696	$43,550	(2.0)	6.7
2	General Motors Corp.	40,185	34,829	15.4	3.1
3	Philip Morris Cos.	40,092	29,489	36.0	1.9
4	Pepsico Inc.	28,198	19,766	42.7	4.0
5	Sears, Roebuck & Co.	25,431	21,211	19.9	2.4
6	Southland Corp.	22,108	18,317	20.7	30.5
7	Grand Metropolitan PLC	21,090	16,366	28.9	2.7
8	Delta Air Lines	19,948	19,671	1.4	17.7
9	Chrysler Corp.	19,412	17,345	11.9	4.1
10	Procter & Gamble Co.	15,777	7,906	99.6	1.0
11	BellSouth Corp.	15,771	13,291	18.7	18.6
12	Adolph Coors Co.	15,442	10,073	53.3	7.7
13	Coca-Cola Co.	15,286	13,051	17.1	4.0
14	Melville Corp.	14,607	13,777	6.0	18.0
15	News Corp.	13,360	3,960	237.4	9.6
16	Ford Motor Co.	11,827	14,861	(20.4)	2.1
17	Honda Motor Co.	11,531	4,661	147.4	4.7
18	Bond Corp. Holdings	11,408	10,756	6.1	15.9
19	AMR Corp.	10,662	16,106	(33.8)	8.8
20	U.S. Government	10,352	8,844	17.1	3.5
21	Montgomery Ward & Co.	10,232	NA	NA	6.6
22	Volkswagen AG	10,162	4,472	127.2	7.2
23	Geo. A. Hormel & Co.	9,891	8,119	21.8	13.9
24	U.S. West	9,522	8,639	10.2	15.7
25	GTE Corp.	9,265	7,357	25.9	12.9

Note: Dollars are in thousands. Source: Radio Expenditure Reports.

AA chart: Kevin Brown

and on another 3,000 items in early 1989, for a total of everyday low prices on 6,000 key products. Sears' sudden gains were temporary.

The company also relied on longer-term marketing programs, such as the second phase of its lifestyle-oriented home fashions advertising with food and entertainment expert Martha Stewart, and a major promotional tie-in with CBS-TV.

K mart has been taking a hard look at its ad budget over the past 18 months. Last year it scaled back its in-house newspaper insert ad program, dropping one of its two weekly inserts, and diverted about $45 million into other media, primarily TV. The company also is testing once-a-month circulars in Pueblo, Colo. This year K mart intends to cut $25 million from its ad budget.

K mart is out to develop an image as a retailer of quality, brand-name merchandise priced competitively. That strategy calls for less emphasis on prices of individual items, and more on image advertising that positions K mart as a "category merchant," selling entire lifestyle-oriented concepts to consumers.

Last Christmas K mart broke its biggest-ever holiday marketing campaign, based on the "Christmas in America" photography book by Collins Publishing. The multimedia campaign consisted of 12 TV commericals, print ads, outdoor boards, newspaper inserts, 125 million shopping bags and extensive in-store support.

That was followed in February by the $20 million "At home with Martha Stewart" program, a massive co-op marketing blitz with *Family Circle* magazine. The program consisted of 43 commercials in which Ms. Stewart used products sold at K mart to renovate and redecorate her 151-year-old Connecticut farmhouse. Newspaper insert ads and a consumer sweepstakes supported.

TV spots mentioned brand name products; 37 manufacturers helped fund the co-op program. The program also included an unusual combination of advertorial and editorial features by Ms. Stewart in *Family Circle* and *Better Homes & Gardens*.

K mart introduced a new Martha Stewart signature line of products, starting with three bed linen sets. This fall it will introduce Martha Stewart-designed tabletop products.

In May, K mart and CBS-TV outlined one of the largest promotional undertakings ever, the "CBS/K mart Get Ready Giveaway" sweepstakes to promote CBS' fall TV schedule and to increase traffic in K mart stores. CBS and K mart are expected to spend a combined $20 million on the program. (NBC-TV and Sears have a similar fall tie-in).

Management of the K mart account has shifted from Ross Roy Inc. to sister agency Calet, Hirsch & Spector. Both agencies still work together on the creative.

K mart also is putting heavier emphasis on specialty retailing, expected to account for 25% of sales and 20% of profits by 1990. Specialty retail businesses include American Fare hypermarkets; its chain of Makro stores, of which K mart owns 51%; Walden Book Co.; Pay Less Drug Stores Northwest and its Builders Square subsidiary, which operates Office Square and Sports Giant stores. Last year K mart opened 154 new specialty stores.

In January 1989, K mart opened its first American Fare hypermarket, a joint venture with Bruno's, a leading Southeastern grocery chain. The new store, a 244,000 sq. ft. facility in Atlanta, combines food and general merchandise, and carries "everyday low prices" on all 45,000 items in the store. A second store is planned for Charlotte, N.C., later this year. K mart plans to test a "power retail center," where one shopping center would contain several K mart specialty outlets.

K mart's Walden Books Co. this summer moved its estimated $8 million Walden books store account from Ally & Gargano to CHC Advertising, Westport, Conn., where Bill Bishop, former president of A&G, landed after resigning.

K MART CORP.
3100 W. Big Beaver Rd.
Troy, Mich. 48084
(313) 643-1000

K mart Stores
Troy, Mich.

Marketing personnel: Michael Wellman, vp-mktg; Gerald Habeck, dir-adv; Susan Feinberg, dir-mktg devel; William Underwood, sr vp-genl merch; Norman Roberts, dir-sales promo.
Brands/services by agency of record:
K mart stores
Ad agencies: Ross Roy Inc., Bloomfield Hills, Mich.: Peter Vetowich, exec vp, dir-retail operations; Lawrence Haddock, Roger Sherman, sr vps-mgmt supers; Frank Wilberding, sr vp-mktg svcs; Jack Frakes, exec creative dir.
Calet, Hirsch & Spector, New York: Peter Hirsch, co-chmn, exec creative dir; Richard Cavillo, president; Jane Singer, exec vp.

Walden Books Co.
Stamford, Conn.

Marketing personnel: Bonnie Predd, exec vp-mktg; Sandy Long, sr mgr-adv & sales promo.
Brands/services by agency of record:
Walden Books stores
Ad agency: CHC Advertising, Westport, Conn.: Bill Bishop, chmn; Bill Schmermund, president; Eric Tolkin, vp-acct super.

Builders Square
San Antonio, Texas

Marketing personnel: Mark James, vp-mktg; Bob Bierley, dir-adv; Leo Corwin, sr vp-merch & adv.
Brands/services by agency of record:
Builders Square stores
Ad agency: Ross Roy Inc., Bloomfield Hills, Mich.: Peter Vetowich, exec vp, dir-retail operations; Bruce Miller, sr vp.

Office Square/Sports Giant
San Antonio, Texas

Marketing personnel: Gene Cuthbertson, dir-mktg.
Brands/services by agency of record:
Office Square stores
Sports Giant stores
Ad agency: (In-house): Gene Cuthbertson, dir-mktg.

Pay Less Drug Stores Northwest
Wilsonville, Ore.

Marketing personnel: David Massing, vp-adv.
Brands/services by agency of record:
Pay Less Drug Stores N.W.
Ad agency: (In-house): David Massing, vp-adv.

American Fare
Troy, Mich.

Marketing personnel: Larry Perkin, exec vp-warehouse & grocery operations; Gerald Habeck, dir-adv.
Brands/services by agency of record:
American Fare hypermarket stores
Ad agency: Ross Roy Inc., Bloomfield Hills, Mich.: Peter Vetowich, exec vp, dir-retail operations; Bruce Miller, sr vp.

Makro Inc.
Cincinnati

Marketing personnel: Gregory Hanselman, vp-sales & promo.
Brands/services by agency of record:
Makro new store openings
Ad agency: Ehrlich-Manes & Associates, Bethesda, Md.: Charles Smith, exec vp; Gregg Petermann, art dir; Mike Costello, creative dir-copywriter; Lee White, media dir.
■
Merchandising-Makro stores
Ad agency: Paul Schultz Co., Louisville, Ky.: Diane Brody, acct mgr.

RANK **69**

Kroger Co.

Cincinnati
ADVERTISING: $144.1 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	19,100	17,700	7.9
Earnings	35	247	(86.0)

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	34	504	(93.2)
Newsp supp	0	110	NA
Newspaper	23,820	31,247	(23.8)
Outdoor	1,813	2,892	(37.3)
Network TV	0	98	NA
Spot TV	30,220	44,639	(18.9)
Synd TV	0	0	NA
Network Cable	2	277	(99.1)
Network radio	0	0	NA
Spot radio	2,094	2,733	(23.4)
Farm pub	0	0	NA
Measured	63,964	82,510	(22.5)
Unmeasured	80,100	103,300	(22.5)
Total	144,064	185,810	(22.5)

After devoting much of 1988 to a massive corporate restructuring that saw media advertising dip 22.5%, Kroger Co. is now focusing on generating as much cash as possible to reduce its mountain of debt.

The Cincinnati-based grocery retailer, the nation's largest in sales, launched a $4.5 billion restructuring last September as it turned away unsolicited takeover bids from the Haft, owners of a Maryland-based retailing concern, and Kohlberg Kravis Roberts & Co., the New York buyout firm that gained control of RJR Nabisco earlier this year.

Under the restructuring, Kroger gave shareholders cash and securities for their shares, cut 300 corporate jobs and put about $330 million worth of assets up for sale.

Kroger held onto its core operations—about 1,235 grocery stores and 958 convenience stores. Even though earnings are expected to remain depressed through the early 1990s, Kroger executives predict the company will generate sufficient cash to run its stores, replenish its asset base (through new-store construction and renovations) as well as cover its interest expenses.

The decline in media spending to $64 million was part of an overall decline in advertising costs of 6.6% to $211 million, a figure Kroger says includes spending for ads for individual "Kroger Marketing Areas" and for corporate-wide and merchandising programs, much of the latter of which is not included in AA's estimates for unmeasured spending by Kroger.

Operationally, Kroger concentrated on bringing its newest combination food and drugstores up to stride in 1988.

At year's end, 595 or nearly half of Kroger's stores were "combos," up from 401 five years ago. The company has devoted the majority of its new-store budget to combos in recent years, keying on consumers' desires for one-stop shopping and its own desire for a format with higher sales per square foot.

As it proceeds toward the end of its third quarter, Kroger is wrapping up the last elements of its restructuring—selling 11 of its 43 food manufacturing plants and various real estate.

KROGER CO.
1014 Vine St.
Cincinnati, Ohio 45201
(513) 762-4000

Corporate personnel: Lyle Everingham, chmn-ceo; Joseph A. Pichler, president-coo.
Marketing personnel: Robert J. Hodge, sr vp; J. Richard Owens, vp-adv.
Brands/services by agency of record:
Kroger stores
Ad agency: Campbell-Mithun-Esty, Chicago: Marv Goldsmith, president-coo, Chicago office; John Kruening, John Wylie, vps-mgmt supers.

RANK **83**

Loews Corp.

New York
ADVERTISING: $123.8 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	10,965	9,324	17.6
Earnings	908	696	30.5
Division sales	**1988**	**1987**	**% chg**
Property, casualty insurance	6,201	5,195	19.3
Life insurance	2,252	1,825	23.4
Cigarettes	1,818	1,676	8.4
Hotels	205	195	4.9
Watches, timing devices	155	157	(1.3)
Shipping	55	32	75.2
Investment income	120	232	(48.3)
Equity in CBS Inc.	55	18	210.1
Other	6	(6)	(191.7)

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	21,010	27,150	(22.6)
Newsp supp	10,908	3,861	182.5
Newspaper	4,509	2,234	101.9
Outdoor	32,902	23,548	39.8
Network TV	0	0	NA
Spot TV	91	302	(69.9)
Network Cable	2	9	(77.5)
Spot radio	0	31	NA
Measured	69,761	57,132	21.3
Unmeasured	54,500	44,900	21.4
Total	123,821	102,032	21.4

Loews Corp. did an about-face in advertising spending in 1988 as it began to build spending back to 1986 levels and put more support behind its increasingly popular Newport cigarette brand.

Reduced spending on its cigarette lines,

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SAXON PERSONNEL
Lew Sanders, Pres.
506 Fifth Ave., Suite 300, NY, N.Y. 10017
(212) 557-9140 agency

Top 25 farm publication advertisers

Rank	Advertiser	Farm publication expenditures 1988	1987	% chg	as % of co.'s '88 ad total
1	Ciba-Giegy Corp.	$7,425	$7,159	3.7	8.9
2	Imperial Chemical Industries	7,167	4,891	46.5	NA
3	American Cyanamid Co.	5,631	5,423	3.8	2.2
4	Monsanto Co.	5,556	5,997	(7.3)	6.4
5	Deere & Co.	5,253	4,366	20.3	NA
6	E.I. du Pont de Nemours & Co.	5,111	4,978	2.7	3.9
7	Ford Motor Co.	4,616	4,267	8.2	0.8
8	Elanco Products Co.	3,772	4,233	(10.9)	NA
9	General Motors Corp.	3,648	3,355	8.7	0.3
10	Bayer AG	3,464	5,647	(38.7)	2.6
11	Tenneco Inc.	3,165	3,211	(1.4)	NA
12	Rhone-Poulenc	3,056	4,284	(28.7)	NA
13	Dow Chemical Co.	2,542	1,488	70.9	1.6
14	FMC Corp.	2,313	2,448	(5.5)	NA
15	IMC International	2,035	1,739	17.0	NA
16	Sandoz Ltd.	1,818	2,094	(13.2)	2.5
17	Pioneer Hi-Bred International	1,813	1,881	(3.6)	NA
18	Valent USA	1,796	1,640	9.5	NA
19	Upjohn	1,684	1,575	6.9	NA
20	BASF Corp.	1,593	1,845	(13.7)	NA
21	Pfizer Inc.	1,590	1,558	2.1	0.7
22	Merck & Co.	1,580	1,891	(16.4)	NA
23	SmithKline Beecham	1,537	1,137	35.2	0.6
24	Cargill Inc.	1,502	782	92.0	NA
25	Hoechst-Roussel	1,372	1,603	(14.4)	NA

Note: Dollars are in thousands. Source: Agricultural Marketing Information Bureau (AGRICOM).

AA chart: Kevin Brown

particularly the True brand, in 1987 reduced Loews spending by 21.3% that year from a high of $146.5 million in 1986.

Like other cigarette manufacturers, Loews' Lorillard division continues to face legislative and regulatory challenges from Congress, as well as continued pressures from anti-tobacco groups.

Lorillard, the nation's fourth-largest cigarette manufacturer, saw its market share edge up from 8.2% to 8.3% in 1988, placing it behind Philip Morris' 39.3%, R.J. Reynolds Tobacco's 31.8% and Brown & Williamson's 11.0%, but ahead of American Brands' 6.9% and Liggett Groups' 2.7%. In addition, while total industry sales dropped 2.4%, Lorillard's sales decreased by only 1.9%.

Loews backed its cigarette division with more than $61 million in measured media, 88% of the company's total outlay. Newport claimed $44 million in measured spending, up 33%, as it became the fifth largest-selling brand in the country in 1988, with a market share of 4.6%, up from 4.2% the previous year. The four brands ahead of Newport are Philip Morris' Marlboro (24.7%), RJR's Winston (10.8%), RJR's Salem (7.4%) and B&W's Kool (5.8%). It passed PM's Benson & Hedges.

Advertising for Lorillard's Kent and True brands combined accounted for about 24%, or $17 million of the division's total cigarette ad expenditures. The 1988 market shares for Kent and True brands were 2.3% and 1.0%, respectively. These are roughly the same as the previous year.

In spring 1988, Newport Stripes Menthol 100 Box and Newport Stripes Non-Menthol 100's Box were introduced into approximately 50% of the U.S. This extended the brand's franchise to 12 different packings. The new Newport Stripes products are full flavor, low-tar cigarettes. Brand spending for Newport was $44.4 million, up 33%, reports LNA/Arbitron.

In April 1988, Lorillard announced the sale of its chewing tobacco and little cigar brands to the National Tobacco Co. for approximately $67.7 million. Included in the sale were Lorillard's Louisville manufacturing facility and its storage facilities in Wisconsin.

Loew's CNA Insurance Cos., which has grown from the 18th to the 13th largest insurance organization in the U.S. based on premium volume, spent $5.8 million in advertising in 1988, the same as in 1987.

Bulova, which is approaching its 10th anniversary as a part of Loews, this April adopted a new corporate name—Bulova Corp.—to reflect the company's entry into new and different product markets.

It introduced the 20th Century Limited, watches inspired by designs of the '20s and '30s; expanded the Marine Star divers' series and the Diamond Watch Collection and entered into a licensing agreement to market a line of Harley-Davidson watches. In 1987, Loew's Lorillard division introduced Harley-Davidson brand cigarettes. BULY by Bulova, a line of fashion accessories including a tote, sportbag and backpack with an integrated weather-resistant clock, also was introduced. Bulova spent only $1.3 million in measured media, down 38%.

LOEWS CORP.
667 Madison Ave.
New York, N.Y. 10021
(212) 545-2000

Lorillard Division
One Park Ave.
New York, N.Y.

Corporate personnel: J.R. Ave, president-ceo.

Marketing personnel: T.H. Mau, sr vp-adv & brand mgmt; R.H. Orcutt, sr vp-sales; S.R. Ridgway, vp-pr; G.R. Telford, vp-adv & brand mgmt; J.P. Mastandrea, vp-sales; Lou Gorde- vp-trade devel; C.W. Toti, dir-mktg svcs; L.M. Giordano, media dir; R.G. Ryan, sales promo dir; S.T. Jones, mktg rsch dir; J.E. Daghlian, R.D. Hammer, Andrew Pasheluk, group brand dirs; K.P. Augustyn, V.D. Lindsley, sr brand mgrs; J.A. Guardino, J.M. Wagner, brand mgrs; J.G. Arato, W.S. Leong, Eve Nadel, assoc brand mgrs; C. Fassuliotis, J. LaValle, assoc brand mgrs.

Brands/services by agency of record:
Newport
New prods

Ad agency: Ally & Gargano, New York: Warren Dechter, president; Ed Ricci, exec vp.

■

Kent
Kent III
Kent Golden Lights
New prods

Ad agency: BBDO, New York: Bruce Meyers, exec vp; John Marchese, vp-mgmt rep.

■

True
Triumph
New prods

Ad agency: Saatchi & Saatchi Advertising, New York: John Kaiser, exec vp.

Loews Hotels
New York

Corporate personnel: Robert J. Hausman, chmn; Jonathon Tisch, president-ceo.

Marketing personnel: Christopher Rockett, vp-mktg; Marian Succoso, dir-adv & sales promo; Michelle McFaul, vp-pr.

Brands/services by agency of record:
Loews Hotels

Ad agency: Arias & Sarraille, Palos Alto, Calif: Ed Sarraille, partner.

CNA Insurance Cos.
Chicago

Corporate personnel: Edward J. Noha, chmn-ceo.

Marketing personnel: Philip L. Engel, vp-mktg; James G. Pettorini, asst vp-life, health, pensions distribution mktg; Himanshu I. Patel, asst vp-mktg support div; Susan Stockton, adv mgr.

Brands/services by agency of record:
Business & trade adv

Ad agency: Frank C. Nahser Inc., Chicago: Frank Nahser, president.

Bulova Watch Co.
Woodside, N.Y.

Corporate personnel: Andrew H. Tisch, president.

Marketing personnel: Robert E. Ryan, vp-mktg; Joe Klein, mktg dir, clocks; Peter Sandler, business devel mgr; Richard Jamroz, comm dir; Jane Disanto, mgr-business planning & production devel.

Brands/services by agency of record:
Bulova watches & clocks

Ad agency: McCaffery & Ratner, New York: David Hooper, sr vp-mktg dir.

Macy Acquiring Corp.
RANK 32
New York
ADVERTISING: $308.9 MILLION

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	2,166	1,852	17.0
Newsp supp	86	311	(72.5)
Newspaper	182,212	176,033	3.5
Outdoor	376	140	168.7
Spot TV	15,651	16,695	(6.3)
Spot radio	289	297	(2.8)
Measured	200,779	195,328	2.8
Unmeasured	108,100	105,200	2.8
Total	308,879	300,528	2.8

Despite the high debt load left by its 1986 leveraged buyout and subsequent acquisitions, R.H. Macy has moved ahead with promotion programs.

During 1988 it entered several new market areas and is working to create strong name recognition. It also has been gradually shifting to more private label manufacturer-supplied brand-name ad allowances.

The privately-held company has had to act aggressively to justify its mid-1988 acquisition of former Federated Department Store holdings, Los Angeles-based Bullocks and San Francisco-based I. Magnin. These two units were Chairman Edward Finkelstein's consolation prize when he failed to beat out Robert Campeau for control of Federated Department Stores.

Macy's has acted quickly to bring I. Magnin back to its days of glory by bringing in a large number of "bridge" lines, between moderate-price and designer merchandise, and giving each of them its own boutique and enhancing the level of customer service.

Ad support, to inform customers about the changes taking place at I. Magnin, has been particularly critical in the San Francisco market where Nordstrom, a major threat for any retailer seeking to appeal to the upper-moderate shoppers, has opened two stores.

I. Magnin advertised very little, spending only $4.9 million in 1988, down 24.6%, according to LNA/Arbitron. Bullocks, on the other hand, spent $27.8 million in media, up 4%. The two have been combined into a single operating entity.

Macy's Northeast, the company's largest division, is responsible for the company's most recent new market entry—its first Washington area store (a second will open shortly). Macy's had Washingtonians so well-primed before its debut that it couldn't handle the mobs that clamored to pay a $5 charge (to charity) to preview the store and shop before its official opening.

In its first year, the store is estimated to have generated sales of between $60 million and $80 million. By contrast, Nordstrom, located across the street, generated first-year sales slightly in excess of $100 million.

Expansion continues throughout Florida where Macy's relies on catching the transplanted Northeasterners. The chain also is trying to establish itself in New Orleans and in Texas.

During 1988, Macy's created separate specialty apparel stores to showcase several brands: Charter Club, Fantasies by Morgan Taylor and Aeropostale, and all are being gradually expanded. It also began accepting MasterCard and Visa for the first time and backing that up with a $400,000 campaign, created and handled in-house.

Macy's continues to make heavy use of newspaper ads and other print, and appears to have cut back on its use of direct-mail catalogs. Spot TV also is used for specific sales and to promote seasonal merchandise offerings. Macy's receives tremendous exposure from its annual Thanksgiving Day Parade and Fourth of July New York City Fireworks display.

Macy's Department Store is one of the nation's largest retail advertisers, spending $167.6 million in measured media in 1988, up 4%, according to LNA/Arbitron. The department store spent 91% of its measured total on national newspapers and the rest on spot TV.

R.H. MACY & CO.
151 W. 34th St.
New York, N.Y. 10001
(212) 695-4400

Marketing personnel: Edward S. Finkelstein, chmn-ceo, president, Bullock's; Mark S. Handler, president-coo; Arthur Reiner, chmn-ceo, Macy's NY; Robert Friedman, chmn-ceo, Macy's NJ; H. Friedman, chmn-ceo, Macy's Atlanta; Rudolph Borneo, president, Macy's California.

Brands/services by agency of record:
Macy's Northeast

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Packaged Goods and Financial Services
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USA TODAY

Ad agency: (In-house): Rosanne Cooper, sr vp-sales promo.

■

Macy's South/Bullock's

Ad agency: (In-house): Joseph Garberino, sr vp-sales promo.

■

Macy's California

Ad agency: (In-house): Greg Hribar, sr vp-adv & sales promo.

I. Magnin & Co.
San Francisco

Corporate personnel: Rose Marie Bravo, chmn-ceo.

Marketing personnel: Wilner Weiss, sr vp-adv.

Brands/services by agency of record:

I. Magnin's

Ad agency: (In-house): Wilner Weiss, sr vp-adv.

RANK **88**

Marriott Corp.

Washington

ADVERTISING: **$120.2 MILLION**

U.S. advertising by media

($ in thousands)

Media	1988	1987	% chg
Magazine	5,081	4,616	10.1
Newsp supp	1,513	95	1,494.5
Newspaper	9,266	8,815	5.1
Outdoor	950	1,031	(7.9)
Network TV	3,155	2,758	14.4
Spot TV	22,911	22,554	1.6
Synd TV	16	0	NA
Network Cable	51	51	(0.6)
Spot radio	1,446	558	159.1
Measured	44,389	40,479	9.7
Unmeasured	75,800	69,100	9.7
Total	120,189	109,579	9.7

Each of Marriott Corp.'s three highly-decentralized divisions—lodging, contract services and restaurants—made or continued to make significant marketing changes in 1988.

Marriott in 1988 introduced 14 Allie's Restaurants at Big Boys locations in San Diego. Named for Alice Marriott, widow of the founder and mother of the current chairman, Allie's are filled with plants and sunlight, and staffed with Reebok-clad waiters and waitresses serving grilled chicken and fajitas.

The concept grew out of a customer survey at Bob's Big Boy restaurants. Not surprisingly, given Big Boy's recent disappointing performance, the findings revealed little preference for Big Boys.

Allie's churned 40% more sales in 1988 than the Big Boys they replaced. The company expects to have 600 Allie's open within five years.

Recently, the Marriott acquired 21 Jolly Roger Restaurants, 15 in San Diego, six in Orlando. In 1988, the company acquired 123 Wag's and Bickford's restaurants, concentrated in Florida, New England and Illinois. These acquisitions, along with most Bob's Big Boys, will be converted to Allie's. The next push is slated for Florida where 82 Wag's and former company-owned Howard Johnson's restaurants are scheduled to be converted.

In the interim, Marriott is not abandoning the 200-plus Bob's Big Boys it still owns. They are being remodeled and expanded as needed. They were backed with $5.8 million in advertising—up 45% from year-earlier levels, according to LNA/Arbitron.

Similar changes have been brewing in the hotel industry, where companies from Raddison to Holiday Inns have rushed to offer hotels for every market segment. Now, in addition to Marriott Hotels and Resorts, travelers may select from: Marriott Suites (nine by the end of this year; 40 by 1993), rates ranging from $89 to $139; Courtyard by Marriott (about 140 properties by the end of the year), priced at $50-$88 a night; Residence Inn by Marriott (currently 142 extended-stay suite hotels, 300 by early 1990s) with rates of $65-$90; and moderately-priced Fairfield Inn (about 45 at the end of the year) with room rates from $30 to $40.

Marriott Hotels and Resorts remain the core of the company's hotel business. There will be close to 200 of them in 14 states and the District of Columbia and 14 countries at the end of this year plus an additional 14 to 16 at the end of next. Advertising support for the group rose almost 81% to $13.5 million.

Sizable media increases also were recorded by Residence Inn by Marriott, more than doubling to $556,000, and Courtyard by Marriott, an almost ninefold increase to $3.1 million.

Marriott opened its first two senior living facilities this year with a total of 700 units. Some 3,000 units are planned by the end of this year.

MARRIOTT CORP.
Marriott Drive
Washington, D.C. 20058
(301) 380-9000

Lodging Operations

Marketing personnel: Robert Bloch, sr vp-mktg, hotels; Jacqueline Hurley, dir-natl adv, hotels & resorts; Julie Moll, dir-mktg, Marriott Suites; Brent Andrus, vp-sales & mktg, Courtyard by Marriott; Robert Ziegler, dir-mktg, Fairfield Inn.

Brands/services by agency of record:

Hotels & Resorts

Ad agency: FCB/Leber Katz Partners, New York: Pat Price, acct exec.

■

Residence Inn

Ad agency: Martin Agency, Richmond, Va: Dan Barges, acct super.

■

Courtyard

Ad agency: Scali, McCabe, Sloves, New York: Don Bowen, acct exec.

■

Marriott Suites

Ad agency: Korey Kay & Partners, New York: Ron Weiss, acct super.

■

Fairfield Inn

Ad agency: TBWA Advertising, New York: Grant Castle, acct super.

Restaurant Operations

Marketing personnel: Ron Powell, exec vp & genl mgr, Big Boy & Allie's; Lisa Krostue, vp-mktg, Roy Rogers; Doreen Levin, dir-mktg, Travel Plazas & Hot Shoppes.

Brands/services by agency of record:

Roy Rogers restaurants
Allie's restaurants
Big Boy restaurants

Ad agency: Earle Palmer Brown Cos., Bethesda, Md: Steve Farley, acct group dir, Roy Rogers; Sara Meibug, vp-acct super; Lisa Osofsky, sr acct exec; Martha Crowley, Lynn Eddis, Joan Greenwald, Deborah Zang, acct execs, Big Boy/Allie's; Gerry Hart, mgmt super; Dodie Subler, acct super; Julie Buric, acct exec.

RANK **30**

Mars Inc.

McLean, Va.

ADVERTISING: **$339.7 MILLION**

U.S. advertising by media

($ in thousands)

Media	1988	1987	% chg
Magazine	9,880	10,991	(10.3)
Newsp supp	512	342	49.8
Newspaper	5,159	457	1,072.0
Outdoor	23	56	(58.6)
Network TV	91,386	130,271	(29.9)
Spot TV	38,290	38,439	(0.4)
Synd TV	23,780	12,996	83.0
Network Cable	9,995	14,877	(32.8)
Network radio	5,721	8,569	(33.2)
Spot radio	2,952	1,388	112.7
Measured	187,857	218,386	(14.0)
Unmeasured	151,800	176,500	(14.0)
Total	339,657	394,886	(14.0)

Mars Inc.'s 14% decline in U.S. ad spending in 1988 was more an indication of new advertising and promotion strategies than a slowdown in Mars' aggressive marketing strategy.

M&M/Mars, the big candy division, in 1988 shifted dollars into promotions such as the multi-year marketing agreement with Walt Disney Co. that includes an upcoming $24 million tie-in with the November video release of Disney's "Bambi."

As a result of the sales promotions, M&M/Mars' media ad spending dropped 4.4% in 1988 to $111 million, according to LNA/Arbitron.

M&M/Mars, with Al Poe as senior VP-marketing since last October, has become more daring out of necessity. In 1988 it saw its 37% market share for candy bars passed by Hershey's 44% after Hershey bought Cadbury USA. M&M/Mars has since been more aggressive in introducing line extensions, launching European brands in the U.S. and expanding seasonal candy offerings. Formerly, M&M/Mars concentrated its advertising and promotion on blockbuster brands like Snickers and M&Ms. Ad support for both dropped in 1988: 10% to $22.9 million for Snickers and 18% to $19.7 million for M&Ms

Now, no brand is too small for some support or for line extension. Under Mr. Poe's leadership, Mars has successfully launched Bounty, a chocolate-covered coconut bar popular in Europe, to take on Hershey's Mounds and Almond Joy.

Holidays, M&M-styled candies which shot into the chocolate bars' top 20 in sales in 1988 (according to American Consulting Corp., Orlando, Fla.), received $2 million in spending in 1988. The candy is color-coordinated to various holidays. New intros will be a mint flavor to the red/green of Christmas and a red/white theme for Valentine's Day 1990.

New flavors of Kudos and Skittles were introduced nationally in 1989. The company also is testing peanut butter M&Ms. M&M/Mars in August revived Today's Munch, a peanut brittle bar sold primarily in vending machines. Munch is being promoted in radio and print, as opposed to M&M/Mars' traditional TV focus.

Dove Bar International, with ad spending remaining stable in 1988 at $9.6 million, is focusing on turning M&M/Mars candy into ice cream treats. 3 Musketeers Ice Cream bars went national in 1989, and a Snickers Ice Cream Bar soon will be introduced. The Dove Bar brand received $4.7 million, the same as 1987, while advertising for Rondos Ice Cream treats doubled to $4 million. Forever Yours Sundaes seems on the way out, with ad spending plummeting 98% to $50,000.

The Kal Kan pet food division shifted strategy in the past year to emphasize new gourmet products and rename existing brands with more pizzazz. Sheba, described as a gourmet canned cat food, racked up $28 million sales in 1988, its first year after being brought from Europe, according to John Maxwell, analyst for Wheat First Securities, Richmond, Va. Crave dry cat food and Kal Kan canned cat food were renamed Whiskas, Mars' cat food line in Europe.

As part of a pet food industry-wide move to premium and more upscale products, Kal Kan dog food brands adopted the Kal Kan Pedigree name. Pedigree Select Dinners, a gourmet dog food, was introduced in late 1988. Kal Kan brand spending dropped 19% to a measured $38.4 million in 1988. Sheba took $8.9 million, while Kal Kan canned cat food advertising dropped 39% to $10.7 million.

Uncle Ben's continues to expand its flavored rice dishes with Uncle Ben's Country Inn Rice Mixes and Country Inn Garden Pasta Salads. Uncle Ben's Side Dishes remain in test. Uncle Ben's last year dropped ad spending 15% to $26 million, but put $10.4 million behind a new product, Uncle Ben's Rice in an Instant. It grabbed a 14% share of the instant market, gouging General Foods' Minute Rice, which was left with a 53.3% share, down from 66%.

MARS INC.
1081 Old Meadow Rd.
Westgate Park
McLean, Va. 22102
(703) 821-4900

M&M/Mars Division
Hackettstown, N.J.

Corporate personnel: William Hellegas, president.

Marketing personnel: Alfred Poe, sr vp-mktg; Randy Webb, vp-sales; Ted Lusher, dir-broker sales; Jim Conland, dir-trade devel.

Uncle Ben's Inc.
Houston, Texas

Corporate personnel: Al Aragona, president.

Marketing personnel: Robert Black, vp-mktg & sales.

Kal Kan Foods
Vernon, Calif.

Corporate personnel: Thomas Armstrong, president.

Marketing personnel: John Murray, vp-sales & mktg.

Brands/services by agency of record:

Kal Kan Pedigree dog food
Sheba
Whiskas
Kudos
Holidays
M&Ms
3 Musketeers
PBMax
Snickers
Starbursts
Uncle Ben's
Suzi Wan

Ad agency: Backer Spielvogel Bates Worldwide, New York: Pet foods: Norman Bierman, exec vp; Simon Turner, sr vp-mgmt rep. Candy: Ken Rogers, exec-vp, multi-natl mng dir; Joe Dell'Aquila, exec vp; Paul Mesches, Alice Uniman, Dana Tower, sr vps-mgmt reps. Uncle Ben's: Randy Hackett, exec vp; Alan Kellam, sr vp-mgmt rep.

■

Bounty
Mars Bar
Milky Way
new prods

Ad agency: D'Arcy Masius Benton & Bowles, New York: Ian Brown, sr vp, dir-operations & strategy; Mark Sands, acct mgr.

■

Bolisto
Combos
Skittles
Suissande
Today's Munch
Twix

Ad agency: D'Arcy Masius Benton & Bowles, St. Louis: Rick Spatz, sr vp-acct dir; Dave Gulick, vp-mgmt super; Laura Frerichs, acct super.

RANK **26**

May Department Stores Co.

St. Louis

ADVERTISING: **$399.7 MILLION**

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	11,525	9,690	18.9
Earnings	503	440	14.3
Division sales	**1988**	**1987**	**% chg**
Department stores	7,537	5,935	27.0
Caldor	1,574	1,502	4.8
Venture	1,282	1,188	7.9
Volume Shoe	1,132	1,065	6.3

U.S. advertising by media

($ in thousands)

Media	1988	1987	% chg
Magazine	2,447	1,806	35.3
Newsp supp	1,931	890	117.1
Newspaper	224,282	230,174	(2.6)
Outdoor	120	167	(28.1)
Network TV	4,167	4,064	2.5
Spot TV	25,815	33,438	(22.8)
Spot radio	1,024	1,434	(28.6)
Measured	259,787	271,975	(4.5)
Unmeasured	139,900	146,400	(4.4)
Total	399,687	418,375	(4.5)

Advertising at May Department Store Co. declined slightly in 1988 as the company boosted its operations by buying Filene's and Foley's department stores, the latter now challenging May's Lord & Taylor unit for the chain's leadership in volume sales.

The two acquisitions, purchased for $1.5 billion from Federated Department Stores, added $1.2 billion in sales—representing three quarters worth of sales for the two department stores—to give May a 19% gain for the year. Without this single-year boost, May sales would have increased only 7%.

Sales at Houston-based Foley's, with 34 stores, could surpass Lord & Taylor, New York, as May's dollar volume leader this year. L&T sales were $963 million in 1988, compared with $804 million for three quarters for Foley's. Foley's full-year media advertising in its transitional year increased 27.7% to $29.5 million, while L&T's media spending of $26.8 million, dropped 20.9%, according to LNA/Arbitron.

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May, which operated 297 department stores in 29 states and Washington D.C. by year-end, opened seven more department stores and seven discount stores in 1988.

In keeping with its longterm plan of nationally expanding its L&T chain, it opened L&Ts in San Antonio, New Orleans and Memphis. In January 1989, May initiated plans to convert four of its Hahne & Co. department stores in New Jersey into L&Ts and sell the remaining five Hahne stores. May has been closing and combining a number of stores on a market-by-market basis since it began to consolidate the stores picked up in its 1986 acquisition of Associated Dry Goods. Hahne & Co., Caldor, Goldwaters, L&T, L.S. Ayres and Robinsons were gained in the purchase.

Lord & Taylor, with sales up only 4.5% in 1988, may be May's most upscale, but it has been criticized by industry observers over the past year who claim it has weakened its image by selling too many private labels.

The May department store unit based in Los Angeles drew $71 million in media spending, the largest among any unit for 1988. Spending was up 14% from 1987, according to LNA/Arbitron.

May's two discount store divisions, Caldor and Venture, reported a 7% increase in sales to $2.86 billion in 1988. Caldor got $18 million and Venture only $3.1 million in measured spending in 1988, according to LNA/Arbitron.

Volume Shoe continued its aggressive growth by opening 116 new Payless ShoeSource stores in 29 states. In 1988, Volume Shoe reported sales of $1.1 billion, up 7%. Payless received $14.8 million in ad support, down 12%.

MAY DEPARTMENT STORES CO.
611 Olive St.
St. Louis, Mo. 63101
(314) 342-6300

Lord & Taylor
New York
Marketing personnel: Rita Lennick, vp-adv & sales promo.
Brands/services by agency of record:
Lord & Taylor stores
Ad agency: (In-house): Rita Lennick, vp-adv & sales promo.

May Co.
North Hollywood, Calif.
Marketing personnel: Harry Wendland, sr vp-sales promo; Leonard Berliner, vp-adv dir.
Brands/services by agency of record:
May Co. stores
Ad agency: (In-house): Leonard Berliner, vp-adv dir.

Hecht's
Arlington, Va.
Marketing personnel: Don DeFabio, sr vp-mktg; Steven Wichnow, sr vp-adv.
Brands/services by agency of record:
Hecht's
Ad agency: (In-house): Steven Wichnow, sr vp-adv.

J.W. Robinson
Los Angeles
Marketing personnel: Judy Farris, sr vp-adv & mktg; Craig Cadwallader, div vp-sales promo.
Brands/services by agency of record:
J.W. Robinson stores
Ad agency: (In-house): Judy Farris, sr vp-adv & mktg.

Famous-Barr
St. Louis
Marketing personnel: Paul Cavalli, sr vp-sales promo; Vicki Rosenkoelter, vp-adv dir; Joe Della Valle, vp-creative dir.
Brands/services by agency of record:
Famous-Barr stores-broadcast
Ad agency: Glennon & Co., St. Louis: Ian Cohen, exec vp; Sherry Weiner, acct exec.

Filene's
Boston
Marketing personnel: Charlotte Brewer, sr vp-mktg & sales promo; Joseph Panessidi, div vp, dir-adv operations.
Brands/services by agency of record:
Filene's
Ad agency: (In-house): Joseph Panessidi, div vp, dir-adv operations.

Kaufmann's
Pittsburgh
Marketing personnel: Jerry Eccher, sr vp-sales promo.
Brands/services by agency of record:
Kaufmann's
Ad agency: (In-house): Jerry Eccher, sr vp-sales promo.

L.S. Ayers
Indianapolis
Marketing personnel: Mark Humphrey, sr vp-mktg; Rae Ann Allen, div vp-creative dir, sales promo.
Brands/services by agency of record:
L.S. Ayers stores
Ad agency: (In-house): Rae Ann Allen, div vp-creative dir, sales promo.

G. Fox & Co.
Hartford, Conn.
Marketing personnel: Susan Weiner, sr vp-sales promo; Jack Mullen, div vp.
Brands/services by agency of record:
G. Fox & Co.
Ad agency: (In-house): Jack Mullen, div vp.

May D&F
Denver
Marketing personnel: Randall Barberis, sr vp, dir-mktg.
Brands/services by agency of record:
May D&F stores
Ad agency: (In-house): Randall Barberis, sr vp, dir-mktg.

Meier & Frank
Portland, Ore.
Marketing personnel: Stephen Thorpe, sr vp-sales promo; Nancy Altman, adv dir.
Brands/services by agency of record:
Meier & Frank stores
Ad agency: (In-house): Nancy Altman, adv dir.

May Co.
Cleveland
Marketing personnel: Stephen Thorpe, sr vp-sales promo; Debra Edwards, div vp-adv dir.
Brands/services by agency of record:
May Co. stores
Ad agency: (In-house): Debra Edwards, div vp-adv dir.

Sibley's
Rochester, N.Y.
Marketing personnel: Susan Mesec, sr vp, dir-adv & sales promo; Jonathan Cowles, direct mail mgr; Barbara Caiola, broadcast mgr.
Brands/services by agency of record:
Sibley's stores
Ad agency: (In-house): Susan Mesec, sr vp, dir-adv & sales promo.

RANK **67**

Mazda Motor Corp.

Hiroshima
ADVERTISING: **$146.7 MILLION**

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	14,637	12,717	15.1
Earnings	120	35	241.5

U.S. advertising by media

($ in thousands)

Media	1988	1987	%chg
Magazine	29,236	22,214	31.6
Newsp supp	75	0	NA
Newspaper	5,476	24,026	(77.2)
Network TV	45,167	51,623	(12.5)
Spot TV	21,065	14,538	44.9
Network Cable	2,401	0	NA
Network radio	6	0	NA
Spot radio	3,928	264	1,387.9
Measured	107,355	112,665	(4.7)
Unmeasured	39,300	41,200	(4.6)
Total	146,655	153,865	(4.7)

Mazda Motor of America during 1988 revamped its U.S. marketing arm, revitalized a stagnant ad strategy and built back declining vehicle sales.

The Irvine, Calif.-based subsidiary of Mazda Motor Corp., Hiroshima, turned a sales corner in the U.S. in 1988 by recording a 3.5% growth in car/truck unit sales of 343,620, compared to a volume decline in 1987.

Mazda adopted a new ad strategy beginning in late 1988 by showcasing individual models within its 1989 line, a departure from its traditional advertising of the entire line. Rationale for the plan was to impart personality traits on various models. That strategy set the stage for Mazda's big July debut of its MX-5 Miata convertible.

The 1988 merger of Mazda's two former U.S. operations into Mazda Motor of America was followed by a reorganization of its total marketing effort. The company set up a single national advertising department. It retained Foote, Cone & Belding, Santa Ana, Calif. but told the agency Mazda needed a stronger brand image as well as greater consumer awareness.

The U.S. market share for Mazda's total car sales for 1988 (imported and domestic production) grew to 2.42% from 2.03%, still behind American Honda with 7.26%, Toyota at 6.50%, Nissan at 4.46% and Hyundai at 2.50%. In the U.S. light-truck market, Mazda drew a 1.9% share based on its 93,287 unit sales, a drop of 33,400 units from 1987 when its share was 2.6%. Among the imports, Toyota leads with a 5.1% share, down from 6.5% in 1987.

While total ad spending in 1988 declined about 4.7% from the prior year, the prospect of intensified advertising behind individual new models in the 1990 model year was expected to push ad expenditures to new highs.

Mazda plans to increase its 1989 calendar-year, new-car and truck sales in the U.S. to more than 400,000 units, in spite of a forecast for a softer new car market and an average 2.7% price hike on its carryover models. The company expects truck sales to remain steady at the 100,000-unit level and car sales to improve 14%.

For 1990, Mazda is counting on the Miata and the MPV multipurpose vehicle to help it sell 500,000 vehicles. The forecast calls for sales of 40,000 Miatas, 60,000 MPVs (vans), 300,000 passenger cars and 100,000 pickups.

Mazda is working on a V-8 engine which could eventually power a luxury car to compete headon with the Honda Acura line. It is only nibbling at the moment on the Acura market with its Mazda 929 model, introduced in 1988. Priced just under $20,000, the 929 received the largest ad outlay among Mazda brands for the year.

LNA/Arbitron reported its ad spending at $20 million. Other measured spending for 1988 showed the RX-7 sports car at $16.8 million, the MX-6 sports car at $12.6 million, B2200 and B2600 trucks at $10 million, the Mazda 323, 626 models each at $8.5 million and MPV, $6.7 million.

Due to higher import duties on trucks, Mazda is considering producing pickup trucks in North America. Already the new MX-6 luxury sports coupe and the Ford Probe have been produced at its Flat Rock, Mich., plant with production of the 626 four-door sedan set for this fall.

Ads for the red, white and blue Miata, a two-seat convertible sports car with a $13,800 base price, used Norman Rockwell-like images and called for a return to simpler lifestyles. Miata is expected to attain sales of 20,000 by the end of calendar 1989.

MAZDA MOTOR OF AMERICA
7755 Irvine Center Dr.
Irvine, Calif. 92718
(714) 727-1990

Corporate personnel: Yoshinori Tazra, president-ceo; Motoyuka Katsuke, Kensuke Kato, exec vps; George McCabe, deputy genl mgr, group vp-sales & mktg; Jim Seidel, Toshio Wakiya, deputy genl mgrs, group vps-operations.
Marketing personnel: Yogi Toyama, sr vp-mktg; Richard Colliver, sr vp-western area; James Weisner, sr vp-eastern area; William Hackett, vp-mktg; Jan Thompson, vp-adv; Duane Bowen, vp-pr; Robert Parker, vp-sales support; Tim Gallagher, pr mgr.
Brands/services by agency of record:
Mazdas
Ad agency: Foote Cone & Belding, Santa Ana, Calif.: Tom Randolph, chmn, FCB/West; William Hagelstein, exec vp-genl mgr; David Weber, vp-mgmt dir; Wendy Wienner, vp-sr acct dir; Don Ward, vp-mgmt dir, dealer assns; Tom Somerset, sr vp-mktg svcs, media rsch & planning; Larry Kopald, exec vp-exec creative dir.

RANK **65**

MCA Inc.

Universal City, Calif.
ADVERTISING: **$153.7 MILLION**

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	3,024	2,590	16.8
Earnings	165	137	20.2
U.S.	**1988**	**1987**	**% chg**
Sales	2,401	2,073	15.8
Operating income	250	162	54.2
Division sales	**1988**	**1987**	**% chg**
Filmed entertainment	2,216	2,021	9.7
Music entertainment	620	360	72.2
Retail, mail order	135	143	(5.2)
Book publishing	103	73	40.8
Toy products	128	158	(19.0)
Broadcasting, cable	537	493	8.9
Other	169	152	11.1

U.S. advertising by media

($ in thousands)

Media	1988	1987	%chg
Magazine	5,994	5,552	8.0
Newsp supp	233	332	(30.0)
Newspaper	20,693	15,040	37.6
Outdoor	1,550	750	106.5
Network TV	26,851	19,722	36.1
Spot TV	24,355	18,257	33.4
Synd TV	2,422	2,102	15.2
Network Cable	3,678	3,612	1.8
Network radio	305	137	123.3
Spot radio	5,779	4,231	36.6
Measured	91,858	69,735	31.7
Unmeasured	61,800	46,900	31.8
Total	153,658	116,635	31.7

"E.T. The Extra-Terrestrial," which gave MCA's Universal Pictures an extraordinary 30% of the film market seven years ago, broke home video records as well in 1988, selling at least 10 million copies during its holiday season release. "E.T." and "Twins," the December theatrical film releases, were financial boons to MCA—helping fourth quarter results account for 31.8% of annual revenues and 43.2% of operating income.

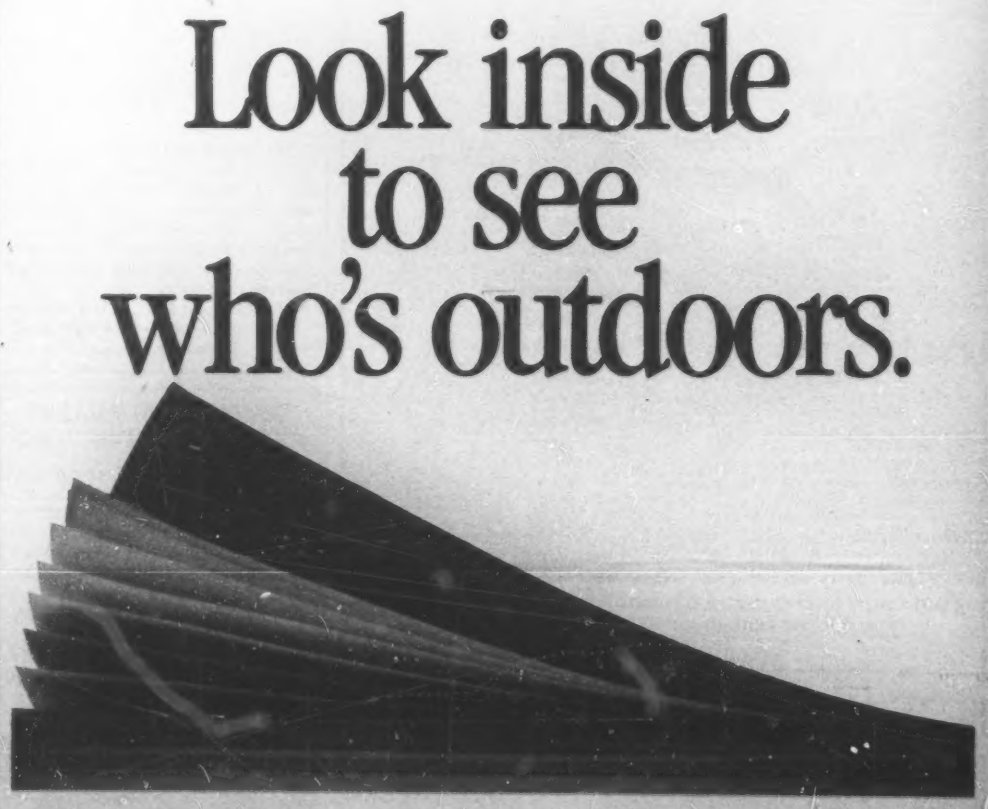
"E.T." also contributed to a 31.7% growth in ad spending. A cross-promotional campaign, in which the lovable alien starred in spots for Pepsi-Cola, carried a reported $25 million price tag.

Universal Pictures released 19 films in 1988, four more than in 1987. There were no major hits until December, however, when "Twins" racked up $32 million in rentals to distributors, making it the 12th-biggest film of the year, according to *Variety*. (Top-ranked "Who Framed Roger Rabbit" had rentals of $78 million.) The year-end success brought Universal into a tie with MGM/UA for fifth place among motion picture studios, with a 10% market share, up from sixth place in 1987, with 8%.

Measured ad spending for films rose from only $10.5 million to $65.2 million, with substantial amounts going to network and spot TV and newspapers.

Films most heavily advertised were "Midnight Run" at $8 million and "Gorilias in the Mist" at $7 million. Approximately $6 million each went to "Biloxi Blues," "The Great Outdoors" and "Twins."

In addition to "E.T.," strong home



video performers were "Dragnet," "Batteries Not Included," "Biloxi Blues" and "Shakedown." Measured ad spending totaled $7 million, almost three times what was spent in 1987.

The one weak spot among MCA's filmed entertainment operations was TV, where a shaky domestic syndication market contributed to a 17% drop in revenues for the division. In February, MCA consolidated its first-run (Los Angeles) and off-network (New York) TV operations under the L.A. office. Rather than a cutback, however, this was seen as a move that reflects the increasing connections between first-run and syndication projects. It follows similar consolidations by Paramount and Columbia Pictures Television.

In pay TV, MCA gained significant revenues from "Dragnet," "Harry and the Hendersons" and "The Secret of My Success."

Advertising for MCA's tourist attractions should boom when Universal Studios Florida opens and goes head-to-head with Disney next year.

The magic of "E.T." extended to MCA's music division, which handles domestic distribution of home videocassettes. The division also benefited from strong sales of records by Tiffany, Elton John, Bobby Brown, Reba McEntire and George Strait. Operating income was up 46.3% to $60.5 million.

MCA expanded its concert business last year, with the creation of MCA Event Marketing to set up promotions in places like shopping malls and theme parks. In April the company acquired Winterland Concessions, which has merchandising licenses with a number of stars, including Bruce Springsteen and Madonna and provides imprinted sportswear for the Hard Rock Cafe, Levi's and others.

MCA's retail and mail order business continued to suffer as a result of weak sales of gold jewelry at its Spencer Gift Stores and positioning problems in the mail order division. The company has been upgrading the Spencer stores and reorganizing its catalog business.

Measured advertising for MCA's toy products dropped 54.2% to $4.2 million, a fallout from last year's $35 million loss on defective Gotcha! guns, a product of LJN Toys.

MCA spent $3.3 million in measured advertising for WWOR-TV. This was the first year in which the company received a full 12 months of revenues from the Secaucus, N.J., TV station, which it acquired from GenCorp's RKO General subsidiary in April 1987. MCA's broadcasting and cable division also included earnings from the company's 50% interest in USA Network.

MCA INC.
100 Universal City Plaza
Universal City, Calif. 91608
(818) 777-1000

Corporate personnel: Lew R. Wasserman, chmn-ceo; Sidney J. Sheinberg, president-coo; Thomas Wertheimer, exec vp.

MCA Motion Picture Group

Corporate personnel: Thomas Pollock, chmn; Joseph Fischer, Fred Bernstein, sr vps.

Universal Pictures

Marketing personnel: Simon M. Kornblit, exec vp; Nadia Bronson, vp-intl publicity & adv; David Sameth, sr vp-mktg; Victor Fondrk, vp-media & co-op adv; Charlotte K. Reith, vp-planning & finance; Perry Katz, Sally Van Slyke, sr vps-mktg.

Brands/services by agency of record:
MCA Motion Picture Group

Ad agency: DDB Needham Worldwide, Los Angeles: David Park, president; Victoria Gilbert, sr vp, dir-media; Sandra Coryell, assoc media dir; Ken Kaess, sr vp; Gary Fountain, vp-acct super; Pamela Blum, acct exec.

MCA Home Entertainment Group

Corporate personnel: Robert Blattner, president.

Marketing personnel: Louis A. Feola, sr vp-mktg; Craig Relyea, dir-adv; Roger Mill, dir-new mkts; Andrew Kairey, vp-adv & promo; Mark Hassen, art dir; Fred Chang, copywriter.

Brands/services by agency of record:
MCA Home Entertainment Group

Ad agency: Assigned on a project to project basis.

MCA Recreation Services

Corporate personnel: Jay S. Stein, vp-MCA Inc., president-MCA Recreation Services.

Marketing personnel: David Weitzner, president-worldwide mktg; Michele Reese, exec vp-mktg; Joan Bullard, vp-publicity & pr.

Brands/services by agency of record:
Universal Studio Tours-Hollywood
Yosemite Park & Curry Co.
Universal Studios Florida

Ad agency: Foote Cone & Belding, Los Angeles: Steve Hayman, genl mgr; Larry Kopald, creative dir; Tom Lesinski, acct dir; Amy Gruberg, assoc media dir.

Spencer Gifts
Atlantic City, N.J.

Corporate personnel: John P. Hacala, president; George Moser, president, mail order div; Michael Frappier, vp, dir-merch; Sally Westaway, mktg mgr; Douglas Curtis, div vp-mktg.

Brands/services by agency of record:
Spencer gifts

Ad agency: No current agency of record.

MCA Music Entertainment Group

Corporate personnel: Irving Azoff, chmn.

MCA Records

Corporate personnel: Al Teller, president.

Marketing personnel: Richard Palmese, exec vp-mktg & promo; Larry Solters, sr vp-artist devel; Glen Lajeski, vp-merch; Geoffrey Bywater, vp-mktg; Jeff Adamoff, vp-creative svcs; Steve Meyer, sr vp-promo.

Brands/services by agency of record:
MCA records
Motown records

Ad agency: (In-house): Lankershim Advertising, Universal City, Calif.: Glen Lajeski, vp-merch.

MCA Distributing

Corporate personnel: John Burns, exec vp.

MCA Corporate Public Relations

Corporate personnel: Linda Weitzler, dir.

RANK
8

McDonald's Corp.

Oak Brook, Ill.
ADVERTISING: $728.3 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales (systemwide)	16,064	14,330	12.1
Earnings	646	549	17.7
U.S.	**1988**	**1987**	**% chg**
Sales (systemwide)	11,380	10,576	7.6
Division sales	**1988**	**1987**	**% chg**
Sales by company-owned restaurants	4,196	3,667	14.4
Franchise revenue	1,325	1,186	11.7

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	6,371	7,192	(11.4)
Newsp supp	0	1,236	NA
Newspaper	528	853	(38.1)
Outdoor	6,306	6,607	(4.6)
Network TV	245,389	216,067	13.6
Spot TV	128,102	129,010	(0.7)
Synd TV	12,516	7,603	64.6
Network Cable	1,701	1,820	(1.6)
Network radio	0	0	NA
Spot radio	5,158	4,548	13.4
Measured	406,161	374,935	8.3
Unmeasured	322,159	283,000	13.8
Total	728,320	657,935	10.7

The secret to McDonald's Corp.'s continued success ceased being a secret long ago. Its attention to the basics of restaurant management—its motto of QSC&V (quality, service, cleanliness and value)—has given it an unparalleled sales base that translates into an also-unmatched marketing war chest.

Big Mac spent $1.02 billion in global advertising in 1988, including $406.2 million in U.S. media and another $314 million on U.S. promotional marketing. Advertising represented 6.4% of U.S. sales, up from 6.3% in 1987. Yet, this is less than what its competitors in the $60 billion U.S. fast food market spend proportionately.

McDonald's seems to continually find ways to spend its marketing funds more efficiently and with more impact than do its competitors.

It is more experimental with its menu and effective at pulling in customers through in-store games, promotions and sweepstakes, supported with heavy advertising. It maintains high visibility with an extensive building program—602 new restaurants were added in 1988 in traditional and non-traditional sites. It buys media during major events as well as through all dayparts and uses a variety of other media in addition to TV.

Industry sales in 1988 rose less than 5%, while McDonald's total U.S. sales were up 7.6%. Advertising increased faster: a 10.7% increase for measured-media spending and a 13.8% increase on unmeasured marketing.

With total industry growth fairly flat—making the fast-food business a fight for market share rather than sales growth—McDonald's promotional activities have become even more ubiquitous, with a new in-store game or promotion beginning almost immediately after one has ended.

In July 1989 it began a "Blast Back with Mac" promotion, reviving the "McMan in the Moon" character first used nationally in 1987 and featuring instant-win food discount stickers on cold-beverage cups.

That came less than three months after its "Scrabble" game promotion in March and April. In 1988, McDonald's ran "Monopoly II" (an expanded version of a 1987 promotion) during April and "When the U.S. wins, you win" during the Summer Olympics in September and October.

In between those "blockbuster" promotions came a series of smaller in-store promotions, including events tied to popular films: "Who Framed Roger Rabbit" and "Oliver & Co." in 1988; and in 1989, "Honey, I Shrunk the Kids" and "Chip'N Dale's Rescue Rangers."

Other promotions are tied to food products: a giveaway of sample bottles of Kraft salad dressings in June 1988, Chicken McNuggets Fiesta (accompanied by collectible South and Central American coins) in August 1988, and in February 1989 the "McDonald's Menu Song" sweepstakes (spotlighting all items on its menu).

McDonald's $245.4 million network TV and $128.1 million spot TV budgets give it leverage. It was a major advertiser on both the Winter and Summer Olympics broadcasts. It used spots during the Super Bowl broadcast in January 1988, to announce the national, limited-time rollout of its Cheddar Melt sandwich. During the Academy Awards telecast in April 1988 it introduced its new "Good time. Great taste" musical jingle.

It also was represented during such highly rated miniseries as "Lonesome Dove" while it shied away from more controversial broadcasts.

The area of its greatest media-spending growth in 1988 was in syndicated TV, where spending jumped to $12.5 million, up 65% from 1987.

In January 1989 it signed a deal with Media Home Entertainment's Hi-Tops Video unit to develop videos based on the chain's McDonaldland characters (featured in TV commercials targeted to children). The first video, "McTreasure Island," will be available in April 1990.

Eying the heavy traffic in Sears, Roebuck & Co. stores, McDonald's has begun opening restaurants in the department stores. And it has licensed its name and its characters to Sears for development of the McKids apparel and retail-store concepts.

McDonald's has increased its new-product development process yet remains conservative about systemwide introductions. Cheddar Melt rolled out in January 1988, but performed below expectations and was pulled after a planned national test run. In May 1989, Country Style McChicken sandwich, a reformulation of the McChicken sandwich widely available several years ago, went national.

A number of other products have been tested, including a steak biscuit and cinnamon rolls at breakfast, celery and carrot sticks, even fried chicken.

Most analysts expect pizza to be the next big new item. In 1988, McDonald's tried "McPizza," a single-serving pizza, in several markets. That apparently has been scrapped in favor of "McDonald's Pizza," a traditional 14-inch pizza (sold whole rather than in slices) tested in 1989 in selected markets in Indiana and Kentucky.

McDONALD'S CORP
One McDonald's Plaza
Oak Brook, Ill. 60521
(312) 575-3000

Marketing personnel: Paul D. Schrage, sr exec vp-chief mktg officer; Peter Nelson, sr vp-mktg; Richard G. Starmann, sr vp-comm; Roy T. Bergold, vp-adv; David B. Green, vp-natl mktg; Ronald W. Miessler, vp-comm svcs; Jim Rand, vp-mktg svcs; Charles L. Rubner, asst vp-comm; Sandy Silver, asst vp-natl adult mktg; Linda Kravitz, asst vp-natl youth mktg; Emil Teri, asst vp-natl special mktg; Laurie Grace, asst vp-intl mktg; David Dandurand, dir-sports mktg; Thom Kettle, dir-new prods mktg; George Griggs, dir-field mktg; Don Lorr, dir-mktg rsch; Jerry Powers, dir-mktg svcs; Jan Kramer, dir-real estate mktg; Court Kenaston, dir-intl mktg; Karen Dixon-Ware, dir-mktg media; Mike Gordon, dir-pr; Chuck Ebeling, dir-corp com.

Brands/services by agency of record:
McDonald's

Ad agency: Leo Burnett USA, Chicago: Jim Shymkus, exec vp-client svcs dir; Jerry Conner, Barry Krause, sr vps-acct dirs; David Heggen, Nina Abnee, Michael Tam, Tom Claggett, Trish Anastos, Paul Driggs, Tony Weisman, acct supers.

■

Black consumer mktg

Ad agency: Burrell Advertising, Chicago: Linda Pharr, sr vp-mgmt super; Will Adkins, vp-acct dir; Rob Jackson, vp-acct super.

■

Hispanic consumer mktg

Ad agency: Castor GS&B Advertising, New York: Castor Fernandez, chmn; Al Garcia-Serra, ceo; John Gomez, acct super.

■

Public relations

Ad agency: Golin/Harris, Chicago: Pat Stickler, sr vp; Don Ingle, vp-pr & sports; Jack Daly, vp-media relations.

■

Black consumer pr

Ad agency: Burrell Public Relations, Chicago: Jim Hill, president; Michael Bateman, asst vp.

RANK
63

Mobil Corp.

New York
ADVERTISING: $155.9 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	54,361	51,387	5.8
Earnings	2,087	1,348	54.8
U.S.	**1988**	**1987**	**% chg**
Sales	17,411	16,305	6.8
Operating income	997	788	26.5
Division sales	**1988**	**1987**	**% chg**
U.S. petroleum operations	14,756	14,324	3.0
Foreign petroleum operation	36,117	35,051	3.0
Chemicals	4,448	3,090	43.9

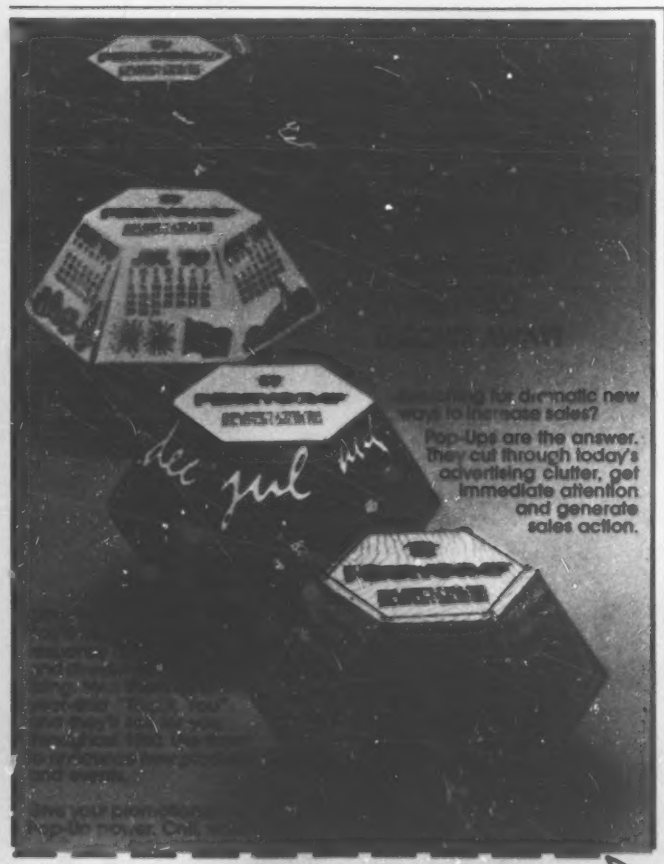
U.S. advertising by media
($ in thousands)

Media	1988	1987	%chg
Magazine	5,176	3,666	41.2
Newsp supp	63	360	(82.6)
Newspaper	8,284	6,183	34.0
Outdoor	26	26	0.0
Network TV	12,263	12,996	(6.1)
Spot TV	12,002	11,544	4.0
Synd TV	3,020	765	295.1
Network Cable	990	1,225	(19.2)
Network radio	317	200	58.9
Spot radio	6,767	7,689	(12.0)
Farm pub	290	253	17.9
Measured	49,147	44,905	9.4
Unmeasured	106,800	97,600	9.4
Total	155,947	142,505	9.4

Mobil Corp. turned full attention to its petroleum and chemical businesses in 1988, following the $1.6 billion sale in June of Chicago-based retailer Montgomery Ward & Co. to an investment group headed by Ward management. As a result, Mobil had its best year since 1981, with earnings up 55%.

Mobil spent the year buying and selling various U.S. refineries and production facilities. The design was to replace less profitable assets with potentially profitable ones. There were plans to trade 240 Mobil stations west of the Rockies to BP/Sohio for 330 of their stations east of the Rockies, a lucrative region for Mobil.

Mobil continues to put the biggest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Call or write for a presentation:

Shopping Center Network

chunk of its measured budget, approximately 40%, into its motor oils and gasoline, both of which are handled by its Marketing & Refining Division in Stamford, Conn. Spending was divided between the two products, with $8.8 million in measured media going for Mobil 1 Motor Oil and $8.3 million for Mobil gasoline. TV was the focus of both marketing efforts.

Sales were up in both categories, with the new 93-octane Super Unleaded Plus gasoline, introduced in some Midwest markets in 1987, helping to account for a 10% increase in gas demand, according to Mobil. In 1988 Mobil launched Mobil Special, an unleaded midgrade (89 octane) gasoline, in major markets east of the Rockies. The product replaces leaded gasoline.

Mobil currently holds a 6.84% share of the auto gasoline market, putting it in fourth place behind Shell at 8.23%; Amoco Corp., 7.27% and Exxon, 7.04%, according to figures from the 1988 Lundberg Survey.

Advertising of $6.3 million was divided between network and spot TV for Mobil 1, whose sales jumped 20% worldwide in 1988. Mobil holds 6.4% of the synthetic lubricants market behind Exxon at 21.7%; Sun, 10.8% and Chevron, 10.5%.

Mobil Chemical Co. spent $14.4 million on the Hefty bag brand in 1988. In an ongoing battle with First Brand's Glad bags for market leadership, Mobil allocated $8.1 million of the total to Hefty Plastic Tall Kitchen and Trash Bags, three times more than in 1987 with most of it for network and syndicated TV.

Mobil eased up on Hefty plastic bags, spending $4.1 million in 1988, down 60%. During both years the bulk of this budget went into network TV. Mobil Chemical also markets Baggies and Kordite.

The third-largest portion of Mobil's ad budget, $3.2 million in 1988, promoted the Mobil name through various corporate sponsorships. In 1988 Mobil signed a seven-year contract to sponsor the New Year's Day Cotton Bowl at a cost of $2 million per year. The first Mobil Cotton Bowl took place in January 1989.

Mobil continues sponsorship of the Williams Racing team in the Grand Prix Drivers championship, the Mobil Track & Field Championship and PBS' Masterpiece Theater and Mystery Theater series. It also continues as a corporate voice on national issues that affect the industry through advocacy ads.

MOBIL CORP.
150 E. 42nd St.
New York, N.Y. 10017
(212) 883-4242

Corporate personnel: Allen E. Murray, chmn & president-ceo.
Brands/services by agency of record:
Corp adv
Ad agency: DDB Needham Worldwide, New York: Lawrence Iannuzzelli, exec vp; Anne Oliver, vp-mgmt super; Susan Serenska, asst acct exec.

Mobil Oil Corp.
New York
Corporate personnel: Allen E. Murray, chmn-ceo; Richard F. Tucker, vice chmn & president-coo; Eugene A. Renna, president, Mobil Marketing & Refining, Worldwide.

Mobil US Marketing & Refining Division
Fairfax, Va.
Marketing personnel: Joseph L. Cooper, president.
Brands/services by agency of record:
Mobil auto gasoline
Mobil 1 oil
Ad agency: DDB Needham Worldwide, New York: Lawrence Iannuzzeli, exec vp; Bill Mates, sr vp-mgmt super; Jose Banzon, acct super.

Mobil Chemical Co.
Stamford, Conn.
Marketing personnel: Robert G. Weeks, president.
Brands/services by agency of record:
Hefty bags
Baggies
Kordite
Ad agency: Wells, Rich, Greene, New York: Dick Byrne, exec vp.

RANK **64**

Montgomery Ward & Co.

Chicago
ADVERTISING: $155.3 MILLION

U.S. advertising by media
($ in thousands)

Media	1988	1987	%chg
Magazine	34	78	(55.9)
Newsp supp	0	0	NA
Newspaper	63,500	67,178	(5.5)
Outdoor	13	23	(42.2)
Spot TV	4,849	5,554	(12.7)
Spot radio	10,232		NA
Measured	78,629	72,831	8.0
Unmeasured	76,700	71,100	7.9
Total	155,329	143,931	7.9

In behavior uncommon for companies operating in a leveraged buyout environment, Montgomery Ward & Co. increased spending on new stores and new advertising campaigns, rather than make sharp cutbacks. Under Chairman Bernard F. Brennan, Ward's moved fast to introduce everyday low prices on thousands of name brand items in its four major merchandise categories.

Despite a continued soft retail market and a horde of low price, name brand imitators—including Sears, Roebuck & Co., led by Mr. Brennan's brother Edward A. —Ward's posted impressive sales and earnings gains, enabling the company to pare down acquisition debt and chart an aggressive course of growth for the coming months.

To signal its new direction, Ward's for the first time in late 1988 took to the TV and radio airwaves with ads featuring Mr. Brennan touting his commitment to low prices on leading brands. The company plans to continue broadcast advertising to reach new customers.

Growth in Montgomery Ward spending in 1988 in fact is credited solely to spending in spot radio of $10.2 million, compared to no spending in that medium in 1987, according to Radio Expenditures Reports. Its other big medium is national newspapers, which drew 81% of total measured media expenditures. Much of Ward's print advertising is unmeasured, appearing as inserts and direct mail pieces.

The turnaround at Ward's is becoming legendary. When Mr. Brennan took the helm in 1985, parent Mobil Corp. was weighing a decision to close the 117-year-old retailer. Losses that year totaled $298 million.

Mr. Brennan slashed merchandise lines, killed Ward's catalog division, reduced employee headcount by 17,000, or nearly 25%, and embarked on a strategy to run Ward's like a specialty store. He chose to compete in four major categories—appliances and electronics, home furnishings, automotive and apparel—and set out to make Ward's competitive in those areas.

Last year he booked record profits of $139 million, up 6.9%, on sales of $8.5 billion, flat with the previous year.

In June 1988, he completed the $3.8 billion buyout from Mobil. Due to the unique structure of the deal—in which he simultaneously sold Ward's credit card operation to General Electric Capital Corp. for $2.7 billion—Mr. Brennan actually bought Ward's for about $1 billion.

Yet even that figure overstates the purchase price, because $400 million represented ongoing real estate debt. So the net cost to Mr. Brennan was only $600 million, a figure he has paid down already by $75 million.

Ward's ended the year leveraged less than 10-to-1, very comfortable by LBO standards, where typical debt-to-equity ratios run as high as 25-to-1.

With his strategy in place and his finances in order, Mr. Brennan is set to expand. In 1990, he plans to open 35 new stores and hire 10,000 employees. Ward's currently operates 330 stores in 39 states and employs about 70,000.

Even as it expands its broadcast purchases—Ward's this fall will air TV commercials in 23 major markets, which is double the number of last autumn's initial broadcast campaign—Ward's does not plan to significantly reduce its print purchases. In part, it sustains its level of print spending by achieving greater operating efficiencies, such as using desktop computers in house to design inserts.

The centerpiece of its broadcast campaign, handled by Saffer USA Advertising, will continue to be the use of spokesman Jamie Widdow, an actor who starred in "Animal House." Ward's will go for a more contemporary look to its ads, with quicker takes and more upbeat music.

Mr. Brennan will appear in the ads only rarely, if and when Ward's has a strategic positioning statement to make to the public. Ward's last remaining strategic push will be in the apparel area, where it still needs to focus more sharply on its customers' preferences and establish name brand credibility.

Its first two specialty formats—Electric Avenue for appliances and electronics, and Auto Express for automotive goods and services—strategically are set. Home Ideas for home furnishings is undergoing a strategic rethinking process.

MONTGOMERY WARD & CO.
Montgomery Ward Plaza
Chicago, Ill. 60671
(312) 467-2000

Marketing personnel: Bernard F. Brennan, chmn-ceo; Jack Daynard, exec vp-mktg.
Brands/services by agency of record:
Montgomery Wards
Ad agency: Saffer USA Advertising, Chicago: Nancy Bernstein, acct mgr.

RANK **15**

Nestle SA

Vevey, Switzerland
ADVERTISING: $573.8 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	27,051	23,432	15.4
Earnings	1,355	1,215	11.5

U.S. advertising by media
($ in thousands)

Media	1988	1987	%chg
Magazine	63,477	56,616	12.1
Newsp supp	3,319	2,296	44.6
Newspaper	16,363	2,955	453.8
Outdoor	789	1,121	(29.6)
Network TV	109,496	115,403	(5.1)
Spot TV	69,152	62,743	10.2
Synd TV	26,644	17,599	51.4
Network Cable	5,023	3,803	32.1
Network radio	5,666	3,977	42.5
Spot radio	4,291	4,198	2.2
Measured	304,220	270,711	12.4
Unmeasured	269,600	239,900	12.4
Total	573,820	510,611	12.4

Nestle S.A. continued to build U.S. market share in its big coffee and pet foods operations and maintained its strong share in frozen dinner entrees. And it invested heavily in European candy and pasta markets in preparation for the relaxation of tariff duties by the European Community in 1992.

Nestle worked on agency compensation and media issues as well. In Europe, it explored taking more control over media buying with an eye toward exercising similar controls with its U.S. budget. In the U.S., Nestle Foods Corp. last year consolidated spot media buying with J. Walter Thompson USA.

Early this year, Carnation unveiled agency incentives that link agency fees with how advertising tests in research. Carnation said the plan, created in-house with assistance from Lintas:New York, was developed independent of its Swiss parent.

In instant coffees, Nestle strengthened its No. 2 position behind General Foods to a 33.1% share from 32.1%, according to John C. Maxwell Jr. of Wheat, First Securities. Gains in Taster's Choice, Nestle's leading instant coffee, and Hills Bros., MJB and Chase & Sanborn, three regional brands, offset the slippage in Nescafe.

Nestle, attempting to energize Nescafe, boosted total measured media spending on the brand by 52.3% to $9.2 million. Spending on Taster's Choice declined 12.7% to $19.6 million. The far-smaller budgets for the regional Hills and MJB brands showed increased spending.

In regular coffee, the regional labels also improved, strengthening Nestle's share by 1.5 points to 13.0%, but still a distant No. 3 to Procter & Gamble's 31.8% and General Foods USA at 27%.

Nestle Foods last year considered but rejected consolidating its Hills Bros. coffee business, San Francisco, with its Nestle coffee unit in Purchase, N.Y.

Last September, Nestle invaded a fast-rising market with the national rollout of its Toll House Ready-to-Bake Cookie Dough, drawing on the power of its Toll House chocolate brand. It backed the launch with $6.1 million in media spending.

Nestle strengthened its candy business in 1988 with the takeover of Rowntree PLC, a U.K. confectioner. The buyout included Sunmark, a U.S. marketer of candies and nuts. Nestle also bought Buitoni, the Italian pasta giant. The company paid a combined $6 billion for the two purchases.

Nestle's Wine World sales grew by 10% in 1988, surpassing the $100 million mark in sales. Early this year, Chiat/Day/Mojo, San Francisco, resigned as agency for Wine World, which shifted to Fran Hulse Advertising, San Francisco.

Beech-Nut Nutrition Corp., a distant No. 2 behind Gerber Products Co. in baby food, increased total measured spending last year 55.6% to $7.4 million. A new campaign featured Joan Lunden of "Good Morning America."

Beech-Nut, in the Nestle family since 1979, was sold late this month to Ralston Purina. Nestle, reportedly unforgiving of Beech-Nut's earlier ethical breech, had quietly put the business up for sale. Beech-Nut pled guilty in 1987 to producing and marketing apple juice that was adulterated and mislabeled.

Carnation also generated controversy in the baby food market with its introduction last November of an infant formula brand that Nestle already sold in Europe.

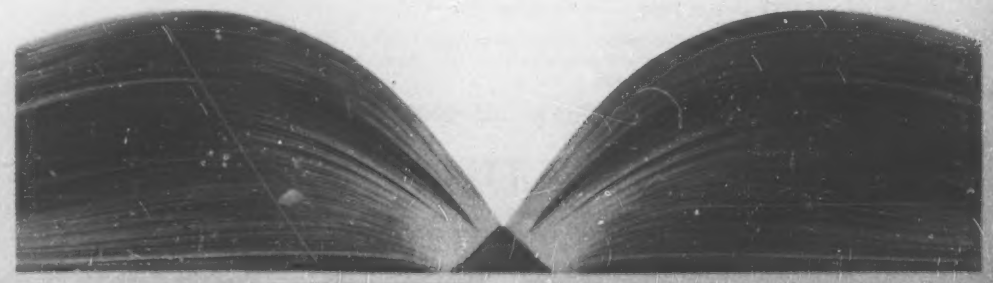
Carnation promoted its Good Start H.A. formula as "hypoallergenic," suggesting the brand had a reduced potential for causing allergic reaction. The FDA, American Academy of Pediatrics and nine states contended parents might infer that Good Start was non-allergenic.

Bowing to pressure, Carnation ended a consumer information campaign from Ogilvy & Mather, Los Angeles, and dropped hypoallergenic—but not 'H.A.' —from the product label.

In July, Carnation paid $90,000 to nine states to settle their investigations. But Carnation said it remained committed to infant formulas.

Carnation's bad start with Good Start is

Read the news to see who's in print.



the latest formula bout faced by Nestle, put on the defensive in the 1970s for its sale of formula in developing nations. Last October, an advocacy group, Action for Corporate Accountability, reinstated its boycott of Nestle, charging the company with violating World Health Organization rules for infant-formula marketing.

Carnation's share in the $5.9 billion pet food market rose slightly to 12.0% from 11.8%, just a notch behind No. 2 Quaker at 12.8%. Ralston Purina dominates with 28.3%.

Carnation introduced Perform, a premium brand for dogs and cats, in 1988. Its pitch was home delivery. Perform competes with Hill's Science Diet, Iams Co. and Ralston Purina in the growing market for pet foods sold in non-supermarket outlets. Measured spending on Perform last year totaled only $352,200.

Carnation continued to provide strong media support for premium pet products: Fancy Feast canned cat food got $10.9 million, down 5.2%; Grand Gourmet canned dog food received $9.4 million, up 71%, according to LNA/Arbitron. Fancy Feast rose 0.1 share points to 14.6% of the $999 million canned cat food market and Grand Gourmet climbed 2.6 share points to 5.4% of the $920 million canned dog food market, according to John C. Maxwell Jr., analyst with Wheat First Securities.

Friskies cat food line drew $8.7 million in media spending, a 45% boost that helped push its overall share of the canned and dry cat food market worth $1.79 billion to 16.3% from 15.6% in 1987.

Stouffer's Lean Cuisine continued to lead the $1.7 billion low-calorie frozen food entree market with an estimated 38% share, about the same as 1989. That translates to about a 25% share of the $3 billion frozen entree market.

Stouffer's introduced in the spring of 1989 a seven-item line of hot and spicy foods with names like Ginger Chicken and Jambalaya Creole, all under the Irrezestables label. The launch introduction was handled by Tatham-Laird & Kudner, which recently replaced Della Femina, McNamee WCRS as the Lean Cuisine agency.

Stouffer branded products drew $35 million in measured spending in 1988, down 2.8%. Frozen entrees, including Lean Cuisine, totaled $22.6 million, up 32%.

Cosmair, a cosmetics marketer made up basically of two major divisions, L'Oreal and Lancome, in early 1988 extended its L'Oreal hair-care series with Studio Line spritz, sprays and related products via McCann-Erickson Worldwide, New York. Spending on Studio Line reached $13.5 million.

This fall, Cosmair will spend an estimated $35 million introducing Plenitude, a mass-market skin-care line that will face off against P&G's Oil of Olay, which has a 28% share of $640 million (at retail) mass-market for facial lotion. Plenitude, a global brand already sold in Europe and Australia, has been tested in Dallas and Atlanta.

Cosmair, which is owned 62% by Nestle and the remainder by L'Oreal, spent $17.1 million backing Lancome branded products, up 27%, and $42.2 million in support of the L'Oreal line, up 33.5%.

NESTLE SA
353 Case Postale
1800 Vevey
Switzerland

Nestle Enterprises
5757 Harper Rd.
Solon, Ohio 44139
(216) 349-5757

Corporate personnel: James M. Biggar, chmn.

Alcon Laboratories
Fort Worth, Texas

Marketing personnel: E.H. Schollmaier, president-ceo.

Beech-Nut Nutrition Corp.
Fort Washington, Pa.

Marketing personnel: Joseph Gaeto, vp-mktg.

Brands/services by agency of record:
Beech-Nut Stages

Ad agency: Sherwood & Schneider, New York: Marvin Schneider, chmn-ceo; Lew Sherwood, president-creative dir.

Carnation Co.
Los Angeles

Marketing personnel: Timm F. Crull, president-ceo; John McMennamin, vp-mktg svcs; Anne Fox, dir-media; Lou Carlo, president-genl mgr, dairies div; Stephen Cunliffe, president-genl mgr, pasta & cheese; John Harris, vp-genl mgr, Carnation prods div; Gordon James, vp-genl mgr, culinary prods div;Ernie Strapazon, vp-genl mgr, nutritional prods div; Chuck Weil, vp-genl mgr, Friskies PetCare div.

Brands/services by agency of record:
Libby's canned meats
Libby's pumpkin
Libby's salmon
Contadina pasta sauce
Spot buying

Ad agency: Bloom Cos., Dallas: Mark Bateman, sr vp-mgmt super.

■

Fresh Catch
Friskies Buffet
Friskies Kitten Formula
Carnation Ice Cream Bon Bons
Carnation Deluxe Ice Cream
New prods
Sales promo

Ad agency: Dailey & Associates, Los Angeles: Robert Brownson, exec vp, dir- sales promo & pr; Brian Morris, exec vp, dir-client svcs; Robert Berger, sr vp-mgmt super.

■

Carnation hot cocoa mixes
Carnation Instant Breakfast
Coffee-mate
Come 'n Get It
Fancy Feast
Friskies dry cat food
Mighty Dog

Ad agency: Lintas:New York: Stone Roberts, group exec vp; Peter Barnet, exec vp.

■

Contadina Fresh
Grand Gourmet
Perform dog food
Acclaim pet food
Good Start H.A.
Good Nature
New prods

Ad agency: Ogilvy & Mather, Los Angeles: Roger Wojahn, vp-mgmt super.

Cosmair Inc.
New York

Corporate personnel: Jacques Correze, chmn; Guy Peyrelongue, president-ceo.

Brands/services by agency of record:
L'Oreal hair care prods
L'Oreal cosmetics
Vanderbilt
Glorious
Paloma Picasso
Cacharel Anais Anais
Lou Lou
Drakkar Noir
Biotherm

Ad agency: McCann-Erickson, New York: Linda Joselow, sr vp-mgmt rep; Phyllis Califano, David Edwards, vps-mgmt reps; Jeanne Davidson, vp-acct super; Helen Johnson, Stuart Klein, acct supers.

■

Chaps
Lauren
Polo

Ad agency: No agency of record at time of publication.

■

[illegible]ani fragrances
Lancome prods
L'Oreal Plenitude skincare line

Ad agency: Publicis New York: Fred Rhines, president; Anne Lacombe, sr acct exec.

Hills Bros.
San Francisco

Marketing personnel: Barry Reis, vp-mktg.

Brands/services by agency of record:
Hills Bros.
Chase & Sanborn

Ad agency: Cohen & Johnson, Los Angeles: Vicki Rittermal, acct super.

■

MJB

Ad agency: Hal Riney & Partners, San Francisco: Karen Wallerich, acct super.

Nestle Foods Corp.
Purchase, N.Y.

Marketing personnel: Frank J. Arthofer, group vp, chocolate; Jeffrey T. Caso, group vp, coffee & tea; C. Larry Davis, group vp, devel businesses; Steve Kubinski, dir-adv.

Brands/services by agency of record:
Taster's Choice

Ad agency: Della Femina, McNamee WCRS, Pittsburgh: Larry Pitzer, sr vp-mgmt super.

■

Nestle Crunch Bar
Goobers
Raisinets
Bit-O-Honey
Nestle Hot Cocoa Mix
Crunch Ice Cream Bars
100 Grand Bar
Laffy Taffy

Ad agency: Jordan, McGrath, Case & Taylor, New York: John Taylor, exec vp; Stephen Badeshop, sr vp-mgmt super

■

Quik milk flavorings
Nescafe

Ad agency: McCann-Erickson, New York: Linda Boothby, David Edelberg, vps-mgmt reps; Nancy Kingsberg, Kevin Scher, acct supers.

■

Nestea
O'Henry
Chunky
Nestle Bars
Alpine White
After Eight
Turtles
Tollhouse
Nestle Morsels
Nestle Frozen Ready to Bake

Ad agency: J. Walter Thompson USA, New York: Steven Dworin, sr vp.

Stouffer Foods Corp.
Solon, Ohio

Marketing personnel: Gerald DeCroce, vp-mktg.

Brands/services by agency of record:
Entrees/side dishes
Dinner Supreme
Pizza

Ad agency: Della Femina, McNamee WCRS, Pittsburgh: Howard Gittins, chmn; Richard Grinberg, sr vp.

■

Lean Cuisine
New prods

Ad agency: Tatham-Laird & Kudner, Chicago: Robert Hielscher, sr partner, dir-client svcs.

Stouffer Hotel Co.
Solon, Ohio

Marketing personnel: Ronald A. Nykiel, sr vp-mktg.

Brands/services by agency of record:
Stouffer hotels

Ad agency: Wyse Advertising, Cleveland: James Hunt, sr vp-acct mgmt.

Stouffer Restaurant Co.
Solon, Ohio

Marketing personnel: Rick Cassara, vp-mktg.

Brands/services by agency of record:
Stouffer restaurants

Ad agency: Wyse Advertising, Cleveland: Chris Hayes, acct super.

Sunmark Inc.
St. Louis

Marketing personnel: James P. Gagliarducci, president-ceo.

Brands/services by agency of record:
Sunline brands candy
Willy Wonka brands candy
David & Sons sunflower seeds & nuts

Ad agency: (In-house): James P. Gagliarducci, president-ceo.

Wine World
St. Helena, Calif.

Marketing personnel: J.F. Tonjum, sr vp-sales & mktg; Janelle Thompson, vp-mktg.

Brands/services by agency of record:
Beringer
Chateau Souverain
Meridian

Ad agency: Fran Hulse Advertising, San Francisco: Fran Hulse, president.

RANK **73**

News Corp.

Sydney
ADVERTISING: $139.1 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	4,354	3,503	24.3
Earnings	341	544	(37.3)
U.S.	**1988**	**1987**	**% chg**
Sales	1,838	1,877	(2.1)
Operating income	299	261	14.4
Division sales	**1988**	**1987**	**% chg**
Newspapers	1,959	1,331	39.7
Magazines	441	376	17.3
Television	408	453	(9.9)
Filmed entertainment	857	915	(6.3)
Commercial printing	188	117	61.1
Other	602	313	92.5

U.S. advertising by media
($ in thousands)

Media	1988	1987	%chg
Magazine	5,687	11,952	(52.4)
Newsp supp	125	1,073	(88.0)
Newspaper	20,778	27,587	(24.7)
Outdoor	82	592	(86.2)
Network TV	19,809	13,866	42.9
Spot TV	45,355	47,529	(4.6)
Synd TV	3,595	1,968	82.6
Network Cable	3,513	3,246	8.2
Network radio	9,734	4,899	98.7
Spot radio	26,360	3,980	237.4
Measured	122,040	116,673	4.6
Unmeasured	17,100	16,300	4.9
Total	139,140	132,973	4.6

Acquisition of Triangle Corp. in 1988 and the growing strength of Fox Broadcasting Network have made News Corp. a powerhouse in the U.S. media market.

The Rupert Murdoch company also expanded its empire into the free-standing insert business, acquiring Product Movers and Quad/Marketing in August 1988. The acquisition gave News Corp. half the FSI market.

In the magazine division, Mr. Murdoch has moved briskly with startups, acquisitions and divestitures.

Possibly the most closely followed startup, and riskiest to date, is News Corp.'s launch this spring of *Mirabella*, a woman's high-fashion monthly, named for ex-*Vogue* Editor Grace Mirabella, who serves as the new publication's editorial director.

After the $3 billion acquisition of Triangle Publications and its *TV Guide* in summer 1988, Mr. Murdoch quickly folded Triangle's *Good Food*. In July, 1989, News Corp. surprised industry observers by folding once-promising *In Fashion* magazine, which only a few months before it had received a slick redesign.

News Corp. ended two magazine joint ventures. It sold its 50% stake in the American and English versions of *Elle* to partner, Hachette Publications, in September 1988. In early 1989, News Corp. acquired from Hachette the half interest in *Premiere* it didn't already own.

News Corp. acquired *Soap Opera Digest* from Network Publishing Corp. this summer. The acquisition is expected to strengthen News Corp.'s already-strong presence at supermarket and convenience store checkouts where it is sold alongside *TV Guide*.

In what was termed a debt-reduction move, News Corp. sold its Travel Information Group, comprised of lucrative directories and travel industry trade magazines, to Reed International PLC in spring 1989 for $825 million.

In 1988, News Corp.'s total U.S. advertising grew 4.6%, with much of the growth related to the support of 17 films released by Twentieth Century-Fox compared with support of 12 releases in 1987. *AA* attributed all Triangle advertising in 1988 to News Corp.

Two box office winners drew heavy support. "Big" pulled $10.5 million, largely in newspapers, network and spot TV. The other blockbuster, "Diehard," received $9.5 million, largely in the same media.

The single largest measured ad expenditure, $36.5 million, was listed for *TV Guide*, 70% of it spent in spot TV. However, much of that is believed to be tradeouts.

The Fox Network was backed by $4.6 million in measured media, mostly magazines. News Corp. spent far more promoting the fledgling network in 1987 when media spending measured $13.7 million. Fox Network moved this fall into Mondays, its third night of prime time. Its rating for Saturday and Sunday prime time periods in the 1988-89 season rose 39% to a 6.1 average from 4.4. Each rating point equals 904,000 homes.

Fox continues to operate in the red although a profit is expected this coming season.

NEWS CORP.
2 Holt St.
Sydney, Australia N.S.W. 2010

Corporate personnel: Rupert Murdoch, ceo.

News America Publishing
New York

Marketing personnel: Rupert Murdoch, chmn; Martin Singerman, president.

Murdoch Magazines
New York

Marketing personnel: John Evans, president; Leslie Hinton, exec vp.

Fox Inc.
New York

Marketing personnel: Barry Diller, chmn; Jonathan Dolgen, president.

Fox Television Stations
New York

Marketing personnel: Robert Kreek, president-ceo.

Fox Broadcasting Co.
New York

Marketing personnel: Jamie Kellner, president-ceo.

Harper & Row Publishers
New York

Marketing Personnel: George Craig, ceo.

Brand/services by agency of record:
News America Publishing
Murdoch Magazines
Fox TV Stations
Fox Broadcasting
Harper & Row publishing

Ad agency: (In-house): Leon Hertz, exec vp, News America Publishing, vp-global mktg, News Corp Ltd.

Twentieth Century-Fox Film Corp.
Los Angeles

Marketing Personnel: Joe Ross, chmn.

Brands/services by agency of record:
Twentieth Century-Fox

Ad agency: J. Walter Thompson USA, Los Angeles: James Agnew, exec vp-genl mgr.

RANK **49**

Nissan Motor Co.

Tokyo
ADVERTISING: $224.9 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	27,539	26,297	4.7
Earnings	469	287	64.0

who buys
CAR PHONES IN COLUMBUS?
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Toledo is on four lists of the nation's most often used test markets. And it's saturated by one newspaper. So when you buy The Blade, you buy Toledo.

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THE BLADE
One Of America's Great Newspapers
541 Superior St., Toledo, Ohio 43660

General Advertising Division, Don Earnhart, Manager
Member Metropolitan Sunday Newspapers

U.S. advertising by media

($ in thousands)

Media	1988	1987	%chg
Magazine	35,826	19,361	85.0
Newsp supp	299	213	40.8
Newspaper	8,154	5,302	53.8
Outdoor	977	212	361.7
Network TV	57,159	46,680	22.5
Spot TV	64,147	43,593	47.2
Synd TV	1,559	664	134.6
Network Cable	595	453	31.3
Network radio	0	2,735	NA
Spot radio	8,633	6,890	25.3
Measured	177,347	126,102	40.6
Unmeasured	47,600	33,800	40.8
Total	224,947	159,902	40.7

With a flood of new cars and an ad budget for 1989-model vehicles estimated at 40% larger than for 1988, Nissan Motor Corp. USA is pulling out of its recent sales dive.

Halfway into what has been a mediocre year for the rest of the auto industry, Nissan is regaining some of the market share it surrendered during the dismal 1986-1988 period. By mid-year 1989, Nissan's U.S. sales were up about 10% over its 1988 year-to-date performance.

By fall 1990, Nissan, a subsidiary of Nissan Motor Co., Tokyo, will have replaced almost every vehicle line introduced in 1987 with all-new products. Only its compact pick-up truck, which remains in a sales slump, escapes the revamp.

Perhaps its biggest gamble will take place this fall with the U.S. launch of Infiniti, an upscale luxury car. Advance advertising in the trade and enthusiast publications has carried the "Created by Nissan" tag, but future associations with Nissan will not be so overt. Sales of 45,000 Infinitis are anticipated its first full year through a network of 125 dealers.

During 1988, Nissan accounted for 114,538 of the 120,000-unit shortfall in all Japanese imports in the U.S. below their self-imposed 2.3 million quota.

To clear inventories, Nissan launched a costly rebate program with price advertising that did little to enhance a quality image. Rebates have since been discontinued and Nissan has vowed to keep them from 1989 models.

During 1988, Nissan's total car/truck unit sales (imported and domestic production) were 642,461, down 13.9%. Nissan cars accounted for 4.46% of the U.S. market, down from 5.17%, still behind Honda's 7.26% and Toyota's 6.50%. In the U.S. light-truck market, Nissan accounted for a 3.48% share, down from 4.64% in 1987.

Import sales of Nissan's best-selling Sentra, a sub-compact sedan priced at $6,999, accounted for 134,984 units, up 11.4%. The Sentra received $17 million in measured ad spending in 1988, up 20% from the previous year, according to LNA/Arbitron.

Sales of Maxima slid to 74,451 in 1988, although Nissan expects the $30 million spent on measured advertising for the year (up from $5 million) to build sales momentum for 1989. Its goal is to sell 110,000 Maximas.

The industry-wide slump in truck sales was met by a 66% boost in measured truck advertising to $35 million. Nissan anticipates selling 173,000 trucks in 1989, up 2%. Nissan spends about 30% of its measured ad budget on trucks.

Nissan's 1989 model year reverted to the "Built for the human race" theme of 1987, scuttling 1988's much criticized "yuppie engineers" TV spot.

The Sentra, Stanza, Pulsar, Pathfinder and trucks were carryover models in 1989, but there were four all new or completely redesigned models—the 240SX, Maxima, Axxess and 300ZX. Their intros came at staggered intervals to permit focused advertising of one new model at a time, in what was termed an "event marketing" approach.

The Infiniti initially will offer the Q-45, a $35,000 to $40,000 V-8-powered luxury sedan and the M-30 coupe and convertible, equipped with a 3-liter V-6. The coupe will be priced between $22,000 and $25,000.

Nissan played with its media mix in [illegible] boosting its magazine spending [illegible] $35 million. Then midway through the 1989 model year, it canceled the remainder of its magazine schedule to shift $9 million more into spot TV to lend national support to advertising expended by regional dealers.

During 1988, Nissan consolidated all marketing through 11 regional general managers, replacing a more localized plan in which ads were created by 33 local agencies.

NISSAN MOTOR CORP.
P.O. Box 191
Gardena, Calif. 90247-7636
(213) 532-3111

Corporate personnel: K. Hagiwara, president; Robert J. Thomas, vp-genl mgr, Nissan div; William Bruce, vp-genl mgr, Infiniti div.
Marketing personnel: Nissan: Tom Mignanelli, exec vp-operations; John Nystrom, mktg dir; Tom Hushek, natl adv mgr; John Rinek, natl adv creative mgr; Karen Gustafson, natl genl svcs mgr; Joe Fenton, natl merch mgr. Infiniti: William Bruce, vp-genl mgr; Peter Bossis, mktg dir; David Hubbard, natl adv mgr; Patrick Doody, natl merch mgr; William Wolf, corp pr mgr.
Brands/services by agency of record:

Nissan

Ad agency: Chiat/Day/Mojo, Venice, Calif.: Lee Clow, president-creative dir; Tom Patty, exec vp-acct dir; Steve Goldman, vp-mgmt super, creative media; Dennis Stefani, vp-mgmt super, strategic devel; William Flora, mgmt super-genl svcs; David Butler, sr vp-assoc creative dir; Mas Yamashita, vp-assoc creative dir; Hank Antosz, vp-media dir.

Infiniti

Ad agency: Hill, Holliday, Connors, Cosmopulos, Inglewood, Calif.: Charles J. Cushnell IV, exec vp; Robert Blinick, Jack Palmer, sr vps-mgmt supers; Kurt Olson, sr vp-media dir; Michele Shibuya, vp-acct super.

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The new alliance between Lee Enterprises and Landon Associates makes a great headline, but a better bottom line for you. There are rate breaks galore for using
and expanded services offering unique approaches to advertiser needs with proven tested results. The services are: one order—one bill for group buys; retail, classified, co-op, sales promo-
attractive rate structures; regional campaigns, extensive and current marketing research; over 120 trained sales professionals; Landon's networking experience; 27 offices nationwide; computer support systems for

RANK **79**

Noxell Corp.
Hunt Valley, Md.
ADVERTISING: **$126.7 MILLION**

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	522	489	6.6
Earnings	51	44	17.1
U.S.	**1988**	**1987**	**% chg**
Sales	437	414	5.6
Operating income	75	70	6.8

U.S. advertising by media

($ in thousands)

Media	1988	1987	%chg
Magazine	25,962	24,109	7.7
Outdoor	43	0	NA
Network TV	38,642	48,992	(21.1)
Spot TV	2,358	3,570	(34.0)
Synd TV	3,709	3,483	6.5
Network Cable	744	545	36.3
Network radio	670	0	NA
Spot radio	1,138	659	72.7
Measured	73,298	81,356	(9.9)
Unmeasured	53,400	59,300	(9.9)
Total	126,698	140,656	(9.9)

Noxell pared its advertising and promotion budget in 1988 to pre-1987 levels as the pace of new product introductions slowed down. In 1987, major introductions in the Cover Girl, Clarion and Noxzema lines had stimulated ad growth.

Media ad spending for the Cover Girl brand dropped 6% to $43 million; fell 9% to $19 million for Clarion and slipped 5.8% to $9.5 million for Noxzema, according to LNA/Arbitron. Cover Girl remains the largest brand advertised in the U.S. cosmetics category, slightly ahead of Schering-Plough's Maybelline line.

Cosmetics account for over half of Noxell's total sales, with toiletries a substantial part of the remainder. Lestoil household products are minimal contributors.

Noxell's premier product line, Cover Girl, accounts for 50% of total Noxell cosmetics sales. Cover Girl increased its share of mass-market cosmetics in the first half of 1989 to 23%, after a fall in 1988 to 21%. Nevertheless, sales are flat in 1989 and retailers are reducing inventories.

As a result, Noxell accelerated promotional activity in 1989 and has instituted selective price increases to boost gross margins. The second half of this year will see additional price increases, the company says.

While Noxell says its consumer market shares are strong, it has suffered in the past several quarters by a trimming of retail inventories, say Wall Street analysts.

Some industry observers say the company needs more exciting products to create new momentum. Cover Girl's new packaging and colors and the Clarion skincare line should at least help in the near-

term. Others think Noxell is seeking a major acquisition in the toiletries and personal care products area as a sure-fire way to boost market share and fuel sales growth.

Cover Girl continued active on the new product front. This summer Cover Girl debuted its first sunscreens, Sun Shines SPF 15 lip gloss and Summer Face Tinted Gel Blush.

In August 1988, Cover Girl introduced Extremely Gentle cosmetics line, including pressed powder, eye shadows, blush and the now No. 1-rated hypoallergenic mascara, following the launch of a treatment line for eyes and skincare with shadows and lash primers, makeup remover and moisturizers.

Cover Girl products account for just under 50% of the mass face makeup cosmetics market. The brand holds 35.5% share of an essentially no-growth mass cosmetics mascara market. It has a one-third-plus share of the mass eyeliner market and 30% share of the mass eye shadow market, up a fraction over 1988. Cover Girl lipstick, which ranked No. 2 in the color cosmetics category with a 29% share, exhibited strong sales growth fueled by the introduction of Soft Radiant Lights lipstick.

Cover Girl's share of the flat-growth nail polish market is 15%, up slightly over last year with a reshaded nail polish line and new NailSlicks Transparencys positioned against Cutex and Sally Hansen.

Clarion products division has yet to see the $70 million in annual sales predicted by industry analysts when the new line debuted in 1986. However, its 1989 share of mass cosmetics market rose to 4.1%, up from 2.9% in 1988, says Brenda Lee Landry, analyst with Morgan Stanley. Sales in 1989 have increased 40% in the first quarter and more than 30% in the second.

Noxell reports the introduction of the Clarion skin treatment line in first-quarter 1989 contributed additional momentum. Clarion's new ad campaign with the theme, "Looking Great and Knowing It," debuted in July 1988. The Leo Burnett USA campaign is credited with pushing up sales 20% to $50 million in 1988. The campaign stresses the line's personalized color service via Clarion computers in retail stores. The trend-setting, in-store color analysis computer now features Spanish-language software.

Noxell says Clarion market shares and dramatic sales increases were gained in all products—particularly liquid makeup, powder and blush. Clarion now has a 6.9% share of the liquid face makeup market in chains and drugstores.

Most products in the Clarion line were reshaded last year, including the lipstick line, which contributed to a doubling of business. Another contributor was the introduction of Lasting Color Lipstick in 1988. Clarion holds 2.5% of the mass lipstick market.

In April 1989, Noxell introduced a new 13-product Clarion Skin Care line. It is expected to boost advertising for the line by 20%.

Noxema brand products, including Noxzema Medicated skin cream, the No. 1 facial cleansing cream, and Noxzema shaving cream, with two new formulas, may get an ad boost following the move from Campbell-Mithun-Esty to Burnett.

Noxema's 15% share of the $280 million face creams and lotions market is expected to decline unless new products are forthcoming to revitalize the line, according to Wall Street analysts. A potential catalyst could be Noxzema's Clear-Ups, consisting of a new gel product, that was introduced early in 1989. Another recent contributor is DifRinse, the first water soluble cold cream product. It debuted in third-quarter 1988.

NOXELL CORP.
11050 York Rd.
Hunt Valley, Md. 21030-2098
(301) 785-7300

Marketing personnel: George L. Bunting Jr., chmn-ceo; Marvin L. Hathaway, president-coo; Eugene H. Levering, sr vp-sales; Peter M. Troup Sr., vp-mktg; Charles J. Busta, vp-mktg, Cover Girl; Michael B. McNamara, vp-mktg, Clarion cosmetics & toiletries; Donald S. Pettit, mktg dir-new prods; D.T. McCutcheon, dir-mktg rsch; William B. Harford, dir-household prods; Brion P. Nelson, exec vp, mgr-Caliente Chili.

Brands/services by agency of record:
Noxell prods

Noxzema skin cream
Cover Girl cosmetics
New prods

Ad agency: Lintas:New York: F. Stone Roberts, group exec vp, Noxell; Sheri Colonel, exec vp, Noxell; Lance Smith, mgmt super, Noxzema toiletries; Paul Guagliardo, acct super, Noxzema toiletries; Brian Zeug and Joanne Factor, acct execs, Noxzema toiletries; Philippa Schoenfeld, acct super, Noxell new prods; Leah Carr, acct exec, Noxell new prods; Dan McLaughlin, vp-acct super, CG makeup; Eden Compton, acct exec, Moisture Wear; Thomas Shaffer, acct exec CG lips & nails; Audrey Shapiro, acct exec, Clarifying, Oil Control, Skin Care; Stephen Shaffer, acct exec, Clean Makeup, Replenishing, Extremely Gentle Makeup, CG blush.

■

Clairon products

Ad agency: Leo Burnett USA Chicago: Dan Reid, exec vp; Linda Wolf, sr vp-acct dir; Brad Brinegar, vp-acct super; Eric Happell, sr acct exec, face makeup; Janine Baretta, Valeri Teets, acct execs, lips and nails; Amy Hohulin, acct exec, eye makeup; Deena Elkholy, asst acct exec, lips and nails; Johnson Schaff, acct exec, Noxzema shave cream; Philippa Schoenfeld, acct super, Noxell new prods; Donna Fletcher, acct super, Noxell new prods; Bill McComb, asst acct exec, Noxell new prods.

■

Noxell new prods

Ad agency: Lotas Minard Patton McIver, New York: Judy Lotas, Sally Minard, Joanna Patton, Karen McIver, partners; Dick Ellington, acct mgmt; Kristin Moore, Doug Finelli, Carmine Coppola, art; Scott Samuel, tv production.

■

Lestoil

Ad agency: Seligman, Potterfield & Johns, New York: Tom Potterfield, president; Rich Ruduck, acct exec.

■

Caliente Chili products

Ad agency: GSD&M, Austin, Texas: Steve Gurasich, chmn-mgmt super; Robert Miller, acct super.

RANK
60

Nynex Corp.

New York
ADVERTISING: $160.4 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	12,661	12,084	4.8
Earnings	1,315	1,277	3.0

Division sales	1988	1987	% chg
Local service	5,663	5,613	0.9
Long distance	1,415	1,334	6.1
Network access	3,251	3,133	3.8
Other	2,332	2,005	16.3

U.S. advertising by media
($ in thousands)

Media	1988	1987	%chg
Magazine	9,814	4,655	110.8
Newsp supp	1,256	1,520	(17.4)
Newspaper	23,072	20,818	10.8
Outdoor	180	235	(23.1)
Spot TV	42,412	33,783	25.5
Network Cable	389	180	116.0
Network radio	0	177	NA
Spot radio	6,252	6,112	2.3
Measured	83,375	67,480	23.6
Unmeasured	77,000	62,300	23.6
Total	160,375	129,780	23.6

Nynex Corp., which is looking abroad and at its domestic cellular telephone op-

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Mystic Places
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erations to expand, continued to spend heavily in advertising.

Nynex's measured advertising was up 24%, according to LNA/Arbitron, with the single largest expenditure credited to New York Telephone Co.—$32.6 million in 1988, up 7.2%, and split largely between spot TV and newspapers.

New York Telephone's residence campaign continued the theme, "A Call Can Make a Difference" to increase usage.

The business campaign features products and services that can help solve customers' telecommunications problems through technological advances. Ads are tagged, "Think Ahead."

New England Telephone & Telegraph continued its same "conflict-resolution" ad campaign of 1987. Advertising shot up 39.8% to $13.7 million, mostly in spot TV, according to LNA/Arbitron.

Nynex's umbrella corporate campaign via Young & Rubicam was themed, "The Answer is Nynex." Key ads featured the sky falling, hell freezing over and the world coming to a halt without Nynex. Spending rose to $11.3 million for corporate advertising from $4.7 million, according to LNA/Arbitron.

Yellow Pages advertising continued the "Human Cartoon" campaign via Chiat/Day/Mojo. Ads feature a charade-type game to encourage viewers to guess the directory heading. Ads are tagged, "If it's out there—it's in here."

This fall Nynex will launch in Poughkeepsie, N.Y., and Burlington, Vt., Calling Number Delivery, which displays the number of the incoming call; Automatic Recall, which retrieves the last incoming call if a customer happens to miss picking up the phone in time; Automatic Callback, which redials the last outgoing call; and Customer-Oriented Trace, which enables a customer to trace the last incoming call.

In April 1989, New York Telephone launched Nynex's "Info-Look," a videotex service which allows a personal computer user to access information data bases and services through one telephone line. It is expected to be available in Boston this fall. Nynex can transmit data, but is restricted from providing the information.

Advertising for Nynex Business Centers, which sold $400 million in equipment and services in 1988, dropped 52% to $1.3 million, according to LNA/Arbitron. Nynex has 81 outlets, second only to Businessland with 120, according to Anne Stahel, analyst, StoreBoard Inc., a Dallas-based market research company. It ranks 10th among computer specialty stores, a category led by Computerland with 482 stores, says Ms. Stahel.

Nynex is building alliances with telecommunications authorities and partners in Britain, France, Japan, China, the Netherlands, Spain, Italy, Singapore, West Germany, Sweden and Taiwan. "Bell operating companies are expanding internationally. They can get into offering services in international markets that they can't get into in the U.S. due to restrictions," said Cathy Clarke, senior analyst, The Yankee Group, Boston.

Chairman Delbert C. Staley retired this month and was succeeded by William C. Ferguson, president-CEO.

NYNEX CORP.
335 Madison Ave.
New York, N.Y. 10017
(212) 370-7400

NYNEX CORP.
113 West Chester Ave.
White Plains, N.Y. 10604
(914) 644-8000

Corporate personnel: Ivan Seidenberg, sr vp-external affairs; Al Boschulte, vp-mktg; Emery Westfall, corp dir-external relations; Trish Watson, dir-adv.

Brands/services by agency of record:

Corp adv

Ad agency: Young & Rubicam, New York: Robert Gleckler, mgmt super; Ann Sullivan, acct super; Vanessa Turi, Renell Sullivan, acct execs.

New York Telephone
New York

Marketing personnel: Theodore Federici, vp-external affairs; Michael Clendenin, mng dir-external affairs; Louis Kruh, dir-adv.

Brands/services by agency of record:

Public telephone

Ad agency: Bozell Inc., New York: Gary Andrews, sr vp-acct group dir.

■

Public telephone direct

Ad agency: Bozell Direct, New York: Tim Fenton, president; J.B. Harrison, mgmt super; Howard Fishman, acct super.

■

Direct Mail

Ad agency: Chapman Direct Advertising, New York: Rosemary O'Brien, vp-mgmt super; Gary Watson, acct super; Gail Organ, sr acct exec.

■

Hispanic mkts

Ad agency: Conill Advertising, New York: Carlos Rossi, president; Emilio Alvarez-Recio, acct exec.

■

Direct mail various programs

Ad agency: Grey Direct, New York: Jim Battin, vp-acct group mgr; Margaret Myhan, acct super.

■

Business & residential adv

Ad agency: Young & Rubicam, New York: Larry Shapiro, vp-group dir; Sean Healey, mgmt super; John Morris, acct super, residential & business; Julie Butkiewicz, acct exec, residential & business.

New England Telephone
Boston

Marketing personnel: James Crain, vp-external affairs; Geraldine O'Brien, mng dir-adv.

Brands/services by agency of record:

Business & residential adv

Ad agency: Cabot Communications, Boston: Carolyn Smith, sr vp-mgmt super; Arthur Sweetser, Peter Hathaway, Natalie Cox, vps-acct svcs.

■

Residential direct mail

Ad agency: Cabot Direct, Boston: Suzanne Delice, vp-mgmt super.

■

Genl & business direct mail

Ad agency: Dickinson Printing & Mailing, Quincy, Mass.: Reid Dickinson, president.

■

Business direct mail

Ad agency: Rapp Collins Marcos, Boston: Karen Zahorsky, vp-mgmt super.

Nynex Information Resources Co.
New York

Marketing personnel: Donald MacKenzie, vp-coo; Bernie Bloomfield, vp-mktg & staff.

Brands/services by agency of record:

Yellow Pages

Ad agency: Chiat/Day/Mojo, New York: Mary Maroun, mgmt super; Lorraine Arado, acct exec.

■

Hispanic mkts

Ad agency: Conill Advertising, New York: Carlos Rossi, president; Emilio Alvarez-Recio, acct exec.

Nynex Business Information Systems
New York

Marketing personnel: Douglas G. Martin, vp-office systems; Thomas G. Philie, vp-mktg.

Nynex Business Centers
Atlanta

Marketing personnel: Brian P. Davis, vp-business devel mktg.

Brands/services by agency of record:

Nynex Business Centers
Nynex Business Information Systems

Ad agency: Hill, Holliday, Connors, Cosmopulos, Boston: Scott Cheyne, sr vp-group dir.

Nynex Mobile Communications
Pearl River, N.Y.

Marketing personnel: Dennis McManus, vp-genl mgr; Sheila Enwright, mgr-adv & promo.

Brands/services by agency of record:

Collaterals

Ad agency: Lohmeyer Simpson, Morristown, N.J.: Richard Ricciardi, exec vp; Valerie Moody, acct exec.

■

Boston cellular service

Ad agency: Partner & Simons: Tom Simons, president; Michele Fitzgibbons, acct exec.

operations; the New York Knicks basketball team and MSG Network cable. In July, the company agreed to sell to Ford Motor Co. its remaining non-entertainment entity, Associates First Capital Corp., a financial services company. Ford is paying $3.5 billion for Associates.

Paramount will not end the year as the nation's largest entertainment company as intended, since its $12.2 billion offer to purchase Time Inc. disintegrated at midyear, allowing Time to consumate its $14 billion merger with Warner Communications.

The company's largest advertiser, Paramount Pictures Corp., had a strong 1988, with such hits as "Fatal Attraction." The division spent an estimated $69 million on movie promotions, 83% its measured media, according to LNA/Arbitron.

Of the 30 movies Paramount released in 1988, the company promoted "Crocodile Dundee II" the heaviest, with $6.5 million in advertising. Its second place was "Coming to America," which drew $6.1 million.

For the year, Paramount's share of theatrical rentals dropped from a first-place 20% in 1987 to second-place 16% in 1988, as Walt Disney Co. powered its way to a 20% share from 14%.

Paramount started the summer of 1989 on a strong note with the release of "Indiana Jones and the Last Crusade," (grossing $168 million), however, it struck out with "Star Trek V: The Final Frontier," which made only $50 million. Paramount as a result slipped into second place behind Warner Bros. whose "Batman" and "Lethal Weapon II" blockbusters gave it 17.8% of the nation's box office take through July, compared with 17.5% for Paramount. Disney holds the No. 3 spot, with 13.8%, due primarily to its surprise hit "Honey, I Shrunk the Kids."

Operating income for Madison Square Garden rose because of increased ad and subscriber revenues at MSG Network and increased income from the N.Y. Knicks. The Knicks had higher attendance, greater TV revenue and income from playoff games. In 1988, MSG Network entered into an agreement to televise some New York Yankees baseball games through the year 2000. Approximately $2 million was spent advertising MSG-related properties.

PARAMOUNT COMMUNICATIONS
15 Columbus Circle
New York, N.Y. 10023-7780
(212) 373-9000

Corporate personnel: Jerry Sherman, vp-corp comm.

Paramount Pictures

Corporate personnel: Deborah Rosen, sr vp-corp comm.

Motion Picture Group

Marketing personnel: Barry London, president; Mardi Marans, exec vp-worldwide mktg; Nancy Goliger, exec vp-mktg & creative affairs; Thomas Campanella, sr vp-adv; Robert Dorfman, sr vp-east coast publicity & adv; Diane Widom, sr vp-publicity & promo; Michael Battaglia, vp-promo & field publicity; Cheryl Boone Isaacs, vp-publicity; Michael Camp, vp-creative adv, audio visual; Lucia Ladovico, vp-creative adv, print; Martin Kutner, exec vp, intl mktg & distribution; Leslie Pound, vp-intl mktg.

Brands/services by agency of record:

Motion Picture Group

Ad agency: D'Arcy Masius Benton & Bowles, New York: Mary Hunt, vp-acct mgmt; Chet Conklin, promo mgr.

Television Group

Marketing personnel: Network: John Wentworth, exec dir-adv, publicity & promo. Domestic: Steven Goldman, exec vp-sales & mktg; Meryl Cohen, sr vp-adv & promo.

Brands/services by agency of record:

Network

Ad agency: Grey Advertising, New York: Robert Berenson, exec vp-admin & acct mgmt.

■

Domestic

Ad agency: Jacobson/Gerber, Los Angeles: Ray Jacobs, Susan Kantor, acct dirs.

Video Division

Marketing personnel: Hallace Brown, vp-adv & promo; Jack Kanne, vp-sales; Alan Perper, vp-mktg.

Brands/services by agency of record:

Video div

Ad agencies: J.Walter Thompson USA, Los Angeles: Michael Arkin, vp-entertainment group, vp-acct super.

90% (Design), Hollywood, Calif.: Henry Viscarra, president.

Madison Square Garden

Marketing personnel: Michael Walter, sr vp-mktg & comm; Linda Burns, corp vp-mktg; Monis Begley, vp-corp comm.

MSG Network

Marketing personnel: Lee Berke, vp-mktg.

Brands/services by agency of record:

MSG Network

Ad agency: Grey Entertainment & Media, New York: Al Lieberman, president; Ed Ritchkoff, mgmt super.

Simon & Schuster

Corporate personnel: Barbara M. Reno, sr vp, dir-corp comm.

Marketing personnel: Judy Lee, vp, dir-promo; Martha Otis, dir-adv; William Schneider, dir-mktg; Pat Cool, adv dir; Debra Miller, Walter Walker, mktg dirs.

Brands/services by agency of record:

Simon & Schuster trade div
Pocket Books
Summit Books

Ad agency: Franklin Spier, New York: Alex Nelson, ceo; Erin McHugh, vp-assoc creative dir; Rhonda Hall, vp-acct exec.

■

Prentice Hall trade div

Ad agency: Danza Schulman & Glennon, New York: Dennis Glennon, partner.

■

PR for Silver Burdett & Ginn

Ad agency: Stoorza, Zirgaus & Metzger, Sacramento, Calif.: Sharon Hawkins, asst acct exec.

■

Prentice Hall School

Ad agencies: Whitman Studios, Clifton, N.J.: Jim Whitman, president.

Group IV Design, Avon, Conn.: Lynn Moores, acct rep.

■

Modern Curriculum Press

Ad agency: Belden, Frenz & Lehman, West Lake, Ohio: Jerry Fenton, president.

■

Manac Systems International

Ad agency: Foster, Montreal: John Woodfine, acct exec.

■

Simon & Schuster Human Resources

Ad agencies: Winston Advertising, New York: Terry Goldstein, acct exec.

Tempo Advertising, New York: Irene Goldsmith, acct exec.

RANK
22

J.C. Penney Co.

Dallas
ADVERTISING: $426.6 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	14,833	15,332	(3.3)
Earnings	807	608	32.7
Division sales	**1988**	**1987**	**% chg**
J.C. Penney stores	13,364	13,428	(0.5)
Catalog	2,918	2,585	12.9

U.S. advertising by media
($ in thousands)

Media	1988	1987	%chg
Magazine	10,927	9,044	20.8
Newsp supp	2,092	1,208	73.1
Newspaper	74,568	90,721	(17.8)
Outdoor	49	31	60.7
Network TV	39,645	48,507	(18.3)
Spot TV	8,530	12,957	(34.1)
Synd TV	3,647	3,420	6.6
Network Cable	2,620	2,847	(8.0)
Network radio	5,008	2,612	91.7
Spot radio	6,496	292	2,124.5
Measured	153,580	171,634	(10.5)
Unmeasured	273,000	280,000	(2.5)
Total	426,580	451,634	(5.5)

In 1988, J.C. Penney Co. essentially completed its decade-long repositioning. Gone are the hardware, major appliance, lawn-and-garden, automotive, camera, sporting goods and home-electronics departments. In are clothes, clothes and more clothes.

But now the nation's fourth largest retailer faces its most daunting challenge. Before it can see results from its estimated $2 billion makeover, Penney's must convince consumers it is no longer the dowdy mass merchandiser they once knew.

To address this makeover, Penney's has made "fashion credibility" a priority in its advertising message, which previously focused on sales, said Jim Hradecky, senior VP-creative director for N W Ayer/Dallas, the retailer's agency.

In spring 1989, it introduced on network TV a series of stylish, contemporary and sometimes humorous image spots, which positioned Penney's as America's fashion department store for men's, women's and children's apparel.

Periodic sale events still are important to Penney's strategy, but the value message has been tempered with a stronger fashion/image message, Mr. Hradecky said.

Special events and promotions also are key. Penney's will salute "The Spirit of the American Woman" in a two-week October promotion that is expected to return

RANK
72

Paramount Communications

New York
ADVERTISING: $139.2 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	5,108	4,701	8.7
Earnings	385	356	8.0
U.S.	**1988**	**1987**	**% chg**
Operating income	322	284	13.2

U.S. advertising by media
($ in thousands)

Media	1988	1987	%chg
Magazine	942	1,571	(40.1)
Newsp supp	0	28	NA
Newspaper	25,725	25,151	2.3
Outdoor	55	33	65.3
Network TV	31,872	11,383	180.0
Spot TV	18,065	25,149	(28.2)
Synd TV	3,222	354	810.6
Network Cable	2,588	1,943	33.2
Network radio	795	313	154.1
Spot radio	577	593	(2.7)
Measured	83,841	66,518	26.0
Unmeasured	56,400	43,898	28.2
Total	130,241	110,416	28.1

Paramount Communications in June changed it name from Gulf & Western, signaling that it has virtually completed its goal of becoming an entertainment conglomerate.

The one-time broadly-based conglomerate is now made up of Paramount film studios and TV production operations; Simon & Schuster and other publishing

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annually. Also, in November, Pee-Wee Herman will set up a playhouse full of merchandise in most of Penney's 1,400 stores. In October 1988, Penney's and Pizza Hut did a joint merchandise tie-in with the Steven Spielberg/George Lucas animated dinosaur film "The Land Before Time."

In the future, Penney's looks to grow outside its base of 1,400 department stores. It is experimenting with a number of specialty retail concepts, from apparel shops to furniture stores.

Penney's hopes that any or all of them match the success of its Garland, Texas-based Units subsidiary, a 160-unit modular knit clothing chain that now is being expanded into Canada and the U.K.

Among the concepts being tested are: Portfolio Interiors by J.C. Penney, a furniture, accessories and custom decorating chain; Tezio, a 14-unit private label cosmetics chain and In Details, a three-unit upscale bed-and-bath shop.

Penney's is considering spinning off its successful MixIt sportwear department into a separate freestanding chain. It now has one store open. Also, Penney's is considering opening in the fall a moderately-priced misses sportswear concept, called Amanda Fielding.

Penney's sunk $106 million into Telaction, an interactive home shopping service, before calling it quits in March 1988 and taking a $20 million write off. Instead, Penney's has tuned in with a 24-hour cable shopping channel. In April, it acquired the Shop Television Network, its joint venture partner since 1987 and renamed the service the J.C. Penney Television Shopping Channel. Penney's is the parent company of Thrift Drug and The Treasury Drug Center, which operated 434 stores by year-end 1988.

J.C. PENNEY CO.
14841 N. Dallas Parkway
Dallas, Texas 75240-6760
(214) 591-1000

Marketing personnel: W. Barger Tygart, exec vp, dir-merch; Ronald Shuler, dir-mktg comm; Joe Chicoski, mgr-media svcs; Darryl Erickson, sales plans mgr; Edward Hayward, adv mgr; Kay Baker, mgr-publicity, special events; Paul Clark, mgr-corp special events; Dave Nafziger, dir-visual merch; Gerald Testor, mgr, presentation; Charles Lipscomb, dir-personal merch; Robert Burke, controller, merch.

Women's Division

Marketing personnel: John A. McConville, president; Kenneth Russo, div vp, dir-mktg.

Men's Division

Marketing personnel: Thomas D. Hutchens, president; J. Raymond Pierce, div vp, dir-mktg.

Children's Division

Marketing personnel: James L. Hailey, president; Andrew Cumming, div vp, dir-mktg.

Home & Leisure Division

Marketing personnel: James J. Kennedy, president; J. Thomas Arthur, div vp, dir-mktg.

Brands/services by agency of record:
J.C. Penney stores & prods

Ad agency: N W Ayer, Dallas: Tom Hooke, sr vp-mng dir; Jim Hradecky, sr vp-creative dir; Dave Lyon, Jennie Smith, vps-acct supers; Tom Carey, acct super.

RANK
9

Pepsico Inc.

Purchase, N.Y.
ADVERTISING: $712.3 MILLION

Sales & earnings
($ in millions)

■ Worldwide	1988	1987	% chg
Sales	13,007	11,366	14.4
Earnings	782	605	26.0
■ U.S.	**1988**	**1987**	**% chg**
Sales	10,551	9,395	12.3
Operating income	954	812	17.5
■ Division sales	**1988**	**1987**	**% chg**
Soft drinks	4,638	3,976	16.7
Snack foods	3,514	3,202	9.8
Restaurants	4,855	4,188	15.9

U.S. advertising by media
($ in thousands)

■ Media	1988	1987	%chg
Magazine	1,753	936	87.2
Newsp supp	95	32	193.5
Newspaper	7,577	9,354	(19.0)
Outdoor	3,080	4,518	(31.8)
Network TV	145,048	140,342	3.4
Spot TV	257,957	271,069	(4.8)
Synd TV	7,080	7,814	(9.3)
Network Cable	4,707	3,742	25.8
Network radio	3,942	5,203	(24.2)
Spot radio	28,198	1[illegible],766	42.7
Measured	458,447	462,776	(0.7)
Unmeasured	252,000	240,000	5.4
Total	712,347	702,776	1.4

PepsiCo's soft-drink operations posted the biggest sales gains while its fast food operations continued to serve up the largest orders in sales and ad volume during 1988.

Pepsi-Cola, known for creating event advertising—it brought Michael Jackson into the cola wars—had mixed results with presenters in 1988 and 1989.

Public pressure led Pepsi to drop its affiliation with Madonna after it ran a two-minute commercial including snippets from her provocative music video, decried as sacrilegious in some quarters.

Better suited for public consumption was Los Angeles Dodgers' pitching ace Orel Hershiser, who is doing a double-header plug for Pepsi and the company-owned Pizza Hut chain.

The company's restaurant segment, which includes Kentucky Fried Chicken and Taco Bell, accounted for 37% of all sales during 1988 and nearly 58% of PepsiCo's total measured media spending, according to LNA/Arbitron. In April, Tracy-Locke, Dallas, lost the Taco Bell account to Foote, Cone & Belding after a review.

PepsiCo spent $248.8 million, down 2.4%, in media to advertise its three big restaurant chains. KFC pulled $100.6 million of the total, down 10.8%; Pizza Hut drew $83.1 million, up 5.3%; Taco Bell spent $64.9 million, up 3%, according to LNA/Arbitron.

In February, PepsiCo sold its bottled water operation (Ice Mountain label) to Poland Spring Co., part of the Perrier Group.

PepsiCo also completed the biggest U.S. acquisition of a soft-drink bottling operation to date, paying $1.78 billion to General Cinema Corp. for the largest independent Pepsi-Cola bottler in the U.S. This followed its $705 million buyout of Grand Metropolitan's soft-drink bottling operations in 1988.

In its battle with Coca-Cola for market share, Pepsi gained an additional four-tenths of a point to claim a 31.3% share to Coke's 40%, the same as in 1987.

In the diet soft-drink segment, Pepsi's share of the U.S. market increased to 28.4% during 1988, up from 27.1% in 1987.

The new Diet Mountain Dew alone accounted for 1% market share after only one complete year in 1988. However, Pepsi is still chasing Coca-Cola, which boosted its share in the diet soft-drink segment from 42.4% to 44.3% in 1988.

As expected, the juice-added market continues to evaporate for Pepsi's segment-leading Slice and Diet Slice brands. Slice's share continued its free fall, from 3.8% of total market in 1986 to 2.7% in 1987 to 1.8% in 1988.

This spring, Pepsi began an attempt to salvage Slice by reducing its juice content and repositioning the troubled brand in the lemon-lime segment. Segment leaders are Coke's Sprite and Dr Pepper's 7UP. Including their diet counterparts, Sprite and 7UP claimed 4.4% and 4.1%, respectively.

Dallas-based Frito-Lay, which represented 42% of PepsiCo's overall operating profits in 1988, increased an estimated 10% in snack foods sales to $4.1 billion at retail ($2.87 billion manufacturer's level), according to *Snack Food* magazine.

Frito-Lay improved its share in the U.S. potato chip market with a 73% share of the $1.607 billion (manufacturers value) market. Its Doritos and Fritos separately accounted for 40.4% and 20% of market, respectively. F-L grew 13.5% in dollars in the category from 1987 to 1988, according to *Snack Food*. Doritos drew $14.6 mil-

A Ruffles line extension in 1988, Ruffles Cheddar n' Sour Cream, drew strong sales its first year, according to PepsiCo. F-L's Ruffles Light, with lower oil, remains in test; Ruffles B-B-Q is being repositioned as Ruffles Mesquite Grille B-B-Q (sweeter & hickory smoked flavored), and Ruffles Ranch went national this May. Ruffles received about $8.3 million in measured media in 1988, according to LNA/Arbitron. The line's overall budget is expected to expand to $12 million this year.

F-L continued to dominate the corn/tortilla chip market with a 73% share of the $1.607 billion (manufacturers value) market. Its Doritos and Fritos separately accounted for 40.4% and 20% of market, respectively. F-L grew 13.5% in dollars in the category from 1987 to 1988, according to *Snack Food*. Doritos drew $14.6 mil-

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lion in measured spending. F-L's largest outlay for any brand, according to LNA/Arbitron. Strong sales came from new flavor, Salsa Rio, which rolled national in 1988, and from Doritos Light varieties, Nacho Cheese and Cool Ranch, which were in 60% of the U.S. by year-end.

Its snack foods got an international boost in mid-1989 when PepsiCo acquired from France's BSN two British companies, Walkers Crisps and Smiths Crisps, for $1.35 billion. Both had been part of RJR Nabisco until bought by BSN in 1989.

PEPSICO INC.
Anderson Hill Rd.
Purchase, N.Y. 10577
(914) 253-2000

Corporate personnel: Roger A. Enrico, president-ceo; Alan Pattasch, sr vp-worldwide creative.

Pepsi-Cola USA

Corporate personnel: Craig E. Weatherup, president-coo; Michael Simpson, exec vp-mktg & natl sales; Michael Lorelli, president, Pepsi-Cola East; Ronald W. Tidmore, president, Pepsi-Cola South; Christopher A. Sinclair, president, Pepsi-Cola Central; Christopher M. Hallenbeck, president, Pepsi-Cola West.

Marketing personnel: Brenda Barnes, sr vp-sales & channel mktg; Judy Fearing, vp-cola mktg; Frank Rupp, vp-graphic arts; John Moorhead, vp-mktg svcs; Rick Rock, vp-media.

Brands/services by agency of record:
Pepsi-Cola
Diet Pepsi
Slice
Mountain Dew
Packaging & promo

Ad agency: BBDO, New York: William Katz, sr vp-mgmt super; Andy Russem, Jeff Mordos, Evelyn Owen, acct supers.

■

Domestic black adv

Ad agency: Lockhart & Pettus, New York: Keith E. Lockhart, president; Ron D. Harris, sr vp, dir-client svcs; Monica Hudson, asst acct exec.

■

Mug root beer

Ad agency: Lois Pitts Gershon Pon/GGK, New York: Mark Rothman, mgmt super; Andy Brief, acct super.

■

Domestic Hispanic adv

Ad agency: Sibboney Advertising, New York: Carla Trum, vp-acct super.

■

Pepsi Cola Co. fountain beverages
Regional mktg & adv

Ad agency: Tracy-Locke, Dallas: Mike Rawlings, exec vp; Mark Lamperski, Bruce Orr, mgmt supers.

Time zaps Schlitz

Stroh's Schlitz beer, a Leader through 1982, outdueled even Budweiser in the '50s before its sales went flat.

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RANK **48**

Pfizer Inc.

New York
ADVERTISING: $230.1 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	5,385	4,920	9.5
Earnings	791	690	14.6
U.S.	**1988**	**1987**	**% chg**
Sales	2,884	2,651	8.8
Operating income	685	635	7.9
Division sales	**1988**	**1987**	**% chg**
Health care	3,453	3,118	10.7
Agriculture	540	519	4.1
Specialty chemicals	512	514	(0.2)
Consumer	484	396	22.3
Materials science	396	374	6.0

U.S. advertising by media
($ in thousands)

Media	1988	1987	%chg
Magazine	24,525	21,287	15.2
Newsp supp	1,059	1,073	(1.3)
Newspaper	1,478	123	1,099.8
Outdoor	0	22	NA
Network TV	56,671	50,629	11.9
Spot TV	3,105	1,558	99.3
Synd TV	1,194	1,680	(29.0)
Network Cable	2,149	301	614.2
Network radio	23	0	NA
Spot radio	358	0	NA
Farm pub	1,590	1,558	2.1
Measured	92,152	78,231	17.8
Unmeasured	137,900	117,100	17.8
Total	230,052	195,331	17.8

Challenging times are ahead for Pfizer. Several patents on its most profitable drugs are expiring, a few of its consumer products have lost share points and the effectiveness of its Plax product has been brought into question.

And with many pharmaceutical companies being forced to merge, Pfizer's time may be nearing. Wertheim Schroeder & Co.'s Jonathan Gelles says Pfizer is not large enough to remain independent and be competitive.

Pfizer in 1988 finished acquiring for $200 million the 80% of Oral Research Laboratories it didn't already own. Oral produces Plax, a prebrushing rinse said to remove dental plaque. With $15 million in measured spending Pfizer pumped into the brand, Plax sales quickly leaped 170% in food stores to gain a 14.5% share of the $720 million mouthwash market, behind Warner-Lambert's Listerine's 26% share and Procter & Gamble's Scope's 23%.

Neil B. Sweig, a drug industry analyst for Prudential-Bache Securities, estimated 1988 brand sales at $105 million, with the brand on the way to the $150 million mark in 1989.

The bright prospects may have been dampened by an August cover story in *Consumer Reports* claiming Plax contains no chemical plaque fighter. It cites a "well-controlled study" that Pfizer maintained should be discounted because competitor Warner-Lambert financed the independent study. Pfizer already had changed labeling after the Council of Better Business Bureaus' National Advertising Division said the claim that Plax removes 300% more plaque than brushing alone lacked adequate substantiation.

Pfizer ad agency Ally & Gargano is readying a campaign to minimize the damage.

Ben-Gay lost a share point to 39% in 1988, a victim of encroaching competition, notes James Callandrillo, project manager-pharmaceuticals for Kline & Co., Fairfield, N.J.

About $2.5 million of the $5.4 million spent on the Ben-Gay line in 1988 was turned over to the Ben-Gay Warming Ice line extension, also designed to counter Bristol-Myers' Mineral Ice, which now commands a 10% share. Ben-Gay's measured media dipped to $5.3 million, down 4%.

Although Mr. Callandrillo estimated Pfizer Leeming/Pacquin division's Visine still holds 52% of the $120 million eye-care arena, the line has staged heavy retail promotions to deflect competition. Abbott Lab's Murine, Murine Plus and Clear Eyes combined have about a 25% share.

Leeming-Pacquin's Barbasol retained a 20% share of the $300 million shaving cream market and added Barbasol Gel in July 1988, thanks to the expiration of S.C. Johnson & Son's shaving gel patent. Barbasol drew only $1.1 million, same as 1987.

Backed with a $5.8 million budget, Coty's Ex'cla.ma'tion debuted in time for Christmas 1988. It was one of only a handful of new women's mass fragrances. Eckerd Drug's Karen Durham called it the year's best launch. It augments a strong arsenal of Coty fragrances including Stetson, Lady Stetson, Iron, Men's Musk, Emeraude and Sand & Sable.

Heaviest Coty media support was for Stetson, at $7.3 million, up almost 20% over 1987. Another $6.3 million backed Lady Stetson, a 24% drop from 1987, its introductory year. Stetson and Emeraude were withdrawn recently from Warwick Advertising and are currently in-house.

Overnight Success Cream, with $1.5 million in media spending, should get even more this year as others scurry to tap the mass-market skincare boom.

Minipress, an anti-hypertensive that brings in $259 million, lost its patent in June, and Feldene, with sales of $616 million, loses its patent in 1992.

Pfizer sold Equalactin, a combination constipation and diarrhea remedy that debuted in 1987 and had reached a 2% market share. Buyer was Numark Laboratories, Edison N.J.

The Roerig division continues to be at the forefront of advertising ethical products. It has a marketing-sales-ad budget of $75 million used primarily for cable TV healthcare programs.

Pfizer assigned Bozell, New York, the estimated $30 million account for Alitame, a high-intensity sweetener awaiting FDA approval.

PFIZER INC.
235 E. 42nd St.
New York, N.Y. 10017
(212) 573-2323

Corporate personnel: Edmund T. Pratt Jr., chmn-ceo; Gerald D. Laubach PhD., president.

Corporate media buying: Adforce Inc., New York: Robert J. Geller, president; John M. McAvity, vp-broadcast; Martin J. Gennusa, vp-media.

Pfizer Agricultural Products
New York

Corporate personnel: M.W. Roche, president; W.P. Crawford, exec vp.

Marketing personnel: R.A. Behrenhausen, vp-worldwide mktg & devel; G.H. Levy, P.O. Wilder, dirs-worldwide mktg.

U.S. Animal Health Operations
New York

Marketing personnel: Wid P. Crawford, exec vp; Robert N. Fountain, vp-mktg; Dale M. Perusse, vp-sales; Laura M. Devlin, Richard M. Kovalchick, group mktg mgrs; Richard G. Klein, group mgr-mktg rsch & svcs; C. Jan Westmoreland, dir-public affairs; John R. Klym, personnel dir.

Brands/services by agency of record:
Injectable antibiotics
Feed supplements
Anthelmintics

Ad agency: Dudnyk Co., Horsham, Pa.: Chuck Elkins, vp; Marilyn Cummins Heidemann, acct super; Greg Silvestri, Thomas Waller, acct execs; Art Yocom, dir-client svcs.

Pfizer Consumer Products
New York

Corporate personnel: J.F. Harmon, president.

Leeming/Pacquin Division
New York

Marketing personnel: R.L. Unger, vp-mktg; T.F. Coughlin, vp-sales; L. Bassen, vp-purchasing & packaging devel.

Brands/services by agency of record:
Pacquin
Unisom

Ad agency: Avrett, Free & Ginsberg, New York: Don Bandman, exec vp; Marlene Wheeler, acct super.

■

Visine
Visine A.C.
Rid

Ad agency: Backer Spielvogel Bates Worldwide, New York: Joe Prior, exec vp; Tom Blut, acct super; Mark Jones, acct exec.

■

Ben Gay
Barbasol
Plax

Ad agency: Ally & Gargano, New York: Jim Feeney, exec vp; Bob Taber, vp-acct dir.

Coty Division
New York

Marketing personnel: J.L. Abernathy, sr vp; J.T. Markowski, vp-mktg; J. MacDougald, vp-sales.

Brands/services by agency of record:
Lady Stetson
Iron
Overnight Success
Exclamation

Ad agency: Ketchum Advertising, New York: Pam Sarnoff, acct super; Sara Elman, asst acct exec.

Pfizer Chemical Products
New York

Corporate personnel: D.E. Kolowsky, president; D.F. Farley, exec vp.

Marketing personnel: P.J. Regan, vp-group sales; W.D. Renfer, vp-strategic planning; F.P. Chapman, vp-US sales; Vincent DeGennaro, dir-adv & promo.

Brands/services by agency of record:
Industrial chemicals

Ad agency: Poppe-Tyson, New York: William Giacalone, acct super.

Pfizer Pharmaceutical Products
New York

Corporate personnel: William C. Steere Jr., president; Peter G. Tombros, exec vp.

Pfizer Laboratories Division
New York

Marketing personnel: G.N. Jortner, exec vp, dir-operations; Dean Maglaris, vp-mktg; B.J. Robison, vp-sales; W.B. Surran, dir-mktg svcs.

Brands/services by agency of record:
Diabinese
Minizide

Ad agency: Cline Davis & Mann, New York: Jack Slonaker, vp-acct super.

■

Cetirizine
Feldene
Minipress
Minipress XL
Procardia
Procardia XL
Vistaril
Vibramycin
Managed Care

Ad agency: Dorritie & Lyons, New York: John Dorritie, president; Jim Stroup sr vp, dir-client svcs.

Roerig Division
New York

Marketing personnel: K.L. Kasen, vp, dir-operations; Hank McCrorie, vp-sales; W.J. Canata, dir-sales & training; R.O. Fulmer, vp-mktg; Karen Dawes, group prod mgr; E.R. Frank, J.P. Kelly, sr prod mgrs.

Brands/services by agency of record:
Glucotrol
Sinequan
Unasyn
Branded ethical prods

Ad agency: Cline Davis & Mann, New York: Jack Slonaker, vp.

■

Antivert
Atarax
Cefobid
Cefobid/Sulbactam
Navane
Sertraline

Ad agency: Dorritie & Lyons, New York: John Dorritie, president.

Pfizer Hospital Products
New York

Corporate personnel: E.C. Bessey, president-ceo; Robert DiDomenico, vp-mktg planning; William Nazarewicz, vp, minerals; W.A. Wilkinson, vp, pigments, magnetics, iron oxide; J.C. O'Donoghue, president, Quigley Co.

Marketing personnel: T.R. Laakso, dir-sales & mktg, pigments, iron oxide; P.R. Saueracker, vp-sales & mktg, minerals; R.M. Galloway, vp-sales & mktg, Quigley Co.

Corporate media buying: Adforce Inc., New York: Robert J. Geller, president; John M. McAvity, vp-broadcast; Martin J. Gennusa, vp-media.

RANK **1**

Philip Morris Cos.

New York
ADVERTISING: $2,058.2 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	31,742	28,183	12.6
Earnings	2,337	1,842	26.9
U.S.	**1988**	**1987**	**% chg**
Sales	20,866	18,715	11.5
Operating income	3,975	3,698	7.5
Division sales	**1988**	**1987**	**% chg**
Tobacco	16,586	14,644	13.3
Food	11,266	9,946	13.3
Beer	3,262	3,105	5.1
Financial svcs	629	488	28.9

U.S. advertising by media
($ in thousands)

Media	1988	1987	%chg
Magazine	270,251	271,178	(0.3)
Newsp supp	16,868	10,982	53.6
Newspaper	76,711	46,048	66.6
Outdoor	61,425	50,877	20.7
Network TV	388,602	376,628	3.2
Spot TV	157,578	176,159	(10.5)
Synd TV	88,592	64,200	38.0
Network Cable	23,075	21,024	9.8
Network radio	8,698	9,611	(9.5)
Spot radio	40,092	29,489	36.0
Farm pub	131	0	NA
Measured	1,132,023	1,056,195	7.2
Unmeasured	926,200	864,200	7.2
Total	2,058,223	1,920,395	7.2

Philip Morris Cos., which pushed past Procter & Gamble as the nation's leading advertiser in 1987, built onto its lead in 1988, largely through the $13.1 billion purchase of Kraft Inc., the 22nd largest national advertiser in 1987.

With Kraft came a marketing expertise that could help turn around General Food's ailing Post cereals and Maxwell House divisions.

PM merged its Kraft and General Foods units in February 1989, forming Kraft General Foods, and shifted the power base to Kraft's Glenview, Ill., headquarters over GF's Rye Brook, N.Y., home.

KGF was then carved up into seven operation units with combined sales of $22.5 billion, profits of $1.9 billion and some of the world's leading food brands. According to KGF, the combo spent $940 million in advertising and $760 million in promotion. Aside from these two giants, PM spent $282.1 million in media advertising on cigarettes, up 6.7% and $169.4 million on Miller Brewing's beer advertising, down 5.1%, according to LNA/Arbitron.

Heading the overall unit as president-COO is Kraft President-CEO Michael Miles; Kraft Chairman John Richman was named chairman-CEO until 1990, when Mr. Miles assumes the CEO post. A cross-fertilization that put GF managers at the helm of Kraft and Kraft managers in control of GF failed at the top as the newly named divisional presidents left by mid-1989. Former Kentucky Fried Chicken Corp. Chairman-CEO Richard Mayer, 49, is now president of GF USA and James Kilts, former Kraft USA senior VP-strategy and development, is the new Kraft USA president.

As a result of the restructuring, in April 1989, PM consolidated its network and cable TV buying assignment for KGF at D'Arcy Masius Benton & Bowles, New York. Previously, DMB&B had the buying assignment for GF and Foote, Cone & Belding, Chicago, handled Kraft. Grey Advertising retains buying for children's TV.

One of the big tasks at PM the past several years has been to shore up Maxwell House's sagging coffee fortunes. In 1988, Maxwell House, a unit of General Foods, had a 28% share to Procter & Gamble's Folgers 31.8% in the $2.6 billion regular coffee market, said John

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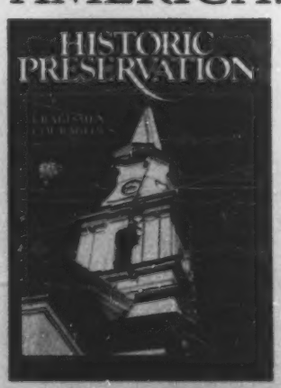

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Maxwell, Wheat First Securities analyst. Maxwell House lost the lead to Folgers in 1987, a year Maxwell House media budget was slashed by $17.5 million.

In 1988, GF began a coffee ad blitz, pumped $45 million into Maxwell House, according to LNA/Arbitron. An Ogilvy & Mather-created ad campaign began running in early 1989 featuring newscaster Linda Ellerbee and weatherman Willard Scott in a Maxwell House/Folgers taste test. It helped bring Maxwell House back into the No. 1 position as of June 1989. Despite the campaign's success, O&M lost the $50 million account to DMB&B in February.

GF also got good mileage from two new value-added brands, Maxwell House Rich French Roast and Maxwell House Colombian Supreme. Both are higher priced than regular Maxwell House.

PM expanded its leading position in the cigarette market by 1.5 share points to 39.3%, compared to R.J. Reynolds Tobacco's 31.8%, according to Mr. Maxwell. Led by the strength of Marlboro, the overall share increase was "PM's largest volume improvement in four years and the highest market share any cigarette company has achieved since 1931," Mr. Maxwell said. The Marlboro brand has nearly a 25% market share, up 1.3 share points from 1987. The Marlboro line drew $119.3 million in measured spending, up 18.4%. Merit drew a similar increase of 19.4% to $55.2 million as PM cut spending for Virginia Slims by 29.7% to $32 million, according to LNA/Arbitron.

PM in 1988 began trading on the Marlboro name with new entries. Marlboro Menthol that rolled out in 1989 and Marlboro Ultra Lights, went into test.

PM, which had largely stayed away from controversial new cigarette introductions such as RJR's Premier "smokeless" cigarette, did an about-face and began testing Next cigarette with trace amounts of nicotine in May 1989.

Responding to an upsurge in the price/value segment of the cigarette market, which gained 1.3 share points in 1988, according to Mr. Maxwell, PM repositioned Alpine, with an 0.1% overall market share in 1988, as a price/value entry. Price value cigarettes now account for 13.8% of the total cigarette market.

So far, the only product line to take advantage of the merging of Kraft and General Foods is GF's Culinova regionally-marketed refrigerated entree line currently in test. It has been folded into Kraft's Chillery line of salads, pastas and sauces, pizza kits, desserts and entrees, a brand also in test.

Kraft had just begun to focus solely on food with a corporate campaign themed, "Good food and good food ideas," at the time of the merger. It had sold, in May 1988, Duracell batteries to Kohlberg Kravis Roberts & Co. and then in September, sold Celestial Seasonings to a management-led group supported by Vestar Capital Partners.

Kraft introduced—and later pulled—Eating Right, a 14-item line of low-calorie frozen entrees. Assigned to HDM, Los Angeles, the product was said to have too upscale an image and too high a price. Kraft has yet to announce plans to reintroduce Eating Right.

Both Kraft and GF turned their attention to the $1 billion side dish market in 1988 as Kraft began testing packaged pasta, potato and rice side dishes in its signature blue box packaging, and General Foods started tests of Minute Microwave, flavored rice and noodle products packaged in microwaveable trays. The company also introduced regionally Ronzoni Classics, a dry packaged product with a sauce packet.

Kraft also launched a cholesterol-free mayonnaise to go up against CPC International's new Hellmann's Cholesterol-Free Mayonnaise which rolled national in early 1989.

GF rolled out two big-budget cereal products in 1989, Post Honey Bunches of Oats with a $27 million ad budget and a $20 million-plus campaign for Post Oat Flakes hoping to increase share by capitalizing on amazing growth of oat bran cereals. Oat bran cereals currently account for 20% of cold cereal sales; the overall cereal market is valued at $6.5 billion. Post cereals got $107 million in measured media, same as in 1987.

But unlike other oat bran cereal marketers, notably General Mills and Quaker, Post has carefully avoided health claims.

Still, GF will have to work hard to beat out other cereal players: Its 12% share trails Kellogg at 41.1% and General Mills' 21.3%, according to County NatWest analyst Timothy Ramey.

Despite a 1.2% decline in frozen novelty sales in 1988 to $1.75 billion, GF remained committed to the category, introducing three new products in 1989 that trade on established brand names: Jell-O Citrus Snowburst; Baker's Fudgetastics; Kool-Aid Kool Pops.

Fueled by the continuing "Wacky, Wild, Kool-Aid Style" campaign, Kool-Aid boosted its share of the $800 million powdered soft drink market to 82.2%, its first major share gain in more than a decade. No. 2 is Thomas J. Lipton's Wyler's. The Kool-Aid line received $17.3 million in media, up 97% from 1987, according to LNA/Arbitron.

The company's Oscar Mayer unit also instituted a new agency compensation system which reduces the basic commission rate to about 13.5% and includes bonus payments based upon the unit's sales and profit performance. Oscar Mayer and Louis Rich lines spent a combined $48 million in media, same as in 1987.

The company also posted major gains in the refrigerated desserts with Jell-O refrigerated puddings, the runaway leader in the $156.3 million refrigerated pudding category. GF holds about 50% of the category, which jumped 125% in sales in 1988, according to Arbitron/SAMI figures. Beatrice/Hunt Wesson is No. 2.

Miller Brewing Co. increased its overall share in the U.S. beer market to 21.6% from 21.0%, still a distant second to Anheuser-Busch's 41.9%. The brewer's big success was Miller Genuine Draft. Its market share grew to 1.9%, up from 1.2% in 1987, according to *Beverage Industry* magazine.

But Miller High Life did not do as well despite an increase of 14% in media spending to $90.5 million, according to LNA/Arbitron. High Life's share dropped from 5% to 4.5%. In November 1988, Miller moved the account from JWT, New York, to Burnett.

Miller is continuing to test line extensions of both Genuine Draft and Miller Lite, and the company is working on a more strategic focus in its advertising, including ads specifically geared to U.S. regions. Miller tested one such project in Texas in 1989.

PHILIP MORRIS COS.
120 Park Ave.
New York, N.Y 10017
(212) 880-5000

Philip Morris USA

Marketing personnel: David E.R. Dangoor, vp-mktg; Vincent J. Buccellato, vp-sales; Elizabeth Butson, vp-new prods; Edwin J. McQuigg, vp-planning; Ellen Merlo, vp-mktg svcs; David Beran, dir-mkt rsch & planning; Barbara A. Reuter, dir-planning; Richard L. Stirlen, dir-media; James Spector, dir-consumer promo; Louis Suwarna, dir, new prods; Michael Heinrich, dir, purchasing; Carolyn J. Levy, dir-consumer rsch; Leo McCullagh, dir-events promo; Nancy Brennan Lund, group dir, Marlboro; Robert Mikulay, group dir, price value; Brian H. Schuyler, group dir, Benson & Hedges, Virginia Slims; James A. Scully Jr., group dir, Merit, Parliament, Next; Timothy P. Beane, Barbara Weinstein, mgrs-mktg planning; Irene Y. Bick, mgr-direct mktg; Esther L. Fortner, mgr-special trade events; Roy K. Anise, mgr-mktg analysis; Celestia L. Kohl, mgr-events promo; Richard J. Camisa, brand mgr; J. David Mackey, brand mgr, Marlboro Red, Lights; Renee V. Simons, brand mgr, Benson & Hedges; Arthur J. Goldfarb, brand mgr, Alpine; Arthur J. Raporte, brand mgr, Cambridge; Susan Jannetta, brand mgr-new prods; Alex Aliksanyan, brand mgr, Parliament.

Brands/services by agency of record:

Parliament
New prods

Ad agency: Backer Spielvogel Bates Worldwide, New York: Ron Kraut, vp, dir-promo mktg group; Barbara Shapiro, acct super; Renee Natali, asst acct exec.

■

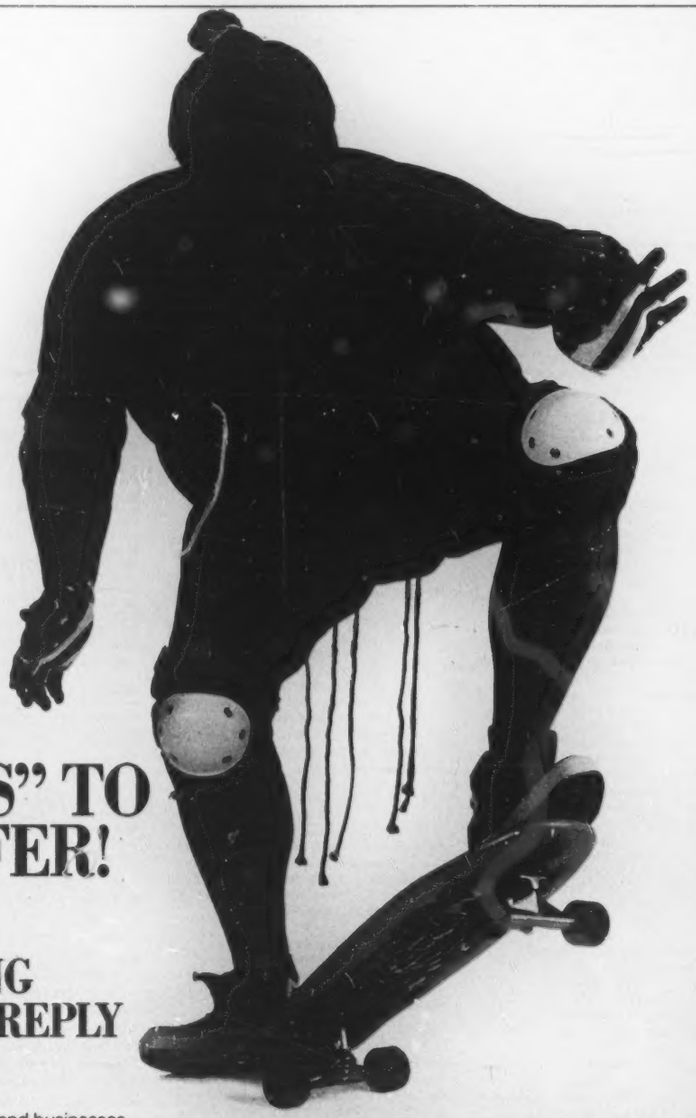
Marlboro
Merit
Virginia Slims
Next
New prods

Ad agency: Leo Burnett USA, Chicago: James Oates, exec vp-acct dir; Peter Volz, acct dir; Marie Paule-Lopez, acct exec.

■

Benson & Hedges

Ad agency: Wells, Rich, Greene, New York: Chris Lloyd, acct exec; Leslie Burrow, asst



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TNT Mailfast
International Mailing

acct exec, Lisa Patrick, acct super.

Kraft General Foods
White Plains, N.Y.

Marketing personnel: James J. Morgan, sr vp-corp mktg.

KGF Frozen Products Group
Glenview, Ill.

Marketing Personnel: Tom Herskovits, president, frozen prods group; William Dowd, president, diary group; W. Michael Goodwin, vp-mktg.

Brands/services by agency of record:
Birds-Eye
Breyer's

Ad agency: Young & Rubicam, New York: George Guimaraes, exec vp-group genl mgr.

■

Sealtest
Light 'n Lively
Breakstone
Frusen Gladje
Lender's

Ad agency: McCann-Erickson, New York: Dan Cohen, sr vp-group dir.

■

Tombstone pizza

Ad agency: Campbell-Mithun-Esty, Minneapolis: Donald Kvam, mgmt super.

■

All American Gourmet

Ad agency: Dilorio-Wergeles, New York: Frank Everett, sr vp, dir-client svcs.

Kraft USA
Glenview, Ill.

Marketing Personnel: Joel D. Weiner, sr vp-mktg svcs.

Brands/services by agency of record:
Kraft USA

Ad agency: Foote, Cone & Belding Communications, Chicago: Jim Cerasani, sr vp-group mgmt dir.

Grocery Products Group
Glenview, Ill.

Marketing Personnel: Charlie Martin, vp-mktg.

Brands/services by agency of record:
Miracle Whip
Meat enhancements
Versatile side dishes
Confections (carmel only)
Add Meats
Touch of Butter

Ad agency: Foote, Cone & Belding Communications, Chicago: Jim Cerasani, sr vp-group mgmt dir.

■

Mayonnaise
Fruit spreads

Ad agency: Young & Rubicam, New York: George Guimaraes, exec vp-group genl mgr.

■

Prod enhancement
Table spreads

Ad agency: Leo Burnett USA, Chicago: Sadru Patel, Carter Keith, acct supers.

■

Mini-Meals

Ad agency: Dilorio-Wergeles, New York: Frank Everett, sr vp, dir-client svcs.

Refrigerated Products Group
Glenview, Ill.

Marketing personnel: Mary Kay Haben, Bob Eckert, vps-mktg.

Brands/services by agency of record:
100% Natural
Velveeta Loaf
Velveeta slices
Cracker Barrel
Chillery
Crockery spreadable cheese snack

Ad agency: Leo Burnett USA, Chicago: Ted Simon, acct super.

■

Grated cheese
Handi Snacks

Ad agency: Foote, Cone & Belding Communications, Chicago: Jim Cerasani, sr vp-group mgmt dir.

■

Philadelphia Cream Cheese
Kraft singles
Nachos Now
Cheese Whiz

Ad agency: J. Walter Thompson USA, Chicago: Bob Ravafio, acct super.

■

Knudsen
Cheese sauce

Ad agency: Grey Advertising, Los Angeles: Larry Varnes, exec vp, dir-client svcs.

■

Polly-O cheeses

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Ad agency: Young & Rubicam, New York: Richard Kahn, mgmt super.

Kraft General Foods
Commerical Products
Deerfield, Ill.

Marketing personnel: George Goebeler, president, commerical prods; Rick Avery, president, Kraft Food Ingredients Group, Memphis.

General Foods USA
White Plains, N.Y.

Corporate personnel: Richard P. Mayer, president.

Marketing personnel: William H. Korab, exec vp-mktg & sales; David F. Hurwitt, vp-mktg & comm svcs; David K. Braun, dir-media & promo svcs; Richard S. Helstein, dir-adv svcs; Gregory B. Murphy, president-ceo, General Foods Bakery Cos.; David Collins, exec vp, Entenmann's; Kurt Wissehr, president, Freihofers; Douglas A. Smith, group vp, beverages; John D. Bowlin, group vp, dinners & enhancers; Ann M. Fudge, dir-mktg, dinners & enhancers; Stephen I. Sadove, group vp, desserts; Dana M. Gioia, mktg mgr, desserts; John D. Watson, vp-genl mgr, refrigerated desserts; Sylvester T. Hinkes, group vp, Post cereals; Richard G. Powers, dir-mktg, Post; Raymond G. Viault, president, Maxwell House; Robert J. Pizzuti, dir-sales & mktg, Maxwell House; Alan R. Plassche, president, food service prods.

Brands/services by agency of record:
Entenmann's
Crystal Light
Crystal Light frozen novelties
Cool Whip
Good Seasons
Maxwell House
Master Blend
Yuban
Brim
Private Collection

Ad agency: D'Arcy Masius Benton & Bowles, New York: Peter Rosow, sr vp-deputy mng dir; Tim Love, sr vp-group acct dir; Allen Adamson, Carla Gambescia, Courtney Stimson, vps-acct dirs.

■

Post Raisin Bran
Grape-Nuts
Grape-Nuts Flakes
Honeycombs
Fruit & Fibre
Post Bran Flakes
Post Oat Flakes
Crispy Critters
Minute Rice
Stove Top
Impromptu
Kool-Aid
Kool-Aid Koolers
Baker's Chocolate/Coconut
D-Zerta
Dream Whip

Ad agency: Grey Advertising, New York: Jack Frantz, exec vp; Carolyn Carter, Jerry Zaret, sr vps-mgmt supers; Carol Herman, vp-mgmt super.

■

Pebbles
Super Golden Crisp
Alpha Bits
Country Time Tang
Tang Fruit Box
Log Cabin Syrup
Shake 'n Bake

Ad agency: Ogilvy & Mather, New York: Richard Roth, sr vp-group acct dir; Robert Hay, James Bell, vps-acct dirs.

■

Jell-O
Sanka
General Foods Intl Coffees

Ad agency: Young & Rubicam, New York: George Guimareas, exec vp-group genl mgr; John Glorieux, exec vp-group genl mgr; Larry Shapiro, exec vp-worldwide acct dir; Daryl Elliot, vp-group dir, mgmt super.

■

Food service
Desserts
Cold beverages

Ad agency: Cato Johnson/Y&R, New York: Wendy Forman, vp-mgmt super.

Miller Brewing Co.
Milwaukee

Marketing personnel: Robert A. Toledo, vp-brand promo; William H. Barrett, merch svcs dir; Jerome F. Schmutte, dir-strategic planning; E.J. (Woody) Euart, dir-mktg promo; Scott C. Steward, premium category dir; Tom Gresk, low calorie category dir; David A. Krishock, new prods category dir; Rick Burton, dir-adv, Lite; Tom Cardella, brand mgr, Genuine Draft; Jeff Schouten, brand mgr, Miller High Life; Kevin Tripp, brand mgr, Genuine Draft Light.

Brands/services by agency of record:
Miller Lite
Genuine Draft
Miller High Life

Ad agency: Backer Spielvogel Bates Worldwide, New York: Frank Assumma, exec vp, Miller Lite: Liz Nenadich, Michael Stoner, Paul Steiner, acct execs; Brian O'Brien, asst acct exec; Lisa Marber, acct coord. Genuine Draft: Laura Sawyer, Roberto Sacco, acct execs; Lisa Goldea, Chip Telerico, asst acct execs; Andrew Rider, super; Tom Cotton, mgmt rep. Miller High Life: Steve McCal, asst acct exec; Roberto Calderin, mgmt rep.

■

Genuine Draft Lite
Miller High Life

Ad agency: Leo Burnett USA, Chicago: Charles von Weise, acct exec; Steve Fauntleroy, assist acct exec. Miller High Life: Brian Goldner, acct exec; Colin Hall, assist acct exec. Corp adv: John Kovos, Mike O'Neal, acct dirs.

■

Hispanic adv-
Miller Lite
Miller High Life
Lite Genuine Draft
Lowenbrau

Ad agency: Mendoza, Dillon & Asociados, Newport Beach, Calif.: Luis Castaneda, acct exec; Marta Perez-Gerdes, acct exec, vp-client svcs.

■

Matilda Bay
Lowenbrau

Ad agency: J. Walter Thompson USA, New York: Matilda Bay: Gary Steele, acct dir; Laura Ceshire, acct super. Lowenbrau: Bob Hall, vp-acct dir; Michael Kahn, acct super; John Malkin, acct rep.

■

Black adv-
Miller High Life
Genuine Draft

Ad agency: Mingo Jones Advertising, New York: Bill McGugins, vp-acct mgmt. Miller High Life, Genuine Draft: Marc Strechan, acct dir; Cliff Ruffins, acct super. Corp adv: Andrea Fant, acct exec.

Oscar Mayer Foods
Madison, Wisc.

Corporate personnel: J.W. McVey, president-ceo.

Brands/services by agency of record:
Oscar Mayer meats

Ad agency: J. Walter Thompson USA, Chicago: Stephen G. Bowen Jr., president.

■

Louis Rich meats

Ad agency: D'Arcy Masius Benton & Bowles, New York: Thomas H. Cary, mng dir.

RANK
68

Philips NV

Eindhoven, The Netherlands
ADVERTISING: **$144.3 MILLION**

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	28,040	29,782	(5.9)
Earnings	528	462	14.2
U.S.	**1988**	**1987**	**% chg**
Sales	5,424	5,059	7.2
Operating income	79	(31)	(358.5)
Division sales*	**1988**	**1987**	**% chg**
Lighting	3,487	3,705	(5.9)
Consumer electronics	9,245	9,468	(2.6)
Domestic appliances	3,384	3,578	(5.4)
Professional prods.	7,680	8,279	(7.2)
Components	5,600	6,106	(8.3)
Miscellaneous	698	1,105	(8.3)

U.S. advertising by media

($ in thousands)

Media	1988	1987	%chg
Magazine	12,592	9,445	33.3
Newsp supp	909	166	447.6
Newspaper	1,533	373	311.6
Outdoor	18	4	381.6
Network TV	51,266	34,100	50.3
Spot TV	2,008	2,618	(23.3)
Synd TV	0	203	NA
Network Cable	1,283	1,723	(25.5)
Network radio	2,301	386	495.9
Spot radio	0	33	NA
Measured	71,911	49,051	46.6
Unmeasured	72,400	49,400	46.6
Total	144,311	98,451	46.6

*Includes inter-company sales.

Philips NV, the European electronic giant, moved to greatly expand its presence and visibility in the U.S. in 1988.

The company, best known in the U.S. for marketing consumer products under such names as Norelco, Magnavox, Philco and Sylvania audio and video products, expanded marketing and advertising of products under its own name. Most notable so far are pushes for lightbulbs and upper-end consumer electronics gear.

Marketing under the Philips name should give a product expanded visibility because of Philips' worldwide presence, and will offer marketing efficiencies, including linking such products as Philips light bulbs and Philips TVs in ads.

Philips has so far killed off few of its American brand names. Only when it bought Westinghouse Lighting in 1983 did it follow (in 1986) with elimination of a brand name. Instead Philips has introduced its name on new products or new lines of existing products, some developed originally for Europe.

The increasing importance of the U.S. to Philips has been stated repeatedly by company officers who may see the U.S. market as an answer to increasingly competitive pressures 1992 will bring to Europe. Also, the U.S. market accounts for 40% to 50% of the world's consumer electronics sales.

Currently, North American Philips (NAP) represents $5.9 billion or about 20% of worldwide Philips NV revenues. Philips wants NAP to achieve the same 30%-to-50% market shares in the U.S. that Philips has in Europe.

In the last year, Philips, which in 1987 acquired the 42% part of North American Philips Corp. it didn't already own, has moved to more fully integrate its U.S. activities into its worldwide product and marketing mix. Its U.S. product divisions now work more directly with those in Europe in planning new products and production, although advertising still remains largely autonomous.

New products designed in the U.S. have been exported to Europe and vice versa.

Philips policies have shown some signs of success in the U.S. Backed by aggressive ad spending on its Magnavox line of TVs using the Smothers Brothers as ad spokesmen, Philips saw market share of color TVs rise to 10.7% from 9.5% in the last year, according to *Television Digest*. It also has begun pushing its line of CD players, a product it invented, and filled out the Philips line of upper end TVs.

In lighting, where Philips Lighting media ad budget jumped more than 25% to over $12 million, it introduced a line of pastel lights that offer a hint of color to expand its No. 2 share of 18% in the U.S. lightbulb market.

In small appliances, Norelco Consumer Products Co. has seen its share of men's electric razors sales rise to 50% from 48%, and its share of ladies' shavers to 35% from 25% from 1987 to 1988. Media advertising grew more than 60% to $17 million. Its CleanAir filtering machines have risen to 35% of the market, up from 30% to 32%.

Norelco this fall will increase advertising for men's razors, kick off its first national advertising for women's electric shavers and introduce a line of EZ Irons offering better steam control, also with heavy advertising. Norelco says ad spending this year may double 1988 outlays.

Philips moved to expand its presence in the U.S. home computer market in 1988 by acquiring Vendex Technologies, a maker of personal computers under the HeadStart brand, from Vendex International. Renamed HeadStart Technologies, the company this fall introduces the Explorer line of computers, which will sell for $599 and get hefty ad support. Philips Consumer Electronics lone entry in the field had been the Magnavox word processors.

Philips now markets in virtually every major consumer electronics product category in the U.S. except for facsimile machines and cellular phones. Both of those lines may come in the next year.

With its attention increasingly directed toward consumer electronics, Philips split off unrelated businesses. Most went to another NAP division, Consolidated Electronics Industries Corp., headed by former NAP Chairman-CEO Cees Bruynes.

Unstated in that move is Philips' apparent desire to sell off those businesses. One, the Selmer Co., which makes musical instruments, already has been sold, and Philips has announced it has hired an investment banker to evaluate the sale of Magnavox Government and Industrial Electronics Co. The fate of the two remaining consumer businesses in the subsidiary, Anchor Brush Co, which makes toothbrushes, and Genie Co., which makes garage doors and shop vacuum cleaners, remains uncertain.

Philips also participates in a number of joint ventures in the U.S. and is 90% owner of Polygram records.

PHILIPS N.V.
Gloeilampenfabrieken
5621 BA Eindhoven
The Netherlands

North American Philips Corp.
100 E. 42nd St.
New York, N.Y. 10017
(212) 697-3600

Corporate personnel: Einar Koster, president-ceo.

Philips Consumer Electronics division
Knoxville, Tenn.

Corporate personnel: Donald F. Johnstone, president.

Marketing personnel: Mike Keel, dir-adv; Rick Policicchio, vp-genl mgr. Philips, Sylvania brands: Bill Ulevicz, vp, Magnavox brands.

Brands/services by agency of record:
Magnavox
Philips
Sylvania
Philco

Ad agency: Backer Spielvogel Bates Worldwide, New York: Charles Decker, exec vp; Randall Windschitl, mng rep; Robert Rizzuto, David Watson, acct supers.

Norelco Consumer Products Co. Division
Stamford, Conn.

Marketing personnel: John Beggs, president; Pat Dinley, vp-sales; Hal Rosenbaum, dir-mktrsch; Leigh Alexander, sr mktg mgr, razors; Ed Crawford, mktg mgr, garment care; Bill Kelso, mktg mgr, kitchen appliances; A.J. Riedel, mktg mgr, clean air machines & new business.

Brands/services by agency of record:
Norelco

Ad agency: D'Arcy Masius Benton & Bowles, New York: Stuart Pearlman, acct super; Regina Reilly, acct exec.

Philips Lighting Corp. division
Somerset, N.J.

Marketing personnel: Dick Capra, president; Mark Frissiora, dir-consumer mktg; DeVerges Jones, dir-mktg svcs.

Brands/services by agency of record:
Philips

Ad agency: Cliff Freeman & Partners, New York: Richard Pounder, exec vp-exec mng dir; Joseph McCarthy, sr vp-mng super; Katherine Giffault, vp-acct super.

HeadStart Technologies Co. division
Great Neck, N.Y.

Marketing personnel: Harry Fox, president; David Klein, vp-mktg & sales.

Brands/services by agency of record:
HeadStart computers

Ad agency: Target Enterprises, Los Angeles: David Bienstock, president.

Genie Manufacturing Division
Akron, Ohio

Marketing personnel: John Gray, president; Bennett Rubin, dir-mktg; Mike Fox, mgr-adv; Mark Caffee, mgr-mktg.

Brands/services by agency of record:
Genie

Ad agency: Hesselbart & Mitten, Fairlawn, Ohio: Jim McEntire, vp-acct super.

PolyGram Records Corp.
New York

Marketing personnel: Jim Urie, sr vp-mktg; Pat Drosins, vp-adv.

Brands/services by agency of record:
Polygram
Mercury
Verve
Deutsche Grammophon
London
Philips

Ad agency: (In-house): Phonag: Sylvia Chandler, mgr-merch svcs & adv; Michelle Smith, mgr-adv svcs.

RANK
2

Procter & Gamble Co.

Cincinnati
ADVERTISING: **$1,506.9 MILLION**

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	21,398	19,336	10.7
Earnings	1,206	1,020	18.2
U.S.	**1988**	**1987**	**% chg**
Sales	11,805	12,423	(5.0)
Operating income	329	864	(61.9)
Division sales	**1988**	**1987**	**% chg**
Laundry & cleaning	7,138	6,668	7.0
Personal care	1,032	8,678	(88.1)
Food & beverage	3,029	2,963	2.2
Pulp & chemicals	3,029	2,963	2.2

U.S. advertising by media

($ in thousands)

Media	1988	1987	%chg
Magazine	79,279	79,501	(0.3)
Newsp supp	1,364	2,182	(36.6)
Newspaper	21,977	4,243	418.0
Outdoor	882	942	(19.0)
Network TV	370,175	377,552	(2.0)
Spot TV	222,863	238,040	(6.4)
Synd TV	60,899	48,910	24.5
Network Cable	30,202	23,713	27.4
Network radio	25,534	23,666	7.9
Spot radio	15,777	7,906	99.6
Measured	828,791	806,562	2.8
Unmeasured	678,100	659,900	2.8
Total	1,506,891	1,466,462	2.8

Procter & Gamble Co. in 1988 followed the industry trend of introducing less expensive and less risky line-extensions instead of major new products. At the same time, P&G's sales increased 11% and its ad and promotional spending rose 15.4%.

"Other than the prospect of a significant restaging of Pampers in the U.S. due to lackluster market-share, there may be little major incremental advertising or new product activity in the next year to 18 months," said Jack Salzman, household-products analyst with Goldman Sachs & Co., New York.

Most of P&G's momentum is coming

from abroad, where sales accounted for 40% of the total and will represent 50% within five years, the company said.

P&G forged a number of international agreements. It linked with STC Corp. to sell products in Korea; bought a majority interest in Nelsen S.p.A., a liquid detergent company in Gattatico, Italy; acquired a controlling interest in Perfumeria Phebo S.A., a Sao Paulo, Brazil, cleaning and personal-care products company; formed joint ventures with Industrias Mammi, C.A., a personal care products company in Caracas, Venezuela, and with Hutchison Whampoa Ltd., Hong Kong, to manufacture and distribute products in China through the Guangzhou Soap Factory.

P&G continued its drive to build its food and beverage division by acquiring in March 1989 the Sundor Group, the sixth-largest U.S. maker of citrus and other fruit beverages, including Sunny Delight Florida Citrus Punch, Speas Farm apple juice and Texun pink grapefruit juice. P&G in late July 1989 agreed to buy the Fisher Nut business from Beatrice Foods, which will enable P&G to build on its Jif peanut butter and salted snack businesses.

P&G also sold Crush International (Crush, Hires, Sun-drop, Gini brands) soft-drink division to Cadbury Schweppes PLC for $220 million. Under the P&G banner, Crush never made much of an impact in the soft-drink category.

The company in early 1989 implemented a category management system at subsidiary Richardson-Vicks. The OTC drug and personal-care unit is the last group at P&G to shift from the product brand-management system that characterized the company from 1931 to 1987. Brands handled by R-V were divided into three categories: cough-cold, personal care/skincare and analgesics. The category management system groups all brands and products in a particular category under the direction of one general manager.

P&G also reinforced its desire to get better media choices and creative work out of its agencies by instituting a new compensation plan that rewards agencies' creativity and media choices.

The new compensation system, implemented companywide in July 1989, keeps the 15% commission rate on traditional media and adds a fee payment for new-product work. The 15% also will be paid for creative work done for promotional vehicles and for ads in alternative media. The company is turning increasingly to non-traditional media—from posters in schools and doctor's offices to ads on prerecorded videocassettes to P&G-sponsored sporting events.

In December 1988, P&G shifted three OTC drug brands to D'Arcy Masius Benton & Bowles—Percogesic, Dramamine and Icy Hot, worth an estimated $6 million in billings—from Slater Hanft Martin. DMB&B in the late 1980s has emerged as P&G's premier OTC-drug agency.

In April 1989, Tatham-Laird & Kudner, Chicago, got Vicks Throat drops from DMB&B and Chloraseptic sore-throat spray from Leo Burnett USA. Tatham-Laird, one of the smaller agencies on P&G's roster, is responsible for Metamucil, a psyllium-based laxative that P&G hopes eventually to market as a cholesterol-reducing aid. P&G in April 1989 began a new ad campaign that compared the fiber in Metamucil with that of oat bran. The laxative commands more than half of the $300 million bulk-fiber laxative market. Measured media spending behind Metamucil rose 34% to $12.7 million.

The company this August moved Top Job household cleaner to Jordan, McGrath, Case & Taylor from Saatchi & Saatchi Advertising, both New York. Top Job, which has a 2% share of the $1 billion household-cleaner category, received nominal media support.

Following public concern over palm oil in food products, P&G in January 1989 removed palm oil from Crisco shortening. Crisco in 1988 was backed with $5.7 million in measured media spending, a 52.4% drop from 1987.

In the $916 million cooking-oil market, P&G's Crisco and Puritan hold a combined 24% share. Puritan, made of canola (rapeseed) grain, in 1989 won endorsement from the American College of Nutrition for the lowest saturated fat. The ACN endorsement began appearing in mid-summer on Puritan labels and in Puritan's $4.4 million ad campaign.

Having gained a toehold in the potato chip segment with Pringle's, P&G now intends to eat away at Frito-Lay's dominance in corn chips with the mid-1989 national launch of Pringle's Corn Crisps, which are stacked in canisters like its potato chips. Pringles has a 75% share of the $300 million canister segment.

Activity in P&G's Duncan Hines line, the No. 2 baking-mix line in the U.S. behind General Mills, was limited to the March 1989 introduction of two oat-bran muffin mixes and advertising for the Duncan Hines Tiara Desserts line. Measured spending declined 27% to $13 million in 1988.

After acquiring the Sundor family of citrus fruit beverages, P&G in June 1989 introduced nationally Citrus Hill Lite Premium chilled juice beverage. Citrus Hill was backed with $20.5 million in measured spending, up 19%.

With coffee consumption continuing to decline, P&G spent $65 million on Folgers to hold a 30% share in the $2.8 billion ground coffee segment, according to Kidder, Peabody & Co., New York.

P&G rolled out a Folgers "fast-roast" blend. Fast-roasting "fluffs" beans to the point where 13 ounces by weight equals 16 ounces by volume. The company is testing a non-100% Colombian coffee named Folgers Gourmet Supreme to compete against General Foods' Maxwell House Colombian Supreme.

In April, the Folgers account was consolidated at N W Ayer, New York, as P&G moved Gourmet Supreme from Wells, Rich, Greene, New York.

P&G backed its Crest toothpaste line with $32 million in measured media, a 20% decline. Spending behind Sparkle Crest for Kids climbed 22% to $9.7 million to counter Colgate-Palmolive's $9 million introduction of Colgate Junior toothpaste and toothbrushes. C-P pulled within striking distance of P&G's position as leader of the $1 billion toothpaste category; Crest holds a 36% share to Colgate's 33%.

P&G's Downy fabric-softener got added category support with the introduction of SunRinse Fresh Downy liquid fabric softener. Downy dryer sheets and Bounce with Staingard. P&G commands 60% of the $725 million category. Downy's spending in media more than doubled to $40.7 million. Bounce drew $18 million, up 16%.

P&G remains the leader in the $3 billion laundry detergent category with a 51% share. In January 1989 P&G nationally expanded Tide With Bleach. P&G, which increased Tide media spending 27% to $25.4 million, introduced the version primarily to counter Clorox Co.'s steady expansion of bleach-enriched Clorox detergent. P&G discontinued market test of Lemon Fresh Comet liquid bleach.

In late 1988, P&G began testing Cheer Free, a detergent with no dyes or perfumes for people with sensitive skin. Cheer ad spending rose 25% to $12.2 million.

In the $475 million automatic dishwasher detergent category, P&G's Cascade powder was upgraded to increase solubility. Cascade, with a 52% share of category, was supported with $13 million in media spending, down 22%.

P&G's share of the $650 light-duty dishwashing detergent category fell 1.5 points to 50.5%, although its Dawn remained market leader with a 23% share. Measured spending remained steady at $9 million.

P&G in October introduced nationally Luvs Deluxe disposable diapers designed differently for boys and girls. The diapers, backed with $15 million in ad spending, pushed Luvs' share of the $3.5 billion category to 20%. At the same time, P&G began testing Luvs Deluxe prints for boys and girls. P&G's share of the category dropped 5.5 points to 49.5% due to declining sales of Ultra Pampers. Archrival Kimberly-Clark Corp.'s Huggies has built a strong 33.5% share.

P&G supported Ultra Pampers with $18

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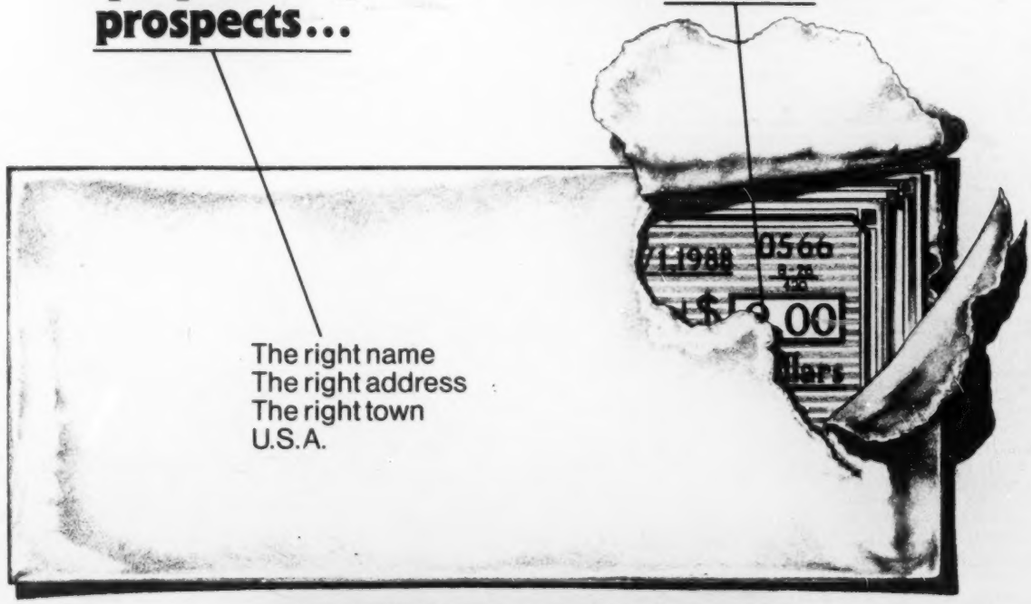

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million in measured media, down 34%, while Luvs got $17.4 million, down 14%. P&G in June announced it will fund projects to recycle the plastic from disposable diapers.

P&G's Always feminine-protection line received $10.7 million in measured spending, a 38.5% drop. P&G in July 1989 introduced nationally Always Double Plus, two-pad protection in one. Despite heavy promotional spending, Always maintained its 25.2% share of the $1.2 billion sanitary napkin category. Johnson & Johnson is the category leader at 35%.

P&G added two new White Cloud varieties—fragrance-free and spring breeze scent—to its bathroom tissue line and began testing Charmin Care with baby lotion. P&G also markets Charmin Free, a bathroom tissue without ink, dye or perfume. P&G has a 30.5% share of the $2.3 billion category, up 4 points from 1987. Measured spending behind White Cloud climbed 15% to $5.8 million.

P&G increased measured spending 78% to $6.8 million for Bounty paper towels, the leading brand in the $1.5 billion category.

P&G commands a 32.5% share of the $925 million shampoo category, with Head & Shoulders category leader with a 10.5% share. P&G, backing the brand with $20 million in media in 1988, introduced Head & Shoulders Dry Scalp shampoo this month. It also introduced Ivory Free shampoo and conditioner, which contains neither perfume nor dye. Ivory got $6.8 million in measured media in 1988, a 31% increase.

P&G in 1988 launched a new wide solid for both its Sure and Secret antiperspirant/deodorant brands, and redesigned Secret's packaging to increase its appeal to women. P&G commands 26% of the $1.05 billion category. Secret's spending jumped 59% to $19 million, and spending for Sure rose 31% to $17.9 million.

Under new owner P&G, the upscale Bain de Soleil suncare line moved up to a 6.8% share of the $415 million food-store suntan lotion market from 2.6% in 1987. Measured spending behind Bain de Soleil rose from $1.7 million to $5.2 million, reflecting the brand's expanded distribution. P&G also added high SPF protection products to the line under the Protecteur Gentil label.

P&G in 1989 added two items to its Oil of Olay brand: Sensitive Skin Beauty Fluid and Intensive Moisture Complex. Oil of Olay, backed with $32.5 million in media, up 19%, is the leading mass-market facial lotion with a 28% share of the $640 million market at retail.

Spending behind P&G's Pepto-Bismol stomach remedy rose 35% to $27 million, with some of the increase earmarked for the national introduction of Maximum Strength Pepto-Bismol. The brand commands 18% of the $360 million antacid category, leading Beecham Products' Tums' 13%.

Vicks cough-cold remedies received $18.6 million in measured media, up 2%. Nyquil is the leading remedy with a 12% share of the $1.4 billion category for cough, cold and sinus remedies.

In June 1989, P&G announced the retirement of Thomas Laco, vice chairman. Robert E. Cannon was elected senior VP, from group VP, assuming Mr. Laco's worldwide responsibility for the company's quality programs. Gerald V. Dirvin was elected senior VP from group VP, assuming responsibility for most of the company's staff functions—including advertising, marketing services and public affairs—from Mr. Laco.

PROCTER & GAMBLE CO.
P.O. Box 599
Cincinnati, Ohio 45201
(513) 983-1100

Marketing personnel: J.E. Pepper, president; G.F. Brunner, R.E. Cannon, G.V. Dirvin, J.W. Nethercott, D.S. Swanson, Harold Tecklenburg, sr vps; W.C. Borndt, S.P. Donovan Jr., Harold Einsmann, B.J. Hintz, D.I. Jager, M. Jozoff, R.R. Nicolosi, W.N. Zagi, group vps; P. McHenry, sr vp, genl counsel; W.I. Bergman, vp, Richardson-Vicks div; R.T. Blanchard, vp-worldwide strategic planning, health & beauty care; B.L. Byrnes, vp-packaged soap & detergent div; D.W. Campbell, vp-food service & lodging prods div; C.C. Carroll, vp-business devel, health & beauty care; W.B. Connell, vp, beauty care div; C.H. Davis, vp, food prods div; J.K. Goodwin, vp-sales; R.J. Herbold, vp, info svcs; C.A. Lieppe, vp, edible oils div; L. Ross Love, vp-adv; L.D. Milligan, vp-sales, customer devel & intl; T.A. Moore, vp, health & personal care div; R.L. Wehling, vp-mktg svcs.

Brands/services by agency of record:

Bold
Cheer
Era Plus
Gleem
Lava liquid & bar soaps
Lilt home permanent
Luvs disposable diapers
Secret
Pert Plus
White Cloud
Pepto-Bismol
Prell shampoo & conditioner

Ad agency: Leo Burnett USA, Chicago: Mary Bishop, exec vp.

■

Black adv—Crest
& Crisco shortening

Ad agency: Burrell Advertising, Chicago: Linda Pharr, sr vp-mgmt super; Fay Ferguson, vp-acct super.

■

Vicks Formula 44
Clearasil
Dramamine
Fasteeth
Fixodent
Icy Hot
Nyquil
Percogesic
Vaporub
Sinex
Dawn
Ivory Snow
Dash
Bounce
Crest
Scope
Always
Attends
Charmin
Pampers

Ad agency: D'Arcy Masius Benton & Bowles, N.Y.: Thomas Carey, mng dir.

■

Ivory shampoo & conditioner
Wondra lotion

Ad agency: D'Arcy Masius Benton & Bowles, St. Louis: Clayton Wilhite, mng dir.

■

Professional adv for—
Attends
Crest
Crest rinses
Head & Shoulders
Peridex
Pepto-Bismol
Puffs Plus
Safeguard
Pampers
Norwich
Ivory Snow

Ad agency: Medicus Intercon, New York: Lawrence Lesser, chmn.

■

Downy liquid & dryer sheets
Joy
Crisco & Crisco cooking oil
Jif
Puritan cooking oil
Pantene haircare line

Ad agency: Grey Advertising, New York: Neil Kreisberg, Clark Montgomery, exec vps.

■

Bounty
Top Job
Zest

Ad agency: Jordan, McGrath, Case & Taylor, New York: Alice Bond, sr vp-acct svcs.

■

Professional adv for—
Folgers coffee
Ivory soap

Ad agency: Klemtner Advertising, New York: Robert C. Erwin, vp-acct super.

■

Denquel
Peridex Pediatric Formula 44

Ad agency: Lally, McFarland & Pantello, New York: Ron Pantello, president.

■

Cleaning prods for food service
Coin vending

Ad agency: Ketchum/Mandabach & Simms, Chicago: Lee Lippman, president-coo.

■

Folgers coffees
Puffs Plus
Citrus Hill Select
Citrus Hill Plus Calcium
Lite Citrus Hill
Duncan Hines Baking Mix line

Ad agency: N W Ayer, New York: Warren E. Albright, exec vp.

■

Food service & lodging prods—
Shortening oils, coffee, bar soap & amenities

Ad agency: Northlich Stolley Lawarre, Cincinnati: John Bloomstrom, acct super.

■

Vidal Sassoon shampoos, conditioners, rinses, styling aids

Ad agency: Peter Rogers Associates, New York: Peter Rogers, president.

■

Bain de Soleil suncare line

Ad agency: Rosenfeld, Sirowitz, Humphrey & Strauss, New York: Shannon Eadom, acct super.

■

Tide
Tide Liquid
Tide with Bleach
Tide Unscented
Cascade
Camay
Comet
Dreft
Ivory liquid & bar soap
Oxydol
Solo
Industrial, chemical, grocery, trade, drug trade & military trade adv

Ad agency: Saatchi & Saatchi Advertising, New York: Paula Forman, exec vp-exec mgmt dir.

■

Biz
Chloraseptic
Comet liquid bleach
Head & Shoulders
Metamucil
Vicks Throat Drops

Ad agency: Tatham-Laird & Kudner, Chicago: Robert Hielscher, sr partner, dir-client svcs.

■

Oil of Olay
Pringle's
Safeguard
Sure
Spic and Span
Gain
Banner bathroom tissue & paper towels
Spic and Span Pine

Ad agency: Wells, Rich, Greene, New York: Richard Hopple, president-worldwide.

■

Trade adv—
Beauty care div

Ad agency: Haddon Advertising, Chicago: Harvey Haddon, president.

■

Sundor Group
Sunny Delight

Ad agency: Gumpertz/Bentley/Fried, Los Angeles: Richard Fried, president-mgmt super.

■

Fisher Nut

Ad agency: Ketchum Advertising, San Francisco: Ken Dudwick, chmn.

RANK
23

Quaker Oats Co.

Chicago
ADVERTISING: $43.4 MILLION

Sales & earnings
($ in millions)

■ Worldwide	1988	1987	% chg
Sales	5,724	5,330	7.4
Earnings	203	256	(20.7)
■ U.S.	**1988**	**1987**	**% chg**
Sales	3,630	3,322	9.3

U.S. advertising by media
($ in thousands)

■ Media	1988	1987	% chg
Magazine	30,215	26,147	15.6
Newsp supp	1,005	789	27.3
Newspaper	14,208	1,402	913.7
Outdoor	456	102	346.5
Network TV	123,327	104,107	18.5
Spot TV	24,327	32,877	(26.0)
Synd TV	18,414	18,150	1.5
Network Cable	4,032	3,156	27.7
Network radio	419	1,212	(65.4)
Spot radio	2,552	6,641	(61.6)
Farm pub	165	0	NA
Measured	219,120	194,582	12.6
Unmeasured	204,300	181,400	12.6
Total	423,420	375,982	12.6

Quaker Oats Co. is shoring up top management and trimming down to stay financially independent and competitive in the supermarket. The net effect on advertising and marketing will be smaller increases in spending.

Quaker will halve the 20% to 25% budget increases it has seen for the past several years, to a 10% to 12% increase this year, Chairman-CEO William Smithburg told analysts.

Quaker also in July laid off 170 salaried employees in the U.S. grocery products group and closed a pet food plant in Marion, Ohio, in its drive to increase profitability.

Earlier this year, Quaker sold the Ghirardelli chocolate business it acquired as part of Golden Grain Co. It added Continental Coffee Co. to its foodservice division, and acquired rights to market a line of dry-grocery products under the Pritikin name. Mr. Smithburg also said Quaker is interested in buying RJR Nabisco units.

Quaker entered one entirely new category—the $125 million frozen sandwich market—when it began testing Old Town OvenStuffs last summer. The six-item line contains two French rolls stuffed with Italian fillings, two croissant-dough turnovers and two pita-bread sandwiches. After it moved into test last fall, the line was reassigned from J. Walter Thompson USA to Bayer Bess Vanderwarker, both Chicago.

Quaker hopes the sandwiches have better luck in the freezer than its Aunt Jemima lines. Despite a new, "contemporary" portrait of the 100-year-old spokeswoman, Quaker's frozen Aunt Jemima franchise registered a 25% unit-volume decline during the most recent fiscal year. Two new products, Aunt Jemima Lite frozen pancakes and dry pancake mix, failed to boost sales for the brand.

Likewise, pet food presents a challenge. Quaker's share of the $3.6 billion dog food market is falling across the board. Quaker's share was down from 16% to 14.9% for the year ending June, said County NatWest Securities analyst Timothy Ramey.

Quaker's Ken-L Ration and King Kuts brands accounted for 17.3% of the canned dog food market, down from 18.1%; Quaker's share of dry dog food fell to 13.2% from 13.6%. And in the semi-moist category where Quaker's Ken-L Ration and Gaines brands traditionally have dominated, its share fell to 52% from 59.3% while Ralston Purina's increased to 29% from 20%.

Quaker in February pulled Cycle and Gravy Train from Chiat/Day/Mojo, New York, which had handled the brands before Quaker's acquisition. The $8 million Cycle account was assigned to Thompson, and the $10 million-plus Gravy Train account moved to Bayer Bess.

Quaker tried to turn around its granola bar business by adding oat bran to two varieties of Quaker Chewy Granola Bars, and in September launching a new print advertising and public relations campaign aimed at mothers. Still, unit sales were down 20% in the just-ended fiscal year.

Quaker's fourth-place share of the $6 billion ready-to-eat cereal category increased to 8.3%, largely on the strong showings of Oh!s and Quaker Oat Squares; each has a 1% share.

Quaker made its long-awaited entry into the oat-bran derby with a ready-to-eat version of its Quaker Oat Bran that was launched in about 30% of the U.S. in May. An estimated $20 million TV and print campaign, themed "Oat bran from the expert," is supporting the introduction, via Bayer Bess Vanderwarker.

Quaker continued its commitment to building the hot-cereal category with an estimated $16 million in measured media behind its instant and standard oatmeal products.

One of the biggest questions for Quaker is how far and fast it can expand Gatorade. Since Quaker acquired it, Gatorade sales have increased 30% annually, to $350 million in 1988.

In July, Quaker promoted Philip Marineau, 42, to exec VP of its U.S. grocery products division from exec VP-international grocery products. He is credited with making Gatorade Quaker's No. 1 brand.

QUAKER OATS CO.
Quaker Tower
321 N. Clark St.
Chicago, Ill. 60610
(312) 222-7111

Corporate personnel: William D. Smithburg, chmn-ceo; Frank J. Morgan, president-ceo.

U.S. Grocery Products

Corporate personnel: Philip A. Marineau, exec vp.

Marketing personnel: C. Clarkson Hine, vp-adv; J. Byron Felter, group vp-sales; Max Lomont, vp-art & packaging; Katherine E. Smith, vp-consumer affairs; John R. Blair, vp-mktg rsch.

North American Foods

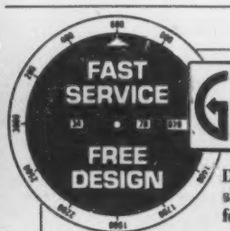
Marketing personnel: James R. Tindall, sr vp-genl mgr; Sandy Posa, vp, cereals div; Barbara Allen, vp, convenience foods div.

Diversified Grocery Products

Marketing personnel: Douglas W. Mills, sr vp-genl mgr; Russell L. Jones, vp, diversified grocery prods, president, food service; Mark A. Shapiro, vp-mktg, pet foods div.

Grocery Specialties

Marketing personnel: Peter J. Visalli, president; John S. Brauer, vp-prod mgmt; Bill Schmidt, vp-sports mktg.



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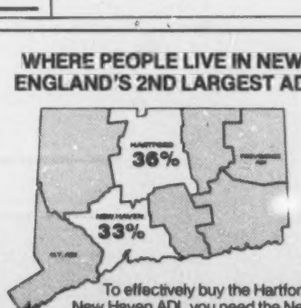

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*Sources: SAMM, 1987; ANM 1986-1987

Golden Grain

Marketing personnel: Verinder K. Syal, president.

Brands/services by agency of record:

Cap'n Crunch
Crunchy Bran
Gatorade
Gravy Train
Kretschmer wheat germ
Oh!s
Old Town OvenStuffs
Puffed Rice
Puffed Wheat
Quaker Oat Bran
New prods

Ad agency: Bayer Bess Vanderwarker, Chicago: Gary R. Bayer, chmn-ceo; Ronald Bess, president-coo; Tony Vanderwarker, vice chmn-chief creative officer; G. Brian Goodall, sr vp, dir-acct mgmt.

■

Industrial cereals
health foods

Ad agency: Bender, Browning, Dolby & Sanderson, Chicago: Kathleen Truty, acct super.

■

Quaker corn prods & grits
Van Camp's
Wolf brand prods
Hispanic & black mktg

Ad agency: Berry-Brown Advertising, Dallas: Robert E. Berry, chmn.

■

Golden Grain
Noodle-Roni
Rice-A-Roni

Ad agency: Chiat/Day/Mojo, San Francisco: Matthew Crisci, sr vp-acct mgmt dir; Wayne Fulcaer, group head.

■

Life
100% Natural Cereal
Quaker Oats & Instant Oatmeal
Quaker Extra
Quaker Oat Squares

Ad agency: Jordan, McGrath, Case & Taylor, New York: Jim Jordan, chmn; Bruce Guidotti, sr vp-acct svcs.

■

Hispanic adv

Ad agency: Mendoza, Dillon & Asociados, Newport Beach, Calif.: Richard Dillon, president.

■

Aunt Jemima prods
Chewy Granola Bars
Cycle
Granola Dipps
Ken-L Ration dog foods
Rice cakes

Ad agency: J. Walter Thompson USA, Chicago: Alan Moser, sr vp-mgmt dir.

Fisher-Price Toys
East Aurora, N.Y.

Marketing personnel: R. Bruce Sampsell, exec vp.

Brand/services by agency of record:

Fisher-Price toys

Ad agencies: Backer Spielvogel Bates Worldwide, New York: Ed Keating, exec vp.

J. Walter Thompson USA, Chicago: Matthew Kurz, vp-acct dir.

RANK **24**

Ralston Purina Co.

St. Louis

ADVERTISING: $421.8 MILLION

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	5,876	5,578	5.3
Earnings	388	526	(26.3)
Division sales	**1988**	**1987**	**% chg**
Bakery prods	1,783	1,842	(3.2)
Pet foods	1,550	1,442	7.4
Cereals	339	302	12.4
Other	100	69	44.7

U.S. advertising by media

($ in thousands)

Media	1988	1987	%chg
Magazine	21,546	18,077	19.2
Newsp supp	1,544	96	1,506.7
Newspaper	16,346	2,982	448.1
Outdoor	160	513	(68.7)
Network TV	72,886	102,545	(28.9)
Spot TV	21,748	25,152	(13.5)
Synd TV	9,326	8,886	4.9
Network Cable	4,880	4,342	12.4
Network radio	5,315	4,963	7.1
Spot radio	1,840	2,570	(28.4)
Farm pub	1,186	1,143	3.2
Measured	158,773	171,278	(8.5)
Unmeasured	264,200	286,700	(8.5)
Total	430,973	459,978	(8.5)

New product introductions by Ralston Purina in the pet fotod and cold cereal markets—both worth $5.9 billion at retail—kept encroachment from competitors at a minimum during 1988.

Ralston will enter the baby food business late this year with the recent buyout of troubled Beech-Nut Nutrition Corp. from Nestle. Beech-Nut holds 17.4% of the baby food market, down from 20% three years ago just prior to its indictment and subsequent conviction for selling adulterated and mislabeled apple juice.

Ralston, which declined 0.2 share points in the overall pet food market to 28.3%, introduced two dog snacks—Ribz and Beggin' Strips—in the $420 million pet treat segment.

Ralston added Pro Plan dog food to the specialty lines offered exclusively in pet food stores and veterinarians' offices. The entry in the $700 million superpremium dog food niche was supported with FSIs (created in-house) in major-market newspapers. Ralston holds a 27.2% share in the overall $3.6 billion market, according to John C. Maxwell Jr., analyst with Wheat First Securities.

Ralston released Kitten Chow Dairy Formula, packaged in imitation milk cartons, and rolled out Cat Chow Plus, the feline version of its successful Purina O.N.E. product for dogs. Both new products are expected to strengthen Ralston's 31% share in the $2.1 billion cat food market, according to Mr. Maxwell.

Ralston moved its $10 million Dog Chow account in 1988 from Wells, Rich, Greene, New York, which had handled the account for 15 years, to in-house agency Centra Advertising.

Ralston introduced four new cereals in the $5.9 billion cold cereal market where its share declined 0.2 points to 5.9%.

Ralston Muesli was introduced in mid-1988 with a network and spot TV campaign. Bran News was launched with an estimated $5 million-to-$10 million multimedia campaign.

Dinersaurs hit the market with heavy TV support, as well as FSIs and a promotional tie-in with the release of World Events Productions' "Denver, the Last Dinosaur" cartoon TV special. A subsequent deal with Fries Home Video resulted in a 30-second spot for Dinersaurs appearing in the "Denver" video. Dunkin' Donuts cereal, the result of a licensing agreement between Ralston and the doughnut chain, rolled out in late summer 1988 with a multimedia campaign.

Continental Baking Co. offered four varieties of Oatmeal goodness bread as its response to the oat bran craze and expanded its snack cake line with the addition of Hostess Pudding Cakes and Hostess Fruit and Creme Twinkies.

Eveready introduced its Conductor line of alkaline batteries for audio devices and its Lithium-plus AA battery, as well as a line of 11 home safety and security products dubbed Eversafe.

Eveready repositioned its products last year, creating Eveready Classic batteries and Eveready Super Heavy-Duty batteries, as well as the Conductor line.

Overall, however, Eveready lost ground in the $2.5 billion battery market, prompting it to pull its $25 million Energizer account from DDB Needham early this year, reassigning it to Chiat/Day/Mojo. In the past two years, Eveready's share in the alkaline battery market has slid from 52% to 45%, a drop attributed to increased

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competitor advertising and heavy discounting.

Ralston Purina divested its holdings in Van Camp Seafood Division, makers of Chicken of the Sea tuna and salmon products, in November 1988 to a private investment group for $260 million.

RALSTON PURINA CO.
Checkerboard Square
St. Louis, Mo. 63164
(314) 982-1000

Marketing personnel: T.E. Touhill, vp, dir-adv & creative svcs; R.M. Boone, mktg rsch dir; R.C. Wagner, dir, production svcs; R.L. Anello, president-exec creative dir, CAC Advertising; G.C. Cook, president, Checkmark Promotion & Marketing Services; J.H. Hickman, acct dir; J.I. Shubert, dir-adv & media svcs.

Brands/services by agency of record:

In-house promos
Ad agency: (In-house): Checkmark Promotion & Marketing Services: G.C. Cook, president.

■

Honey Graham Chex
Double Chex
Muesli
Purina 100
Dog Chow
Eveready Heavy Duty
Ad agency: (In-house): CAC Advertising, St Louis: R.L. Anello, president-exec creative dir.

■

Corp media planning & buying
Ad agency: (In-house): Checkerboard Media Co.: J.I. Shubert, dir-adv & media svcs.

■

Kitten Chow
Cat Chow
Chex cereals
Dinersaurs
Almond Delight
Ad agency: Avrett, Free & Ginsberg, New York: Lawrence Riegel, exec vp.

■

Pet foods
Meow Mix
Energizer
Conductor
New prods
Ad agency: DDB Needham Worldwide, Chicago: Charles Austin, mgmt rep.

■

O.N.E.
Prime dog food
Beef Complete dog food
Gravy
New prods
Ad agency: Scali, McCabe, Sloves, New York: Stuart Epstein, exec vp-group dir.

■

Purina Hi-Pro
Mainstay dog food
Ghostbusters cereal
Dunkers
Bran News
New prods
Ad agency: Ally & Gargano, New York: Warren Dechter, exec vp.

■

Chuck Wagon
Puppy Chow
Bonz dog biscuits
Alley Cat
Pets for People
Fit 'n Trim
Purina line
New prods
Ad agency: Gardner Advertising, St. Louis: Larry Noedel, dir-acct mgmt.

■

Tender Vittles
Butcher's Blend
Bran Chex
Ad agency: Wells, Rich, Greene, New York: Tom Hays, sr vp-group head, acct super.

■

Happy Cat food
Chex snack mix
Lucky Dog
Beggin Strips dog treats
Wonder breads
Hostess cakes
New prods
Ad agency: Tatham-Laird & Kudner, Chicago: Kirk Boland, mgmt super.

■

Cookie Crisp
Fruit Islands
New prods
Ad agency: Noble-Tennant, Chicago: Uve Wende, vp-mgmt super.

■

Chow div
Ad agency: Fletcher/Mayo/Associates, St. Joseph, Mo.: Glenn R. Mayo, acct exec.

■

Animal food prods
Ad agency: Wilson Sculley Associates, St. Louis: John W. Sculley, president.

■

Dog Chow & Puppy Chow
Hi-Pro
Pro Plan
Cat Chow
Purina 100
Tender Vittles
Ad agency: Stockton West Burkhart, Cicinnati: Jay B. Schloemer, president.

Continental Baking Co.
St. Louis

Marketing personnel: Sue Herrick, div vp, established prod mktg; Rudy R. Norris, div vp, mktg & cake; Patrick Fox, dir-new prods.

Brands/services by agency of record:

Wonder breads
Hostess snack cakes
Bread du Jour
Ad agency: Tatham-Laird & Kudner, Chicago: Lisa Barrett, mgmt super.

■

Braun Baking Co. bakery
Home Pride
Ad agency: Grey Advertising, New York: Robert Schoenfein, exec vp-mgmt rep; Warren Fisher, acct dir; D.A. Hutnik, acct super; Rosalind Gould, asst acct exec.

Eveready Battery Co.
St. Louis

Marketing personnel: D.L. Thorpe, vp-mktg; George D. Klein, dir-mktg svcs.

Brands/services by agency of record:

Eveready batteries
Ad agency: Chiat/Day/Mojo, Venice, Calif.: Tony Wright, mgmt super; Carisa Bianchi, acct super.

■

Eveready new prods
Ad agency: Levine, Huntley, Schmidt & Beaver, New York: Robert H. Smith, president.

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RANK
56

Revlon Group

New York
ADVERTISING: $177.3 MILLION

Sales & earnings

($ in millions)

Worldwide	1988	1987	% chg
Sales	2,477	2,400	3.2
Earnings	NA	NA	NA

U.S. advertising by media

($ in thousands)

Media	1988	1987	%chg
Magazine	42,488	36,562	16.2
Newsp supp	5,109	2,013	153.8
Newspaper	2,163	2,448	(11.6)
Outdoor	19	14	30.8
Network TV	30,127	31,678	(4.9)
Spot TV	4,164	8,764	(52.5)
Synd TV	3,532	3,227	9.5
Network Cable	613	120	410.2
Network radio	232	900	(74.2)
Spot radio	701	1,312	(46.6)
Farm pub		0	NA
Measured	89,148	87,037	2.4
Unmeasured	88,200	86,100	2.4
Total	177,348	173,137	2.4

Revlon launched 63 new products in 1988, including new lines obtained in buyouts and marketing agreements.

Visage Beaute Cosmetics Co., specialists in custom-blended makeup and maker of color cosmetics, was purchased for an undisclosed price in August 1988.

In November, Revlon entered into an agreement with Guess? Inc. to market fragrances and cosmetics under the Guess? name. The new line of products is expected out starting at the beginning of 1990.

Then in April 1989 Revlon acquired Betrix Cosmetic Cos. from HM Betrix, West Germany. Earlier, Revlon had gained U.S. marketing rights to Biagiotti fragrances and cosmetics. The Laura Biagiotti Roma line was launched exclusively at Neiman-Marcus last October.

At the beginning of this year, Revlon became the global licensee for Arnold Scassi's signature fragrance, Scassi, which it assigned to Peter Rogers Associates, New York.

Major agency upheavals occurred recently in Revlon's agency assignments, beginning this past January when Tarlow Advertising, New York, became the agency of record for the $11 million Almay account, which had been with Korey, Kay & Partners, New York.

Revlon moved its prestige fragrance brands in-house from Korey, Kay in March 1989. The brands represent $8-$10 million in billings and include such names as Halston, Bill Blass, Hugo Boss, Claude Montana and Norell.

Revlon purchased Tarlow Advertising outright in July and named agency President Dick Tarlow exec VP-advertising. In August it moved Charlie and Trouble fragrances, and the Clean & Clear and Nutrasome haircare lines in-house to its Creative Workshop and Tarlow. All came from Hill, Holliday, Connors, Cosmopulos, and represented about $15 million in billings, the largest being the $7 million Clean & Clear account.

At the same time, Sudler & Hennessey, New York, lost two accounts to Revlon's in-house agencies—the Flex haircare line and Mitchum antiperspirants. Together they are worth more than $3.6 million in billings.

Revlon's "Unforgettable Women" campaign maintained a strong media presence in 1989, as new, familiar faces were introduced, including male spokespersons, actor Frank Langella and football star Joe Montana.

Hoping to bolster its department store presence, Revlon embarked on the second year of "The Nines" concept, introduced last year as part of a three-year-effort to link Revlon's prestige makeup, skincare and fragrance brands. Analysts say Revlon has yet to see significant gains from "The Nines" effort.

Ultima II's new president, former *Vogue* beauty editor Andrea Robinson, together with photographer Irving Penn and Bob Nielsen, chairman of Revlon's Fashion & Designer Group, designed a print campaign for the line that boasts neither copy, product shot nor model faces. Instead, the Ultima name is spelled out on successive pages in color makeup. The aim of Ultima's efforts is to develop customer loyalty by offering shades suited to the woman, not to the season.

Revlon's Creative Workshop launched a campaign in May for a new Ultima product, The Moisturizer, stressing standard benefits—hypo-allergenic, non-irritating, fragrance-free.

The company has held its own in mass-marketed cosmetics, though all three of the top players—Noxell, Schering-Plough's Maybelline and Revlon—lost some ground to smaller marketers.

As of April 1989, Revlon was third in the mass-market category at 13.8%, down slightly from 1988. Noxell continued to lead with a 21% share followed by Maybelline at 18.5%, according to Lynne Hyman, analyst with First Boston Corp.

Revlon's decline was attributed to lower sales of its nail and lip products, categories which competitors have been promoting heavily.

Revlon, among the top three fragrance marketers in the U.S., along with Avon Products and Estee Lauder Inc., introduced Electric Youth by Debbie Gibson (the singer) fragrance in August through drug stores, traditionally a strong distribution point for Revlon. That Man fragrance for men was brought out by Tarlow in September.

Matthew Rubel was appointed president of the newly-established specialty store division, which incorporates the Marcella di Borghese, Alexandra de Markoff, Jeanne Gastineau and Lancaster lines.

The company is expected to generate over $3 billion in revenue in 1989 from cosmetics fragrances and its National Health Laboratories.

REVLON GROUP
767 Fifth Ave.
New York, N.Y. 10022
(212) 572-5000

Corporate personnel: Ronald O. Perelman, chmn & ceo; Howard Gittis, vice chmn; Sol Levine, president; Lawrence Wechsler, president, Revlon Communications & Creative Group.

Marketing personnel: Arthur I. Cohen, exec vp-adv; George W. Feld, vp-adv svcs; Richard Kressler, Laura Mogul, adv dirs; Anthony Cozzolino, budget media dir; Dick Tarlow, exec vp-adv; Arnold Zimmerman, president-Revlon Classic Cosmetics & Fragrance Group; Paul Bloch, exec vp, Revlon Classic Cosmetics & Fragrance Group; Don Wilchek, sr vp-mktg, Revlon Classic Cosmetics & Fragrance Group; Neil Katz, president, Beauty Care Group; Andrea Robinson, president, Ultima II; Anthony Liebler, genl mgr, Prestige fragrance div; Robert Nielsen, president, Fashion & Designer Group; Jackie Hadley, vp-mktg, Fashion & Designer Group.

Brands/services by agency of record:

Classic Revlon
Intimate
Neat-Touch
Super Lustrous Lipsticks
New prods
Ad agency: Hill, Holliday, Connors, Cosmopulos, New York: Wally O'Brien, president; Jean Wolf, sr vp-mgmt super; Maggie Keats, vp-acct super; Bob O'Leary, acct exec.

■

New prods
Ad agency: Ketchum Advertising, New York: Matt Seiden, Melanie Lester, acct supers.

■

Care for Kids Mousse
Chaz
Electric Youth by Debbie Gibson
Prestige fragrances
Revlon lipsticks, nail enamel & makeup
Princess Marcella di Borghese
Ad agency: (In-house): Revlon Creative Workshop: George W. Feld, vp-adv svcs; Leslie Goldman, Bobbie John, creative dirs.

■

Scassi fragrances
Ad agency: Peter Rogers Associates, New York: Linda McGrath, acct super.

■

Almay
Jean Nate
Jontue
Max Factor
That Man
Ad agency: Tarlow Advertising, New York: Russell Gilsdorf, mktg dir; Brian Skelly, assoc media dir; Pat Casa, planning dir; Nancy Brodsky, Carolyn MacIver, acct supers.

Professional Products Group
Jacksonville, Fla.

Corporate personnel: Irving J. Bottner, president.

Marketing personnel: Louis Rapolo, sr vp-mktg.

Brands/services by agency of record:

Professional Products Group
Ad agency: Merchandising Workshop, New York: Joanie Curcio, sr vp.

RANK
5

RJR Nabisco

New York
ADVERTISING: $814.5 MILLION

U.S. advertising by media

($ in thousands)

Media	1988	1987	%chg
Magazine	131,463	105,674	24.4
Newsp supp	4,153	12,518	(66.8)
Newspaper	37,704	12,934	191.5
Outdoor	57,364	63,084	(9.0)
Network TV	174,002	209,777	(17.1)
Spot TV	18,907	25,914	(27.0)
Synd TV	15,146	19,136	(20.9)
Network Cable	14,252	14,657	(2.8)
Network radio	4,741	2,226	113.0
Spot radio	702	8,788	(92.0)
Measured	468,437	474,709	(3.4)
Unmeasured	366,169	380,803	(3.4)
Total	814,837	843,599	(3.4)

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The debt burden resulting from the $25 billion buyout of RJR Nabisco to Kohlberg Kravis Roberts & Co. is being felt at both R.J. Reynolds Tobacco Co. and Nabisco Brands, where ad spending has been slashed until at least this fall.

Even before the December 1988 acquisition—the largest in U.S.—RJR Nabisco's ad spending had been on the decline each year since 1985 when it recorded an estimated $996 million.

As a result of the acquisition, RJRN tightened its belt at its Winston-Salem, N.C.-based tobacco unit, dismissing 1,640 salaried employees in August 1989. The bloodletting is expected to spill over into the unit's marketing department, where some rejuggling of positions is believed imminent.

The first sign of those changes is the institution of a new brand management system at RJR Tobacco, in which teams work on each brand. Through the new system, other departments, including manufacturing, finance, sales planning and research development, work in tandem with brand managers.

In an effort to pay back debt incurred in the buyout, KKR planned to divest some of the company's food businesses, worth $5 billion, by 1990. To date, KKR has sold or has contracts to sell $4.5 billion worth of businesses.

Chun King went to a Singapore-based joint venture, Yeo Hiap Seng Ltd. and Fullerton Holdings Pte. Ltd., for $52 million. Several European cookie/cracker operations were sold to BSN Groupe, Paris, for $2.5 billion, including U.K. biscuit operations and Belin Group, a French pastry operation. Last month RJR retained Lazard Freres & Co. to explore the sale of its 20% interest in cable network ESPN.

KKR agreed this month to sell Del Monte fresh fruits and vegetables business to Polly Peck International, London, for $875 million, and is negotiating to sell Del Monte's canned food and processing businesses worldwide except in Canada for a possible $1.5 billion.

Early in 1989, the Federal Trade Commission advised KKR to sell one of its catsup businesses, because it could not keep its Del Monte and Beatrice's Hunt-Wesson brands in its larder.

Analysts anticipate that perhaps part of the Planters LifeSavers confection division will become another casualty.

RJRN reshuffled executives as a result of the merger. Chairman F. Ross Johnson and RJR Tobacco Chairman-President-CEO Edward Horrigan left the company. Mr. Johnson was succeeded by former American Express Co. President Louis V. Gerstner Jr. Company headquarters were then moved to New York from Atlanta.

Dolph von Arx, president-CEO of RJR Tobacco USA, moved to chairman-president-CEO of Planters LifeSavers. Then, in August 1989, David Iauco was named senior VP-marketing, RJR Tobacco, succeeding John Winebrenner, who moved to senior VP-marketing, RJR Tobacco International.

By the time of the buyout, RJRN already had made major changes in its agency roster, firing Saatchi & Saatchi Advertising on its $70 million cookie account. That was reportedly to "punish" the agency for creating an anti-smoking ad for another client, Northwest Airlines. The firing prompted a realignment of agencies, with tobacco agencies FCB/Leber Katz Partners and McCann-Erickson gaining most of the business.

Tatham-Laird & Kudner and Bozell Inc. were dropped from RJRN's roster. FCB/Leber Katz Partners picked up $90 million in Nabisco business, including Oreo and Chips Ahoy! cookies, Fleischmann's margarine (from TLK) and LifeSavers (from Saatchi).

Long Haymes & Carr, Winston-Salem, N.C., which already handled Doral cigarettes, also was assigned the $4 million Bubble Yum account previously at Saatchi.

Interpublic Group of Cos. agencies Lowe Marschalk and Lintas:USA also picked up business. Lowe received the $4 million Ortega foods unit formerly held by TLK, and Lintas received $25 million in Planters nuts and snacks.

However, in summer 1989, Interpublic's gains were more than offset by losses when RJR Tobacco fired its McCann-Erickson unit on both Camel and Winston cigarettes. McCann had created a campaign for Camel, reviving the brand's longtime symbol, Old Joe the Camel, with a breezy tongue-in-cheek new look. But the agency's effort for Winston, with sports imagery and the theme "Winning Taste," did not work as well.

According to Wheat First Securities analyst John Maxwell, Winston's 1988 market share was 10.8%, down from 11.1% a year earlier. The brand has been steadily losing share since 1984. Media spending also dipped 21% to $30.8 million, according to LNA/Arbitron, putting Winston spending below that of Salem at $35.3 million, up 145%.

FCB/Leber Katz Partners was assigned Winston and Young & Rubicam, New York, was given Camel. Sources said spending for both brands should resume normal levels—up to 50% more than what RJR spent in 1988—by year's end 1989. Camel in 1988 drew $24.4 million, up 52.5%, according to LNA/Arbitron.

Camel's share inched up in 1988, according to Mr. Maxwell, ending with a 2.8% share, up from 2.7% a year earlier. Salem finished the year at 7.4%, down from 7.7%, according to Mr. Maxwell. It received a major new promotional/advertising push, estimated at $35 million. Themed "Salem Soundwaves," the campaign, from FCB/Leber Katz's Integrated Communications Group, broke in April 1989.

Although RJR pulled its Premier "smokeless" cigarette out of test market in March 1989 over pressure from health groups, the company did not stop trying new twists in cigarette marketing in 1988-89.

Soon after Premier was snuffed out, RJR began testing Vantage Excel 100s in Arkansas, Michigan and Louisiana. The brand emits less smoke than regular cigarettes, and is aimed at addressing smokers' concerns about upsetting nonsmokers. FCB/Leber Katz Partners handles advertising, with headlines announcing "The barrier's broken."

Only two months later, in February 1989, RJR began testing Chelsea cigarettes, a female-targeted smoke which emits a vanilla scent from the lit end. Ads touted the brand as "the first cigarette that smells good" and included a scratch-and-sniff panel, an industry first.

RJR, however, remained well behind Philip Morris Cos. in the overall cigarette market, with a 31.8% share in 1988 compared to PM's 39.3%, Mr. Maxwell said. But RJR, with its Doral and Magna brands, leads PM in the price-value segment of the market, with a 39% share compared to PM's 30%, he said. Price value cigarettes account for 11.4% of the market.

Despite the uncertain environment surrounding the takeover, RJR went ahead with plans for an image ad campaign for Nabisco Brands.

The $5 million effort, created by three Nabisco agencies—FCB/LKP, Lowe Marschalk and McCann-Erickson, broke Jan. 2. The campaign's TV spots pictured Nabisco products as a part of American life.

In October 1988, Nabisco adopted an incentive compensation system for agencies somewhat similar to the incentive compensation package adopted at RJR's tobacco unit nine months earlier.

The system, applying to Nabisco Biscuit Co., Nabisco Foods Co., Del Monte Foods USA and Planters LifeSavers, made agencies eligible for bonuses of from 5% to 20% of revenue based on their performance relative to marketing goals agreed upon at the beginning of the year. The base compensation rate was not disclosed, but it was said to be more than 10% but less than 15%.

Nabisco Biscuit continued to perform well in 1988 as it tallied an estimated $2.1 billion in sales, giving it a 34% share of the $6 billion domestic cookie and cracker industry, well ahead of No. 2, Keebler at 16.3%, according to *Snack Food* magazine.

Nabisco also held just over 50% of domestic industry-wide cracker sales. Dur-

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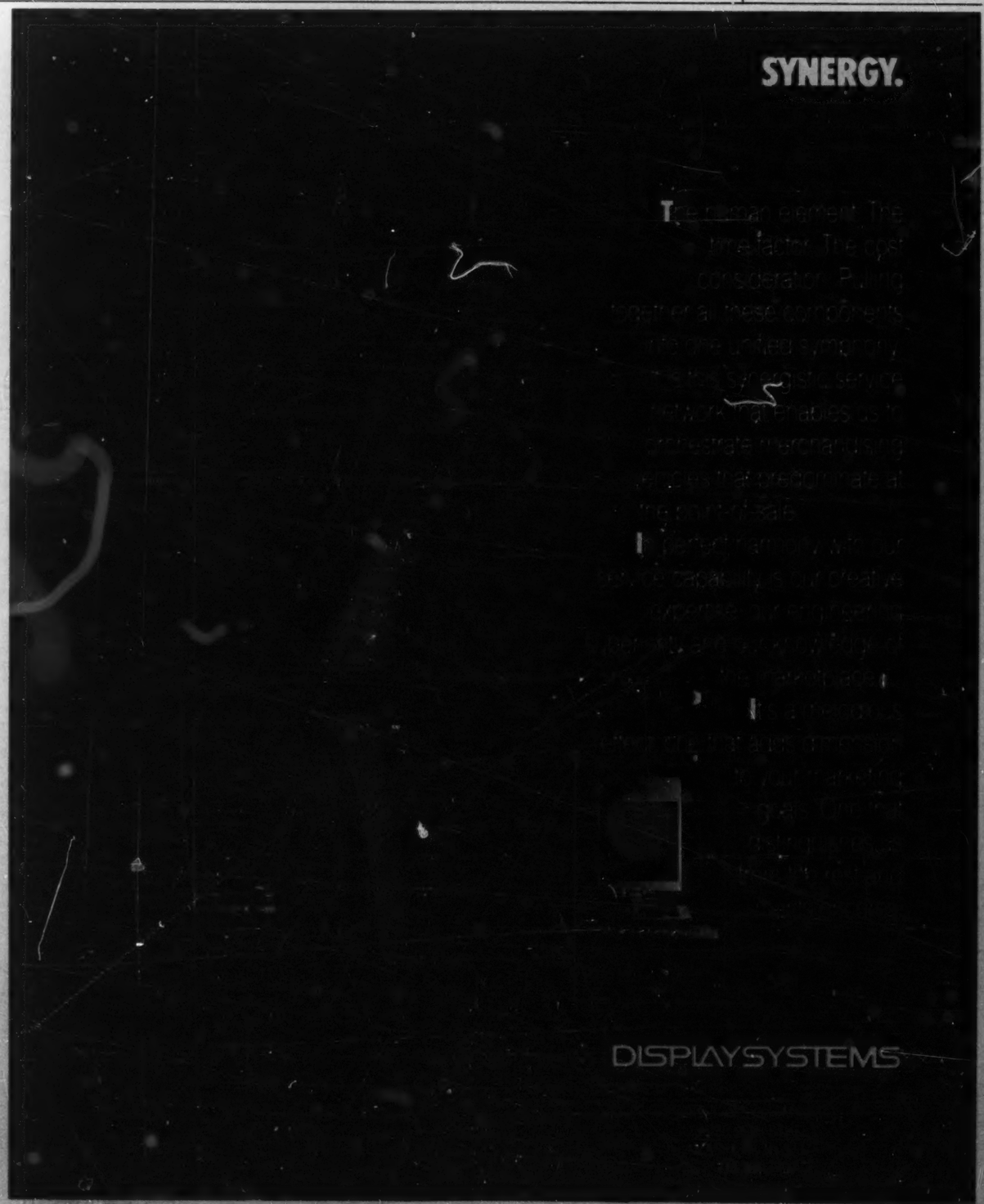


ing 1988-89, the company introduced line extensions of several cookie brands, including Chips Ahoy! Premium Select, an upscale line to compete with Pepperidge Farm.

Nabisco's Teddy Grahams, introduced nationally in 1988, also were a rousing success, ringing up $85 million in sales at manufacturer's level, and giving Nabisco the No. 3 brand in the market. (Nabisco already controlled No. 1 with Oreos and No. 2 with Chips Ahoy!) Shaped like tiny teddy bears and marketed in flavors such as cinnamon and chocolate, the graham-based bears are handled by FCB/Leber Katz.

The company rode on the bite-size bandwagon with Ritz Bits, bite-size versions of Ritz crackers, and peanut-butter filled versions of Ritz Bits. Nabisco Brands President-CEO H. John Greeniaus said the company is working on introducing a bite-size version of Oreos. Such spinoffs, notes *Snack Food*, are probably the only path Nabisco's product development teams could take and are likely to pursue in the near term, given the heavy debt load of the parent.

The other bandwagon Nabisco jumped on was oat bran, introducing Wholesome 'N Hearty Oat Bran and an instant version of the same in 1989, and a cold cereal line extension, 100% Bran with Oat Bran. FCB/LKP handles both.

RJR NABISCO
9 West 57th St.
New York, N.Y. 10019
(212) 872-9000

Corporate personnel: David Kalis, sr vp-worldwide comm.

Brands/services by agency of record:

Corp adv

Ad agency: Babbit & Reiman, Atlanta: Joel Babbit, Joey Reiman, principals.

R.J. Reynolds Tobacco Co.
Winston-Salem, N.C.

Corporate personnel: James W. Johnston, chmn-ceo.

Marketing personnel: Peter Hoult, exec vp-mktg; David Iauco, sr vp-mktg; Richard Sanders, Edward Blackmer, vps-adv & brand mgmt.

Brands/services by agency of record:

Winston
Salem
Vantage
Ritz

Ad agency: FCB/Leber Katz Partners, New York: Robert Hirsch, sr exec vp; Ted Littleford, sr exec vp-exec creative dir.

■

Camel
More
Now
Chelsea

Ad agency: Young & Rubicam, New York: Jane Brite, group genl mgr; Mike Feldman, group dir.

■

Doral
Magna
Sports Marketing Enterprises

Ad agency: Long, Haymes & Carr, Winston-Salem, N.C.: Donald N. Adams, chmn-ceo; Bob Graham, vice chmn-chief creative officer; Loren Chamberlain, vice chmn, chief mktg officer; Bob Fly, president-coo; Logan McCabe, vp, dir, special events & promo.

Planters LifeSavers Co.

Corporate personnel: Dolph von Arx, chmn & president-ceo.

Marketing personnel: Cheryl Bachelder, vp-mktg; Roger Adams, dir-mktg, nuts & snacks; Joseph Collerd, dir-mktg, gum & hard roll candy; Candace Borreson, group prod mgr, chocolate & single serve.

Brands/services by agency of record:

Planters nuts & snacks

Ad agency: Lintas:New York: Spencer Plavoukos, chmn-ceo; Bill Vitriol, acct super; Claire Burson, sr vp-mgmt super; Terry Rosenquist, group exec vp; Frank Devito, president, dir-creative svcs; Lynn Giordano, exec vp-group creative dir.

■

Baby Ruth
Butterfinger

Ad agency: Lintas:New York: Darren Miller, Sharon Moss, acct supers; Claire Burson, sr vp-mgmt super.

■

Care*Free gum

Ad agency: FCB/Leber Katz Partners, New York: Stanley Katz, chmn-ceo; John Felice, asst acct exec; Lorie Donchak, sr vp-mgmt dir; J.C. Lee, sr vp-group mgmt dir.

■

Life Savers
Fruit Juicers
Breath Savers

Ad agency: FCB/Leber Katz Partners, New York: Martha Darmohraj, acct exec; Tony Stanol, vp-acct dir; Lorie Donchak, sr vp-mgmt dir; J.C. Lee, sr vp-group mgmt dir.

■

Bubble Yum gum

Ad agency: Long, Haymes & Carr, Winston-Salem, N.C.: Donald Adams, chmn-ceo; James Woods III, mgmt super; Pat Thomas, sr vp-treasurer; Robert Fellows III, exec vp; Robert Fly, president-coo; Loren Chamberlain, vice chmn-chief mktg officer; Robert Graham, vice chmn-chief creative officer.

Nabisco Brands
East Hanover, N.J.

Corporate personnel: H. John Greeniaus, president-ceo; John Manfredi, sr vp-corp affairs.

Marketing personnel: Peter Chrisanthopoulos, president, RJR Nabisco Broadcast; John McV.Robinson, vp-business planning & devel; Robert Springer, dir-adv svcs; Dante Bonardi, dir, broadcast commerical production; Louis Rubinacci, dir, natl tv; Teri McNamara, mgr, spot tv/radio/print.

Nabisco Biscuit Co.

Corporate personnel: Ellen Marram, president-ceo.

Marketing personnel: Bruce J. Wood, sr vp-mktg; Sharon Fordham, sr dir, new business; William Stuart, sr dir-mktg svcs; Fran Rose, sr dir-strategic planning & mkt rsch; Allan Falvey, dir-consumer promo; Michael Perry, dir-media & adv production; Jim Chambers, category business dir, Nilla, Newtons, Almost Home; Sandy Putnam, category business dir, Oreo, Chips Ahoy!, kids cookies.

Brands/services by agency of record:

Crackers

Ad agency: McCann-Erickson, New York: Bob McKinley, sr vp-group dir.

■

Cookies

Ad agency: FCB/Leber Katz Partners, New York: Jim Bernegger, group mgmt dir.

Nabisco Foods Co.

Corporate personnel: William B. McKnight, president-ceo.

Marketing personnel: Daniel L. Clark, vp-genl mgr, cereals, pet snacks, desserts; Roger Wagner, sr dir-mktg; Alice Limina, dir-planning & mkt rsch; John C. Mitchell, vp-genl mgr, margarine, ethnic foods, sauces & condiments; Marc Schoenholz, sr dir, margarine; Richard Fischetti, dir-planning & mkt rsch.

Brands/services by agency of record:

Margarines
Cereals
Desserts
Dog biscuits

Ad agency: FCB/Leber Katz Partners, New York: Colleen B. Gowl, exec vp-group mgmt dir.

■

A-1 Sauce
Grey Poupon mustard
Ortega
College Inn

Ad agency: Lowe Marschalk, New York: Scott Smith, sr vp-mgmt svc dir.

Del Monte Foods USA
Coral Gables, Fla.

Corporate personnel: Robert Carbonell, chmn; A. Ewan Macdonald, president-ceo.

Marketing personnel: George Pace, sr vp-mktg; Dennis Hixson, vp-sales; Gordon Chappie, vp, dir-mktg, vegetables, tomatoes; Doug Bargenquast, vp, dir-mktg, fruit prods & beverages; Dee Ann Campbell, dir-mktg svcs; Frank Saulsbury, group mgr, consumer, sales promo; Kristi Outzen, group mgr-adv svcs & promo devel; Mark Lees, mktg dir, microwave prods.

Brands/services by agency of record:

Del Monte prods

Ad agency: McCann-Erickson, San Francisco: Jack Tormey, exec vp-genl mgr; Barbara McCann, sr vp-mgmt super.

■

Hawaiian Punch
Hispanic adv

Ad agency: Katsin/Loeb, San Francisco: Dan Katsin, president.

Del Monte Tropical Food Co.
Coral Gables, Fla.

Corporate personnel: Brian Haycox, exec vp.

Marketing personnel: William Haase, vp-North American sales & mktg; Neil Cribb, dir-mktg; Howard Nager, dir, trade relations; Arnold Schurr, dir-food service sales.

Brands/services by agency of record:

Del Monte Tropical Food Co.

Ad agency: Crispin & Porter Advertising, Coral Gables, Fla.: Peter Pluymers, vp-mgmt super.

RANK
31

Sara Lee Corp.

Chicago

ADVERTISING: **$326.9 MILLION**

Sales & earnings

($ in millions)

Division sales	1988	1987	% chg
Packaged meats	3,440	3,399	1.2
Coffee & grocery	1,816	1,663	9.2

U.S. advertising by media

($ in thousands)

Media	1988	1987	%chg
Magazine	34,107	24,268	40.5
Newsp supp	3,199	1,695	88.9
Newspaper	11,731	4,824	143.2
Outdoor	64	269	(76.1)
Network TV	77,553	66,917	15.9
Spot TV	22,547	24,813	(9.1)
Synd TV	3,385	3,282	3.1
Network Cable	2,271	1,121	102.6
Network radio	583	2,701	(78.4)
Spot radio	1,003	781	28.4
Measured	156,444	130,870	19.5
Unmeasured	170,500	142,600	19.6
Total	326,944	273,470	19.6

Sara Lee continued to build market share in its three highly segmented business areas by buying and selling companies and interconnecting its diverse product lines with marketing programs.

This February it purchased Hygrade Food Products Corp., Southfield, Mich., a subsidiary of Britain's Hanson PLC. Hygrade had 1988 sales of $245 million in beef and poultry wieners, turkey luncheon meats, bacon and ham sold under the Ball Park, Hygrade, Grillmaster and West Virginia brand names.

Hygrade's Ball Park hot dogs, 50% of its sales, gives the company 12% of the U.S. frankfurter market to add to Sara Lee's 9%, both behind leader Oscar Mayer, the Philip Morris unit with a share reported as high as 25%. Important to Sara Lee's larger strategy of linking strong national and regional brands, this acquisition joins Jimmy Dean and Hillshire Farm as Sara Lee's third national brand.

The same month, Sara Lee strengthened its fleecewear and athletic clothing line now concentrated around Hanes Printables by buying Champion Products, Rochester, N.Y. Champion, with 1988 sales of $219 million, gives Sara Lee a 17.5% share of U.S. sales in fleecesweats and other athletic wear, compared to its own 4%.

Divestitures continued as a part of Sara Lee's plans to focus on its three business segments—packaged foods, foodservice and packaged consumer products. It sold in October 1988 its Hollywood Brands (Zero, Butternut, Pay Day candy bars), to Leaf Inc., Chicago. Then in December, the company sold the 63-unit Lyon's Restaurant chain, based in Foster City, Calif., to a management-led investors group.

In 1988 it also divested Peck Food Corp., Milwaukee, a processor of fresh meats, to Gillett Holdings, Nashville, and got rid of its sole electrical appliance producer, Electrolux vacuum cleaner division.

In Europe where its sales have grown to $2.3 billion, up 45% in three years compared to domestic growth of 28% in the same period, the company bought Van Nelle Holdings, N.V., Rotterdam and merged it into its expanding Douwe Egberts operations. Van Nelle markets a specialized grocery line including coffee, tea, tobacco and other products. Sara Lee in 1988 increased its share in DIM S.A., to 61%, and earlier this year applied to French authorities for approval to buy DIM's remaining shares. DIM, which has 50% of the French hosiery market, also makes underwear, and is sold in some U.S. outlets. Sara Lee is building a headquarters complex in Utrecht, The Netherlands.

Sara Lee continued to fine-tune its organization by consolidating and centralizing its big knitting and clothing business in Winston-Salem, N.C.

The Chef Pierre/Lloyd J. Harriss frozen pie business of Traverse City, Mich., combined in 1988 with Kitchens of Sara Lee to form the new Sara Lee Bakery, producer now of all the corporation's dessert and bread products.

Sara Lee "restructured" in mid-1989 its PYA/Monarch foodservice segment by selling off part of it in a management buyout that formed a new company, J.P. Food Service, and then entered a joint venture in August with competitor L.N. Sandler to form Consolidated Food Service. Both J.P. Food and Consolidated are licensed to sell Monarch brands and other PYA products. Cooperative working arrangements such as a common computer system link the companies.

The company in 1988 merged Jimmy Dean Meat Co., Dallas, and Rudy's Farm company, Nashville, under one sales and marketing arm with headquarters in Dallas. Likewise, Hillshire Farm, New London, Wis., and Kahn's & Co., Cincinnati, merged to form Hillshire Farm & Kahn's, based in Cincinnati. Consolidations were aimed at increasing production efficiency and cutting promotional duplication.

Sara Lee is showing its human face in more and more advertising. Entertainer and entrepreneur Jimmy Dean extols his leading market share sausage and his breakfast sandwiches in TV commercials. And the real Sara Lee—Mrs. Sara Lee Schupf—appears in testimonial spots for Sara Lee Bakery. Her late father, Charles W. Lubin, founder of Sara Lee, named his company's popular pound cake after her 40 years ago.

Pushing hard to outplay its Fruit of the Loom competition as the No. 1 men's underwear, Hanes this year signed on professional athletes, Chicago Bulls' Michael Jordan, Cincinnati Bengals' Boomer Esiason and San Francisco 49ers' Joe Montana, to brag up its skivvies, socks and athletic outfits. Long, Haymes & Carr, Winston-Salem, N.C., created the $25 million campaign, the biggest yet for Hanes men's/boys' underwear brands.

Umbrella campaigns, cross-branding advertising and tie-in promotions are naturals for many of Sara Lee's units. In fall 1988, Hanes underwear for women and Bali lingerie launched an umbrella campaign to promote the new Hanes Her Way line of panties and brassieres. In 1989, Pannill Knitting fleecewear, Adams Mills socks and Aris Isotoner knit coordinates were added to the cross-sell.

Bali even offered buyers of its bras and control briefs Sara Lee Bakery coupons redeemable for cheesecakes, croissants, etc.

Sara Lee's huge hosiery business (Hanes and L'eggs) which claims nearly 40% of the $2.2 billion U.S. market, drew $52.6 million in measured spending, up 11.9%, according to LNA/Arbitron. Of the total, the Hanes brand dipped 4.7% to $16.4 million, while L'eggs spending jumped 27.6% to $36.2 million. Hanes is the No. 1 brand in the women's hosiery market in department and specialty stores; L'eggs is No. 1 in food, drug and other mass-merchandising outlets. Overall, in 1988, Sara Lee had 36% of the total hosiery market, way ahead of No. 2 No Nonsense/Easy to Be Me with 11%. Hanes is No. 2 to Fruit of the Loom in both men's underwear and women's panties.

In the $1.7 billion department and specialty store market for bras and panties, Sara Lee ranked No. 2 with a 10.3% share for its Bali, Hanes Her Way and Just My Size brands. Playtex was No. 1 with 14.2%.

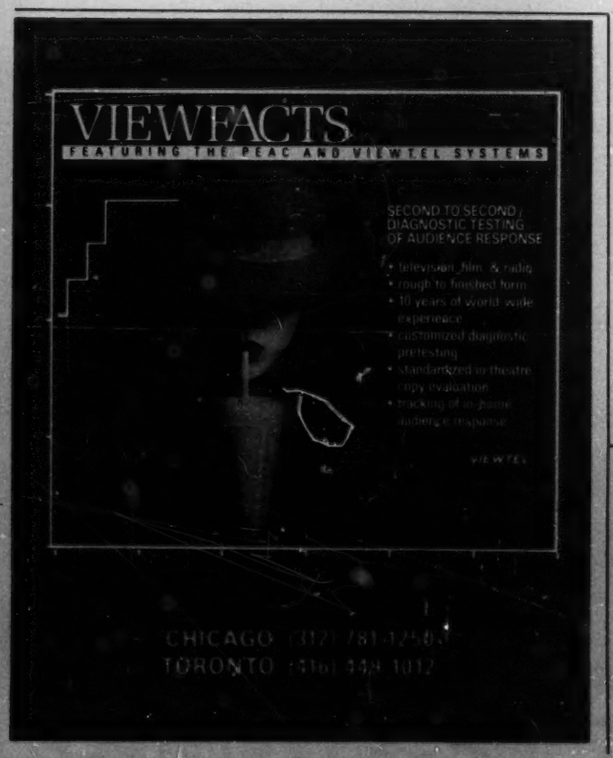
Expenditures for measured advertising of the Aris Isotoner brands of gloves, slippers and other wearables climbed 79% to nearly $27 million.

Sara Lee commands 33% of the $700 million U.S. smoked sausage market, well ahead of Eckrich with 17%. Its Jimmy Dean brand ranks No. 1 nationally in breakfast sausage with a 23% share. Next to hosiery, Sara Lee's biggest media spending is for its meat companies. Their 1988 ad support rose 29% to $29.6 million, according to LNA/Arbitron.

Total measured media rose 20.6% to $15.9 million at Sara Lee Bakery. Sara Lee has a 30% U.S. market share of frozen baked goods followed by Mrs. Smith brands at 15% and Kraft with 12%. In frozen breads and breakfast pastries, Sara Lee's share is even bigger, 37%, followed by Kraft at 31%.

SARA LEE CORP.
Three First National Plaza
Chicago, Ill. 60602-4260
(312) 726-2600

Marketing personnel: Nancy Greenberg, assoc dir-mktg, Aris Isotoner; Irene Prince, prod mgr, ladies gloves & knits; Susan Saner, mktg & sales promo assoc, footwear; Caryl Soroka, prod mgr, mass merch; Wanda Lockwood, pr consultant; Fred Richman, dir, visual merch. Bali Co.: Jean Gariepy, president; Karyl Chongas, group dir-mktg, dept & specialty stores group; Doug Jotcham, business dir, natl accts, dept & specialty stores group; Richard Schoonover, business dir, bottoms, dept & specialty stores group; Ralph Shaw, business mgr, dept & specialty stores group; Steve Jones, vp-genl mgr, mass merch group; Ted Cooper, dir-mktg, mass merch group; Charles Forrest, sr brand mgr, mass merch group; Chuck Nesbitt, Hanes Her Way sr brand mgr, mass merch group. Bil Mar Foods: E. James Weber, vp-sales & mktg, food service; Dan Leaman, dir-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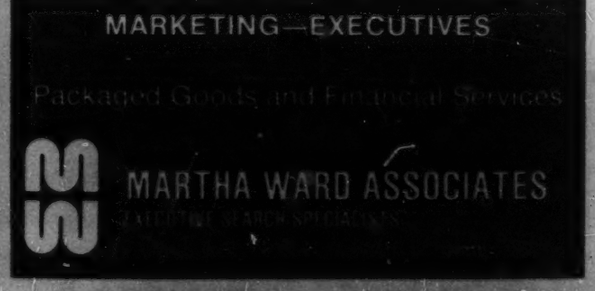

mktg; John Iwanski, prod mgr, beef; Tim Howlett, prod mgr, turkey; Bill Burns, prod mgr, convenience meats; Warren Waters, vp, deli div; Jan Gullet, vp, retail div; Barb Elting, mgr-mktg; Steve Michaelson, group prod mgr, retail div; Michael Briggs, prod mktg mgr, deli div. Bryan Foods: Irv Bronska, president; Bob Hughes, vp-mktg; Marty Butler, dir-mktg; Norman Bessac, dir-promo. Burlng Food Group: Billy D. Brown, vp-sales & mktg; Robert Whitsitt, dir-mktg. Canadelle: Ken Steward, genl mgr; Ray Nadeau, vp-mktg; David Authier, dir-mktg; Robert Paluzzi, mktg mgr, WonderBra; Sheldon Deitcher, mktg mgr, Daisy Fresh; Anne Lamoureux, brand mgr, WonderBra: Susan Nadeau, brand mgr, Daisy Fresh; George Cook, dir-creative svcs. Coach Leatherware Co.: Michael Coleman, vp-mktg; Helen Chafkin, dir-adv; David Monet, mgr-creative svcs. Design Foods: Hal Carper, vp-mktg & special segment sales; Art Wolf, sr prod mgr. Douwe Egberts, The Netherlands, coffee/tea group: Hans Damen, vp-mktg, Marcel Rykenberg, mktg mgr; Hans Hofhuuis, mgr-mktg, Van Nelle; Michael Romer, mktg plan & control; grocery group: Herman Schaap, vp-mktg; Karel Smit, mgr-mktg, Duyvis Recter; Willem van Prooyen, mgr-mktg, rice desserts/hail & flakes; Leo van Deutekom, mgr-mktg; R.F. Drenth, mktg dir, household prods, Kortman Intradal; M. vanden Wyngaard, mktg dir, personal care prods, Kortman Intradal. Fuller Brush Co.: Derek J. Stryker, vp, houshold div; Bob McGurkin, dir-mktg, household div; Charlie Clark, dir, mail order; Liz Tanis, dir, store; Ralph Nutter, vp-sales & mktg, retail div. Gallo Salame: Kevin Birkholz, Storrie Johnson, prod mgrs, retail div; Bob McHenry, vp, deli food service div; Frank Chow, mgr-mktg, deli food service div. Hanes Hosiery: Carol Mabe, vp-mktg; Charlotte Farrior, dir, Hanes brands; Randy Royer, dir-retail mktg, Karen Kehler, Steve Halbreich, David McBride, Brad Walker, prod mgrs, Hanes brands; Cathy Loveless, prod mgr; Isotoner; Lynette Hawkins, prod mgr, Fitting Pretty; Melanie Albert, prod mgr, Donna Karan. Hanes Underwear/Hanes Her Way: Barry Boyd, president; John Ceneviva, vp-mktg, men's & boy's; Steve Lineberger, dir-mktg, men's & boy's; Collett Thach, sr prod mgr, men's & boy's; Debbie Sills, Janet Rolls, prod mgrs, men's & boy's; Fran Braun, dir-mktg, women's & girl's; Lisa Hudpeth, prod mgr, women's; Mark Noyes, prod mgr, girl's; Tom Sparling, prod mgr, new prods. Hanes Printables: J.M. Ostrowski, vp; Paul Snyder, dir-mktg, fleece & sport shirts; Bob Vaughn, dir-mktg, T-shirts; Richard White, Melanie Albert, Scott Dalitzky, asst prod mgrs. Hillshire Farm & Kahn's: Greg Sykes, vp-retail sales & mktg; Dick Dedden, vp-retail mktg; Jay Leigever, dir-mktg, smoked & semi-dry sausages; Rich Lowry, dir-mktg, smoked meats, lunch meats, fresh sausage; David Rosenthal, sr prod mgr. Kiwi Brands: M.T. Sherlock, vp-mktg; I.T. Plane, group prod mgr, shoe care; J.T. Rickenbach, group prod mgr, household; J.P. Greenleaf, group prod mgr, new prods & HBA prods; R.A. Alleman, N.S. Threlfall, prod mgrs, household prods; A.B. MacMillan, prod mgr, shoe care; C.T. Binner, prod mgr, HBA prods. L'eggs: Michael Flatow, vp-mktg; Jon Letzler, Steve Lineberger, Gerald Evans, brand dirs; Eva Wu, brand mgr, Sheer Elegance; Molly Hughes, brand mgr, base brands; Monica Jacobs, brand mgr, Sheer Energy; Peter Jacob, brand mgr, new prods; Jime Hines, brand mgr, Just My Size; Andy Ehrens, brand mgr, Underalls. Moccomatt USA: Martin Smoker, vp-business devel; Alice Johnson, sales & mktg coord. PYA/Monarch: Joe B. Pearce, president-ceo; John Gates, business devel & natl chain sales; Jan Rivenbark, sr vp. Sara Lee Bakery: Cynthia Kerr, dir-mktg, bread/breakfast, new prods; Hans Hoerdermann, prod mgr, bagels; Brandy Porter, prod mgr, croissants; Dawn Caldwell, prod mgr, muffins/danishes; Adi Kalika, sr prod mgr, new prods. Sara Lee Desserts: Carl Pickard, dir-mktg; Laurie Winton, prod mgr, pies; Kathy Reilly, prod mgr, snacks; John Essegian, prod mgr, full-size cakes; Joe Holman, mgr-mktg comm. Sara Lee Sausage Division: Gina Domm, vp-retail mktg; Elizabeth Young, mgr, new business devel; Rich Carlson, Dennis Milne, Michele Packard-Milam, brand mgrs, retail; Bob Holiday, vp, food service; Bob Roberts, dir-food service mktg; Tom McDonald, mgr-mktg. Seitz Foods: Rick Benward, dir-sales. Superior Coffee & Foods: John Hughes, vp-mktg; Mary Kay Buettgen, dir-mktg; Ralph Russo, dir-prod mgmt; Bruce Flowers, mgr-adv & promo; Scott Kolber, asst mgr-mktg; Eileen Podkulski, super, mktg svcs. Wolferman's: Bruce Williamson, dir-mktg, specialty foods; Beth McCall, natl whosale dir; Pete Crissey, mgr-specialty food mktg.

Brands/services by agency of record:

Hanes Her Way
Bali Bras
Aris Isotoner knit coordinates
Hanes underwear
Sara Lee knit prods-panties
Pannill Knitting Co.-fleecewear
Adams Mills-socks
Hanes Hosiery
Legg's

Ad agency: Long, Haymes & Carr, Winston-Salem, N.C.: Bali bras, Hanes Her Way: Loren Chamberlin, vp-acct mgmt; Bob Graham, vp-creative. Aris Isotoner: Myra Faulkenberry, acct super; Mike Reed, acct exec. Hanes underwear: Bill Britt, mgmt super, men's & boy's, women's; Patrick O'Sullivan, acct super, men's & boy's. Sara Lee panties: Francie Thompson, acct super; Wendy Barclay, acct exec. Pannill fleecewear, Adams Mills socks: Jim Mitchell, acct super. Hanes hosiery: Bryan Marshall, acct super, Fitting Pretty; Pat Blair, acct exec, Fitting Pretty.

■

Hanes Donna Karan

Ad agency: Arnell Bickford, New York: Peter Arnell, Ted Bickford, owners; Trey Laird, acct exec.

■

Just My Size
Aris Isotoner
L'eggs
Hanes

Ad agency: Saatchi & Saatchi Advertising, New York: Michael Donahue, exec vp-mgmt dir, Hanes, Bali, L'eggs; Marty Gertler, mgmt dir, Hanes, Bali, L'eggs, Just My Size; Lyn Salzberg, acct super, Hanes; Diane Currier, acct exec, Hanes, Aris Isotoner; Susan Keating, acct exec, Bali; Rich O'Gorman, media super, Aris Isotoner; Sherry Nemmers, creative dir, Aris Isotoner; Karen Wassong, asst acct exec, Hanes.

■

Sheer Energy L'eggs medical programs

Ad agency: Kallir, Philips, Ross, New York: Virginia Foley, dir-creative svcs.

■

L'eggs trade adv-print

Ad agency: Maged & Behar, New York: Jack Maged, president; Rich Behar, dir-creative svcs.

■

Bil-Mar, retail self-serve

Ad agency: Lintas:Campbell-Ewald, Detroit: Bill Case, sr vp-mgmt super; Tom Sagers, acct exec.

■

Canadelle, WonderBra

Ad agency: The Academy, Ogilvy Communications, Montreal: Jean Deschenes, group super, dir-client svcs; Stephanie Kouri, acct mgr.

■

Canadelle, Daisy Fresh

Ad agency: Prisme, Montreal: Hugh Forbes, acct dir; Jennifer Damiani, acct exec.

■

Bryan Foods
Bryan/Smokey Hollow processed meats

Ad agency: Ally & Gargano, New York: Amil Gargano, chmn; Jim Feeney, exec vp-mgmt dir; George Bauerschmidt, sr vp-mgmt super; Kathy Gallagher, acct exec.

■

Sara Lee Bakery, retail

Ad agency: Chiat/Day/Mojo, New York: Ira Matathia, sr vp, dir-acct svcs; Bob Hoyne, group mgmt super; Drew Neisser, mgmt super; Alexa Gardner, acct super.

■

Coach leatherware

Ad agency: Lord Einstein O'Neill & Partners, New York: Arthur Einstein, president; Lynn Stiles, Seyman Ostilly, vps-assoc creative dirs; Mike Di Clemente, assoc media dir.

■

Hillshire Farms & Kahn's, meats

Ad agency: Puskar, Gibbon, Chapin, Dallas: Jim Gibbon, principal; Tony Dammicci, mgmt rep; Trudy Troell, sr acct exec; Michael Boon, acct exec.

■

Hillshire Farms & Kahn's,
natl mktg, media svcs

Ad agency: Sive Associates, Cincinnati: Phil Mandel, vp-mktg planning; Tom Allen, acct exec.

■

Kiwi brands
Bloo
Miracle White
Jonny Blue/Jonny Green
Ty-D-bol
Sting Kill
Wood Preen
Tintex

Ad agency: Lewis, Gilman & Kynett, Philadelphia: Robert W. Schell, vp-group mgmt super; John H. Krick, acct super; Les Altenberg, Robert W. McIntyre, acct execs.

■

Kiwi brands
Ambi

Ad agency: UniWorld Group, New York: Herb Kemp, president; Mariam Muley, acct super.

■

Design Foods
Gallo Salame

Ad agency: Carol H. Williams Advertising, Oakland, Calif.: Carol H. Williams, owner.

■

Direct mktg for-
Fuller brushes
Wolferman's
& other Sara Lee brands

Ad agency: (In-house): Direct Advertising Services, Winston-Salem, N.C.: Pam Artman, acct exec; Kevin Tapp, acct exec, Wolferman's;

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Terry Strawser, creative dir.

■

Pickwick tea
Duyvis snacks & nuts
Ad agency: Saatchi & Saatchi, Amstelveen, The Netherlands: A. Janssens, mng dir; H. Kramers, creative dir. Pickwick: W. Sprokkrees, acct dir; F. Lieve, acct mgr. Duyvis: T. Nobels, acct dir; B. Roraje, art dir; H. Voskamp, copy; R. Scheuring, planning dir.

■

Douwe Egberts coffees
Ad agency: FHV/BBDO, Amstelveen, The Netherlands: B. Duynstee, R. Troost, acct dirs; M. Ponsioen, client svcs dir; I. Ligthart, J. van de Plas, acct execs; H. Ophof, T. Hollander, creative dirs.

■

Kannis & Gunnink coffee
Rice, desserts
Ad agency: VW&A/HDM, Rotterdam, The Netherlands: L. Wielaard, client svcs dir; L. Varossieau, creative dir. Kannis, Gunnink: E. Schuster, acct dir; E. Tacoma, acct exec. Rice, desserts: M. van de Mortel, acct dir; K. van Asperen, acct exec.

■

Van Nelle coffee
Ad agency: Campaign Co., Amsterdam, The Netherlands: J. Koreman, P. Schweitzer, B. Stamenkovitz, partners.

■

Hail & flakes (chocolate snack food)
Ad agency: PPGH/JWT, Amsterdam, The Netherlands: A. Ploegmakers, mng dir; R. Wisbrun, acct dir; P. van Wijk, copywriter; J. van Meel, art dir.

■

Sara Lee sausage div, retail
Ad agency: Berry-Brown, Dallas: Bob Berry, principal; Carol Irwin, acct super.

■

Sara Lee sausage div, media buying
Ad agency: Media That Works, Cincinnati: Susan Bentzinger, mgmt super; Lyn Jare, acct mgr.

■

Sara Lee sausage div,
print & collateral
Ad agency: Static Graphics, Dallas: John Eickmeyer, co-creative dir, principal; Rick Raymond, acct super.

■

Sara Lee sausage div, new prods
Ad agency: Larkin-Meeder & Schweidel, Dallas: Carl Larkin, president; Barbara Dressler, acct super.

■

Sara Lee sausage div, food service
Ad agency: Martin Co., Springfield, Mo.: Tom Kugawa, vp-mgmt super; Roger Starnes, acct exec.

■

Buring food group
Ad agency: John Malmo Advertising, Memphis: Buddy Boswell, acct mgr.

■

Sara Lee food service
PYA/Monarch
Ad agency: (In-house): Barbara McWilliams, dir-promo adv.

■

Superior coffee & foods
Moccomatt USA
Ad agency: (In-house), Des Plaines, Ill.: Gene Haring, vp.

■

Superior, Moccomatt USA, pr
Ad agency: Noble-Tennent, Chicago: Raymond Jorns, vp acct super.

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RANK
40

Schering-Plough Corp.

Madison, N.J.
ADVERTISING: $262.2 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	2,969	2,699	10.0
Earnings	390	316	23.2
U.S.	**1988**	**1987**	**% chg**
Sales	1,797	1,595	12.7
Operating income	447	383	16.8
Division sales	**1988**	**1987**	**% chg**
Pharmaceuticals	2,210	1,865	18.5
Consumer prods	760	835	(9.0)

U.S. advertising by media
($ in thousands)

Media	1988	1987	%chg
Magazine	36,617	29,202	25.4
Newsp supp	720	83	765.0
Newspaper	4,085	190	2,054.5
Outdoor	148	263	(43.6)
Network TV	57,727	66,038	(12.6)
Spot TV	7,314	8,186	(10.6)
Synd TV	3,287	8,057	(59.2)
Network Cable	6,137	2,870	113.8
Network radio	11,256	10,641	5.8
Spot radio	1,202	3,696	(67.5)
Farm pub	480	534	(10.1)
Measured	128,973	129,761	(0.6)
Unmeasured	133,200	134,000	(0.6)
Total	262,173	263,761	(0.6)

Acquisitions helped Schering-Plough expand its presence in key consumer products markets and joint ventures set the stage for new product launches in its ethical and OTC drug operations.

In cosmetics, the Maybelline line continues to hold second place in the market to Noxell's Cover Girl cosmetics. New product introductions and increased promotional efforts helped improve Maybelline's market share from 19.5% to 20% in 1988 compared to 22% for Noxell's Cover Girl, according to Value Line Investment Survey analyst Rudolph C. Caryl.

While Maybelline's worldwide sales grew by 10%, its U.S. measured spending dropped 9.5% to $38 million. Maybelline put $8 million behind the launch of Color Soft Lips and Color Tough Nails, part of the cosmetic's Shine Free line targeted at young women.

The largest-selling Maybelline line, Great Lash mascara, remained the leader and drew $14 million in measured media expenditures, up 17%.

This July, S-P sold to Unilever its European cosmetic companies, Rimmel and Chicogo, which had combined sales of about $75 million in 1988. S-P's North America cosmetics company, Maybelline, had 1988 sales of $280 million.

S-P's personal care group, which includes U.S. sun-care and foot-care products and proprietary medicines, introduced premium-priced Spectra tanning products to broaden its sun-care line. In its first year on the market, Coppertone Water Babies line of sun protection products for children grabbed 43% of the children's segment, a share twice that of the closest competitor.

Coppertone received $4 million in measured media support, down 20%, according to LNA/Arbitron.

Dr. Scholl drew $11 million in measured spending, a hike of 196% attributed to support for Back Guard full-shoe inserts. Specialty shoe inserts are the growth segment of the foot care market, according to S-P.

Drixoral cold medication got a 101% increase in measured media to $13 million but its share of the highly-competitive $700 million cold medications market remained at 7%. Drixoral is fifth, behind leader Procter & Gamble's Nyquil at 12%, Miles' Alka-Seltzer at 10% and BurroughsWellcome's combined 9% share for Actifed and Sudafed.

Last September, S-P purchased Palo Alto, Calif.-based Cooper Cos.' domestic contact lens solutions line, and later obtained rights in the U.S. and Japan to Cooper's Aquaflex line of soft contact lenses.

S-P formed two joint ventures to develop and market products, including one with Marion Laboratories for an OTC version of Marion's anti-ulcer drug, Carafate and another with Sandoz Pharmaceuticals for GM-CSF, a natural protein that plays an important role in the production of white blood cells.

The Cooper lines were merged with the Wesley-Jessen vision care business. Big spending in the divisions remained Dura-Soft contact lenses, which received $8.1 million in measured spending, down 5%, according to LNA/Arbitron.

S-P moved all its Ogilvy & Mather business after the two came at odds over S-P's refusal to provide O&M with more substantiation for Fibre Trim ad claims. Fibre Trim went in-house. Ocu-Clear and Chlor-Trimeton, totaling $20 million in billings, went to Ketchum Advertising, New York and Drixoral to Messner Vetere Berger Carey Schmetterer, New York.

SCHERING-PLOUGH CORP.
One Giralda Farms
Madison, N.J. 07940-1026
(201) 822-7000

Consumer Operations
Memphis, Tenn.
Corporate personnel: R. Lee Jenkins, exec vp.; Lewis Nolan, vp-comm.

Maybelline USA
Memphis
Corporate personnel: David C. Brittain, president; Gary Mulloy, exec vp.
Marketing personnel: David Blanton, vp.
Brands/services by agency of record:
Maybelline cosmetics
Ad agency: DDB Needham Worldwide, Chicago: Dawn Hudson, mgmt rep.

■

Shine Free cosmetics
Ad agency: Bloom Cos., Dallas: Steve Price, dir-client svcs.

Personal Care Products
Marketing personnel: Gerry Noberga, sr vp; Russ Elliott, vp.
Corporate media buying: (In-house): Lake-Spiro-Shurman, Memphis: Avron Spiro Jr., president; Ron Mednick, vp-media planning; Lynn Sanders, vp-media purchasing.
Brands/services by agency of record:
Solarcaine
Tropical Blend
Maskal
Di-Gel
St Joseph children's prods
Ad agency: Bloom Cos., Dallas: Charlie Calise, mgmt super.

■

Coppertone
Dr. Scholl's
Stay Trim
Water Babies
Zinka
Ad agency: Della Femina, McNamee WCRS, New York: Mike Jeary, group dir; Joanne Tilove, mgmt super.

■

Correctol
Duration
Feen-A-Mint
Shadz
Ad agency: Warwick Advertising, New York: Andy Mockler, mgmt super.

Pharmaceutical Operation
Schering Laboratories
Kenilworth, N.J.
Marketing personnel: Fred Fritz, sr vp-sales & mktg, OTC; Charles Stroupe, sr vp-sales & mktg, Rx; Robert Baldini, sr vp-sales & mktg, Key Pharmaceuticals; Arnold Burstein, vp-new prod mktg; Sharon McGee, Robert Nissen, dirs-mktg.
Brands/services by agency of record:
Intron
Eulexin
Normodyne
Normozide
Unicard
Ad agency: Robert A. Becker Inc., New York: Robert A. Becker, president.

■

K-Dur
Nitro-Dur
Ad agency: William J. Bologna International, New York: Bill Bologna, chmn-ceo; Tim McCann, president-coo.

■

Claritin
Ad agency: Thomas G. Ferguson Associates, Parsippany, N.J.: Thomas G. Ferguson, chmn-ceo.

■

Vancenase
Diprolene
Elocon
Trinalin
Lotrisone
Vanceril
Ad agency: William Douglas McAdams, New York: Irwin Gerson, chmn-ceo; Anthony D'Onofrio, president; Joseph Carobene, exec vp.

■

OcuClear
Coricidin
Afrin
A&D Ointment
Tinactin
Chlor-Trimeton
Deals
Ad agency: Ketchum/Hicks & Griest Advertising, New York: Naomi Lowenthal, acct super.

■

Proventil
Theo-Dur
Uni-Dur
OTC medical
Ad agency: Klemtner Advertising, New York: Doug Bruce, sr vp.

■

Drixoral
Ad agency: Messner Vetere Berger Carey Schmetterer, New York: Kent Roman, acct super.

Pharmaceutical Operations
Schering-Plough Animal Health
Cranford, N.J.
Marketing personnel: Glenn Horrocks, vp-US mktg & sales; Thomas F. Battaglini, sr dir-mktg; John F. Kopf, dir-mktg svcs.
Brands/services by agency of record:

■

Banamine
Gentocin
Intra Trac-II
PHF Vax
Synacid
Ad agency: Bergelt Advertising, New York: David Venghaus, John Fraoli, vps.

■

Dura SE-120
Gleptosil
Genecol 99
Swine biologicals
Piliguard Pinkeys
Garasol
Mink biologicals
Poultry biologicals
Ad agency: Bryant, Lahey & Barnes, Shawnee Mission, Kan.: Forrest Bryant, president; Lorraine Barnes, acct super.

Wesley-Jessen
Chicago, Ill.
Marketing personnel: Grady A. Deal, president; Robert Cullen, vp-sales & mktg; Thomas Steiner, sr dir-intl & professional mktg.
Brands/services by agency of record:
Wesley-Jessen
Ad agency: Young & Rubicam, Chicago: Dana Anderson, vp-group dir; Michael Powers, acct super; Mary Hastes, acct exec.

RANK
70

Seagram Co.

Montreal
ADVERTISING: $143.1 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	5,056	3,815	32.5
Earnings	589	521	13.1
Division sales	**1988**	**1987**	**% chg**
Spirits & wine	4,282	NA	NA
Fruit juices	774	NA	NA

U.S. advertising by media
($ in thousands)

Media	1988	1987	%chg
Magazine	32,016	23,103	38.6
Newsp supp	828	2,106	(60.7)
Newspaper	5,641	4,953	13.9
Outdoor	9,278	13,956	(33.5)
Network TV	44,360	30,847	43.8
Spot TV	9,683	12,328	(21.5)
Synd TV	3,440	2,487	38.3
Network Cable	111	556	(80.1)
Network radio	0	297	NA
Spot radio	1,745	3,830	(54.5)
Measured	107,102	94,474	13.4
Unmeasured	36,000	31,800	13.2
Total	143,102	126,274	13.3

Seagram Co. is seeking to become a premium beverage company, not just a distilled spirits marketer, by focusing on promoting its premium beverage brands, acquiring others (including non-alcohol brands) and divesting marginal lines.

Following last year's acquisitions of Tropicana for $1.2 billion and Martell Cognac for $372 million, Seagram assumed the marketing and distribution rights this year to Wyborowa Vodka of Poland, as well as other Polish vodkas.

The company through its U.S. marketing arm, Jos. E. Seagram & Sons, plans to re-enter the growing $450 million vodka category at the beginning of 1990 with the premium product. It will compete against category leader Absolut, from Carillon Importers and No. 2 Monsieur Henri Wines' Stolichnaya import. While Seagram discontinued its Seagram's Imported Vodka, imported vodka sales industrywide grew by 20% in 1988, at the same time the total liquor market continued its decline, down 3.3% in the U.S. last year.

In March 1989, Seagram acquired for $15 million American Natural Beverage Corp., makers of Soho Natural Sodas, sparkling soft drinks.

Tropicana, spending $20 million in measured media, according to LNA/Arbitron, launched its "Great Tastes of Tropicana" aimed at broadening the consumption of juice from summer to year-round. The company also put $8 million behind its roll-out of fruit juice-based "Twisters" beverage, sold in supermarkets.

Pure Premium chilled ready-to-serve orange juice remains Tropicana's top seller, leading the category with a 26.8% share to Coca-Cola Minute Maid's 17.7% and 9.8% for Procter & Gamble's Citrus Hill. The frozen and ready-to-serve orange juice received over $25 million in measured media expenditures.

Seagram this January also paid Brown-Forman Corp. $36 million for the U.S. marketing rights to Martell cognac. DDB Needham Worldwide, New York, won the worldwide $25 million-to-$30 million Martell account. Martell is the world's second largest-selling cognac with 18% of the 93 million-case global market, according to London-based *Impact International*. Hennessey leads with 24%.

Seagram sold 17 of its non-core distilled spirits brands in March to two companies, Sazerac Co., New Orleans, former importer of Wyborowa vodka and Heaven Hill Distilleries Inc., Bardstown, Ky. The largest-selling brands sold were Crown Russe Vodka, Nikolai Vodka and Burnett's Gin. The departing brands accounted for about half of Seagram's brands in the U.S., but contributed only 8% of unit sales and 4% of operating profits.

Seagram's 7 Crown, once the largest-selling liquor in the U.S., was third last year at 4.65 million cases, behind Bacardi Rum and second-ranked Smirnoff Vodka, according to *Impact* It remained Seagram's biggest seller, amassing a 2.7% share of total market, up from 2.6% in the prior year. 7 Crown and Seagram's Gin each received about $4.5 million in measured media. Spending on Seagram's VO dropped from that level in 1987 to $2.5 million.

Coolers continued to evade consumer interest, although Seagram Cooler led the category with a 33.5% share. The Seagram cooler line received $28 million measured support. Seagrams and E&J Gallo (Bartles & Jaymes) command two-thirds of the cooler market.

Edgar Bronfman Jr., 33, was named president of Seagram, succeeding David G. Sacks who became vice-chairman. The Bronfman family holds a 38.5% interest in publicly-held Seagram.

SEAGRAM CO.
1430 Peel St.
Montreal, Quebec
Canada H3A 1S9

Jos. E. Seagrams & Sons
375 Park Ave.
New York, N.Y. 10152
(212) 572-7000
Corporate personnel: Edgar M. Bronfman, chmn-ceo; Charles R. Bronfman, co-chmn; David G. Sacks, vice chmn; Edgar Bronfman Jr., president-ceo; Richard K. Goeltz, exec vp-finance; Jeananne K. Hauswald, treasurer; Michael C. L. Hallows, secretary; Stephen E. Herbits, exec vp-corp policy & external affairs; M. Jacqueline McCurdy, vp-state & industry relations; Stephen Koplan, vp-govt affairs; Daniel R. Paladino, vp-corp planning & analysis; Arthur S. Margolis, vp-special asst to the office of chmn & president; Edward Falkenberg, vp-controller; William K. Friedman, vp-corp affairs.

Seagram USA
New York
Corporate personnel: William G. Pierson, president; Dr. Leslie Bluhm, vp-tech; Dr. Wil-

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liam E. Riha, vp-rsch & devel.

House of Seagram
New York

Corporate personnel: Jerome S. Mann, president; Martin Bart, exec vp-sales; Stephen J. Kalagher, exec vp-finance & admin; Edward P. Cohen, vp, operations; Andrew Harman, vp-sales svcs; Gilbert Schneider, vp, finance; Lawrence J. Weiss, vp-nat'l acct sales; Barbara S. Rakv, vp-business devel.

Marketing personnel: Thomas K. McInerney, exec vp-mktg; Arthur Shapiro, vp-group mktg dir, new prods; Elice Matsil, vp-mkt rsch & planning; Alan Goldin, vp-media; Carl E. Horton, vp-group mktg dir, white goods; Peter J. Meola, vp-group mktg dir, scotch/imports; Angelo Vassallo, vp-group mktg dir, N. American whiskies; Richard McCarthy, vp-group mktg dir, multi-brand coord, perennial; Richard P. Shaw, vp, dir-mktg.

Seagram Beverage Co.
(part of House of Seagram)

Corporate personnel: C. Richard Coffey, president; John R. Preston, exec vp-finance & admin; Vincent R. Patridge, vp-merch; Robert O'Dowd, vp, dir-sales svcs.

Marketing personnel: Mark Taxel, exec vp-mktg; Henry Hawley, vp, dir-mktg, beverage alcohol prods & new prod devel; Robert Berger, vp, dir-mktg, non-alcoholic beverages.

Seagram Classic Wine Co.

Corporate personnel: Samuel Bronfman II, president; Michael Harbison, exec vp-finance & admin; John Esposito, vp-natl sales mgr; Chester Hutchinson, dir, human resources; Thomas Cary Gott, exec vp, Winemaster-The Monterey Vineyard; Thomas Ferrell, president, Sterling Vineyards; Guy Devaux, exec vp-genl mgr, Domaine Mumm Winery.

Marketing personnel: James L. Bareuther, exec vp-sales & mktg; Louis Keyes, dir-mktg.

Seagram Chateau & Estate Wines Co.

Corporate personnel: Abdallah H. Simon, chmn; David S. Milligan, president; Maurice Lartigau, sr vp, Metro NY; John Laird, vp-sales, eastern, southern & central divs; David Schnell, vp, central div; David Waldenberg, vp, finance & admin; Brigitte Plummer, vp-sales mgr, western states.

Marketing personnel: George Sandeman, vp-mktg.

Brands/services by agency of record:
Soho natural beverages
Ad agency: Chiat/Day/Mojo, New York: Steve Friedman, group mgmt super.

■

Captain Morgan Rum
Chivas Regal
Crown Royal
Leroux cordials
Lord Calvert Canadian
Martell Cognacs
Mumm VSOP Cognac
Myers' Rum
Royal Salute
Seagram International
Wyborowa Vodka
Ad agency: DDB Needham Worldwide, New York: Mark Abrams, sr vp-mgmt super; Thom Dean, Chris Abelt, Ardean Fishman, acct supers; Barbara Callahan, Laurel Wyner, Adam Rosman, acct execs.

■

Natl acct sales for food service
Ad agency: Food Group, New York: Donald Axleroad, president; Philip Pearlman, creative dir; Richard Vetter, media dir; Jo Anne Maloney, acct super; Jane Matthews, acct exec.

■

Bandiera
Barton & Guestier (B&G) Wines
Castillod Albola Wines
Charles Krug Wines
C. K. Mondavi
Kayser
Mirassou Vineyards
The Monterey Vineyard
Domaine Mumm Sparkling Wine
Sterling Vineyards
Ad agency: Grey Advertising, San Francisco: Tom Banks, vp-mgmt super; Alan Abrams, vp-acct super; Ellen Rosenstein, sr acct exec.

■

Ethnic adv for various brands
Ad agency: Mingo Group, New York: Bill McGugins, vp-mgmt super; Cliff Ruffins, acct super.

■

Boodles Gin
Canadian Hunter
Seagram's Gin
Seagram Wine Coolers
7 Crown
The Glenlivet
Seagram's VO
Ad agency: Ogilvy & Mather, New York: Donald Blashford, vp-mgmt super; Jack Reed, group dir; Anthony Nieves, Young Sun, acct mgrs.

■

New prods
Ad agency: Pedone & Partners, New York: James Coakley, acct super.

■

Herradura Tequila
Jameson Premium Irish Whiskey
New prods
Ad agency: Wells, Rich, Greene, New York: Chris Hansen, exec vp-acct group head; Cary Raffle, vp-mgmt super.

Tropicana Products
Bradenton, Fla.

Corporate personnel: Robert Soran, president.

Marketing personnel: Peter Reijula, dir-mktg.

Brands/services by agency of record:
Tropicana Galop
Homestyle
Pure Premium
Twister
Ad agency: Leo Burnett USA, Chicago: Michael Hall, acct dir; Bob Key, Jan Anderson, acct supers.

■

New prods
Ad agency: DDB Needham Worldwide, New York: Mark Abrams, sr vp-mgmt super; Thom Dean, acct super; Adam Rosman acct exec.

RANK **4**

Sears, Roebuck & Co.

Chicago
ADVERTISING: **$1,045.2 MILLION**

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	50,251	45,904	9.5
Earnings	1,454	1,633	(11.0)
Division sales	**1988**	**1987**	**% chg**
Sears Merchandise Group	30,256	28,085	7.7
Allstate Insurance Group	14,924	13,055	14.3
Dean Witter Financial Services	3,758	3,446	9.1
Coldwell Banker Real Estate	1,444	1,399	3.2

U.S. advertising by media
($ in thousands)

Media	1988	1987	%chg
Magazine	33,373	21,608	54.4
Newsp supp	1,902	8,411	(75.0)
Newspaper	160,909	175,052	(8.0)
Outdoor	604	775	3.8
Network TV	97,361	89,973	8.2
Spot TV	24,542	25,767	(4.8)
Synd TV	1,741	4,767	(63.5)
Network Cable	4,651	2,327	99.8
Network radio	67,612	52,701	28.3
Spot radio	25,431	21,211	19.9
Measured	418,086	400,592	4.4
Unmeasured	627,100	600,900	4.4
Total	1,045,186	1,001,492	4.4

Responding to mounting investor pressure to improve its sagging profits, Sears, Roebuck & Co. has undertaken a series of dramatic changes.

The nation's largest retailer in late October 1988 launched a major restructuring that shook up its entire organization, aimed at cutting costs, centralizing operations and revitalizing its sprawling Merchandise Group.

The overhaul demanded that the company put its headquarters Sears Tower up for sale while it sought a cheaper, suburban location for its Merchandise Group; that it pare personnel by closing numerous field offices and sell its Coldwell Banker Commercial Real Estate Group.

But the most radical change was Sears' company-wide switch to a new "every-day low price" merchandising strategy on March 1, 1989, which ended its decades-old policy of holding weekly sales on certain merchandise.

To introduce the new policy, Sears staged a huge, national "grand re-opening" of its stores, which was supported by a series of network TV spots via Ogilvy & Mather, Chicago. The network TV-and-print ad push in March was the biggest in its history, continuing the theme O&M created in 1988: "Your money's worth and a whole lot more."

The move to "every-day low pricing" mirrored the strategies of rivals K mart and Wal-Mart, which—along with discounters—have undercut Sears' profits in recent years. Its new strategy also includes a new emphasis on national brand-name merchandise, led by the national rollout of Sears' new Brand Central electronics and appliance superstore departments inside its stores.

In addition to Brand Central, Sears has added more "power formats" carrying national brands alongside its own private label brands in departments including hardware, lawn & garden, apparel and automotive supplies.

Sears opened a downsized version of its larger department stores, called Sears Ltd., in Chicago this year.

The company also stepped up its network TV advertising in 1989 and increased its sweepstakes and promotions, by holding a lottery-style sweepstakes promotion tied to its customers' SearsCharge numbers; in September it launched its first-ever network TV tie-in promotion with NBC.

Behind the scenes, Sears slashed costs by centralizing advertising at its headquarters, and closing dozens of field offices. Its cost-cutting plan also called for a major shift in its newspaper ad contracts, which it set in motion by gaining a single ad rate from Gannett Co., the nation's largest newspaper chain.

Sears' retail operations accounted for $282.6 million in measured media in 1988, a slight increase of 2.2% despite a sizable drop of 8.9% to about $155 million for its major ad medium, national newspapers, according to LNA/Arbitron.

Sears' Allstate Insurance was profitable again in 1988 and extremely active in advertising, spending $50.3 million in measured advertising, up 74%, according to LNA/Arbitron.

In 1989 it broke more emotionally appealing new TV spots for its life insurance, via Leo Burnett USA, Chicago, which has handled its account for over 30 years.

Dean Witter Financial Services Group said its Discover credit card was solidly profitable in 1988, although earnings from its retail brokerage operations were down due to economic shifts. Discover continued to air network TV spots created in 1988 via DDB Needham, Chicago, themed: "It pays to discover." Measured spending on the card slipped 16.2% to $31.1 million in 1988, according to LNA/Arbitron.

In May 1989, Dean Witter Reynolds broke the first advertising via new agency Leo Burnett USA, which won its $10 million account in 1988.

The brokerage aspect of the business drew $4.6 million in measured spending, down from $13.5 million in 1987, according to LNA/Arbitron.

SEARS, ROEBUCK & CO.
Sears Tower
Chicago, IL 60684
(312) 875-2500

Sears Merchandise Group
Chicago

Marketing personnel: Michael Bozic, chmn-ceo, Merchandise Group; Matthew A. Howard, sr exec vp, home appliances, home improvement & automotive; G. Joseph Reddington, sr exec vp, chief admin officer; Eric D. Saunders, sr exec vp, wearing apparel & home fashions; Allan B. Stewart, sr exec vp, retail store operations; Thomas E. Morris, vp-mktg; Alfred G. Goldstein, president, Sears Specialty Merchandising; Ralph Hoch, natl retail mktg mgr; S. Scott Harding, natl adv mgr; Everett L. Buckardt, exec vp, catalog & direct mktg operations; Vern L. Page, vp, catalog merch; A. Thomas Royal, natl mgr, catalog adv.

Brands/services by agency of record:
Black consumer adv
Ad agency: Vince Cullers Advertising, Chicago: Jeffrey Cullers, mgmt super.

■

Hispanic adv
Ad agency: Mendoza, Dillon & Asociados, Newport Beach, Calif.: Eduardo Del Rivero, sr vp-client svcs; Marta Perez, acct super.

■

Sears Merchandise Group
Ad agency: Ogilvy & Mather, Chicago: William E. Whitney Jr., exec vp, president; Bruce Beach, sr vp-mng dir; Allan Mager, sr vp-client svcs dir; Will Howard, Bruce Jasurda, sr vps-group dirs; Dan Delaney, sr vp-mgmt super; Brian Kelly, Chuck Otto, Ole Riise, Ann Rother, Jeff Totaro, vps-acct supers; Stephan Ban, acct super; Bill Barsanti, Marcy Barson, Steve Fenoglio, Kim Gryka, Tom Yorton, acct execs; Vicky Gross, acct coord.

■

Sales promo
Ad agency: Ogilvy & Mather Promotions, Chicago: James Neidorf, vp-dir; Bill McBride, vp-deputy dir; Janie Frank, Mark Schwartz, acct super.

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The Blues Brothers
Humphrey Bogart
James Dean
Judy Garland
William "Buckwheat" Thomas
Zorro

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Jim Thorpe
Vince Lombardi
Lou Groza
Tom Fears
Willie Brown

Music
Duran Duran
Buddy Holly
Ritchie Valens
J.P. ("Big Bopper") Richardson
Hank Williams, Sr.

Historical
Mel Fisher
Will Rogers
Mark Twain

Corporate
Amateur Athletic Union (AAU)
Ciba-Geigy
Hollywood "Walk of Fame"

Olympian
Jesse Owens
Johnny Weissmuller

Boxing
Joe Louis
Rocky Marciano

Baseball
Babe Ruth
Lou Gehrig
Roberto Clemente
Ty Cobb
Mickey Cochrane
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Satchel Paige
Lefty Gomez
Lefty Grove
Gil Hodges
Ralph Kiner
Johnny Mize
Monte Irvin
Jimmy Foxx
Rogers Hornsby
Edd Roush
Christy Mathewson
Tris Speaker
Dizzy Dean
Casey Stengel
Honus Wagner
Cy Young
Bob Feller
Whitey Ford
Eddie Mathews
Mel Ott

CURTIS MANAGEMENT GROUP
A division of The Curtis Publishing Company
1000 Waterway Boulevard
Indianapolis, Indiana 46202
Telephone (317) 633-2050
Telefax (317) 634-1791

Sears Business Centers
Ad agency: Barkley & Evergreen, Shawnee Mission, Kan.: Mark Pfefferkorn, group super; Kim Rogers, sr acct exec.

Sears Financial Network
Chicago
Marketing personnel: Charles Hughes, mktg mgr.
Brand/services by agency of record:
Sears Financial Network
Ad agency: Rapp Collins Marcoa, Chicago: Camille Thiele, vp-acct super.

Allstate Insurance Group
Northbrook, Ill.
Corporate personnel: Wayne E. Hedien, chmn-ceo; John K. O'Laughlin, sr exec vp-corp mktg devel planning; Lawrence H. Williford, sr vp-corp relations; David B. Winn, sr vp-prod admin; John J. Flieder, vp, personal property & casualty, prod adv & agent support.
Marketing personnel: Terre Tuzzolino, asst vp-corp adv; Ken Zarzynski, adv dir; Cynthia Farrow-Miller, Ginny Clark, adv mgrs; Ellen Steele, sr mktg project mgr.
Brands/services by agency of record:
Allstate Insurance
Ad agency: Leo Burnett USA, Chicago: Ron Sims, vp-acct dir; Jim McNitt, vp-acct super; Collette Heaphy, Catherine David, David Barnes, acct execs.

Coldwell Banker Real Estate Group
Chicago
Marketing personnel: Kristine Sandrick, vp-corp comm.

Coldwell Banker Residential Group
Newport Beach, Calif.
Marketing personnel: G. Lane Barnett, first vp, dir-prod devel & mktg; Jack Hull, first vp-mktg comm; Sherri Sprecher, natl adv dir.
Brands/services by agency of record:
Coldwell Bankers
Ad agency: BBDO, Los Angeles; Nancy Budd, sr vp-mgmt super; Brian McMahon, acct super; Tracey Athanassiadis, sr acct exec; Desiree Vierra, asst acct exec; Tammi Crekorian, admin asst.

Dean Witter Financial Services Group
New York
Marketing personnel: Richard F. Powers, exec vp, dir-mktg; William Walsh, vp, dir-adv; Ernest Camp, dir-adv, Discover Card Services; William Hodges, sr vp-chief mktg officer, Discover Card.
Brands/services by agency of record:
Dean Witter brokerage-dealer
Ad agency: Leo Burnett USA, Chicago: Bill Boris, exec vp-client svcs dir; Bill Whitman, vp-acct dir; Mike Fogel, acct super.

■

Discover Card svcs
Ad agency: DDB Needham Worldwide, Chicago: Joel Hochberg, president; Ray Gillette, group acct dir; Charlie Austin, mgmt rep; Brooke Chapman, Kathy Kneip, acct execs.

RANK **39**

SmithKline Beecham

London
ADVERTISING: **$264.2 MILLION**

Sales & earnings
($ in millions)

Division sales	1988	1987	% chg
Therapeutics	2,541	2,640	(3.7)
Eye, skin care	756	554	36.5
Beckman Instruments	770	691	11.4
Clinical lab svcs	675	431	56.7

Premium Channels Publishing Co., Inc.
TV BLUEPRINT's circulation exceeds the circulation of 90% of America's publications!
1965 Sunrise Highway
Bay Shore, NY 11706
(516) 665-8800

U.S. advertising by media
($ in thousands)

Media	1988	1987	%chg
Magazine	10,546	4,786	120.4
Newsp supp	346	186	86.2
Newspaper	3,910	81	4,721.2
Outdoor	232	65	255.3
Network TV	93,651	81,756	14.5
Spot TV	8,526	11,132	(23.4)
Synd TV	17,851	15,260	17.0
Network Cable	2,839	2,388	18.9
Network radio	3,574	3,084	15.9
Spot radio	886	133	566.2
Farm pub	1,537	1,137	35.2
Measured	143,899	120,008	19.9
Unmeasured	120,300	100,300	19.9
Total	264,199	220,308	19.9

SmithKline Beecham is now the third largest pharmaceutical company in the world following the merger in July 1989 of SmithKline Beckman Corp., Philadelphia, and Beecham Group PLC, London.

The combined company's annual revenues of $6.7 billion are surpassed only by Merck & Co. and Bristol-Myers Squibb, which will move into second place this October when its merger is finalized, producing a company with $8.6 billion in sales.

Prior to the merger, a change of ownership had been anticipated in the pharmaceutical industry for SmithKline after it generated only $55 million in operating profit in 1988 on sales of $3.22 billion, down 7%. Its future also was clouded because it had yet to find a drug to match the sales of Tagamet, that recently lost its rating as the world's best-selling anti-ulcer drug to Glaxo PLC's Zantac. Tagamet's patent protection also expires in 1992 in Europe and in 1994 in the U.S.

The company had begun restructuring —eliminating more than 1,600 jobs in 1988—long before talks of a merger surfaced. It had spun off its Beckman Instruments division, while offering 16% of the stock to the public.

Beecham had ended 1988 more positively, earning $69 million on $3.5 billion in sales, up 14.3%. In recent years, a strong marketing focus has yielded sales gains in the U.S. for its Amoxil, Augmentin and Timentin antibiotics as well as Tums, Sucrets, Geritol and Aqua-Fresh toothpaste. In August 1988, Beecham sold off its trouble-plagued Beecham cosmetics unit, based in Chicago, for approximately $91.5 million.

The new company will be headquartered in London, with Robert Bauman, former Beecham executive chairman, serving as chief executive of the combined companies. SmithKline's former Chairman-CEO Henry Wendt will serve as chairman, based in Philadelphia.

Analysts predict the synergy between the two companies can produce cost savings. A joint sales force of 1,900 in the U.S. alone should achieve greater sales for SmithKline Beecham ethical drugs since the market shows that doctors are more likely to prescribe a company's drugs when in regular contact with the company.

The same sales force will be able to tap the U.S. market for Beecham's antibiotics beyond their main distribution base of the U.K. and Europe.

As part of the transaction, SmithKline spun off Allergan Inc., an eyecare subsidiary based in Irvine, Calif., to shareholders. The company also sold its remaining 84% stake in Beckman Instruments to its shareholders. Beecham agreed to sell off its U.K. and European cosmetics businesses, Yardley, Margaret Astor and Lancaster, which last year had sales of roughly $700 million.

The remainder of 1989 will be devoted to the internal meshing of the company's operations. It is anticipated that SmithKline's OTC brands, which have annual sales of about $200 million, would be consolidated with Pittsburgh-based Beecham Consumer Products. A company spokesman said Philadelphia will likely remain headquarters for the pharmaceutical business, as well as serving as SmithKline Beecham's U.S. base.

Brands likely to be consolidated with Beecham Consumer Products include Contac and Ecotrin. Contac, the fifth-largest selling U.S. cold remedy, was promoted with $13 million in measured media spending in 1988, according to LNA/Arbitron.

There were few agency conflicts as a result of the merger. BBDO, which has the $15 million Contac account, could possibly be odd man out since it handles only one brand for the new OTC conglomerate. Beecham and SmithKline both use Jordan, McGrath, Case & Taylor for OTC advertising.

Earlier in 1989 Beecham completed the consolidation of Norcliff-Thayer brands, including Tums, Oxy, Orafix and Liquiprin, acquired in 1985, into Beecham Consumer Products. This brings two category leaders under the Beecham banner—Tums antacid tablets with 27% market share and Oxy acne medication brands, No. 1, ahead of Sterling Drug's Stri-Dex pads and Clearasil. Line extensions include a new Tums E-X Antacid, which was supported with $4.8 million in measured spending in 1988, and a Tums Liquid Antacid at $5.5 million, according to LNA/Arbitron.

Massengill feminine hygiene products were extended with the rollout of Massengill soft cloth towelettes, which were supported with $4 million in measured media. N'Ice sugarless cold lozenges, including N'Ice cold spray and N'Ice Children's Lozenges, got new formulations.

Beecham in 1985 pioneered the idea of a children's formulation for toothpaste with Aqua-Fresh. That launch has helped boost Beecham to more than 11% of the $1.2 billion dentifrice category. Overall brand spending for Aqua-Fresh rose 32% over 1987 levels, in part because of a $13.3 million spending push for the rollout of its tartar control toothpaste. The toothpaste is SmithKline Beecham's largest-selling consumer brand worldwide.

The advertising for several tartar control toothpastes drew fire from the Food & Drug Administration for their claims. Ironically, the FDA warning is at odds with standards established by the American Dental Association's Council on Dental Therapeutics, which grants the ADA's seal of acceptance. Toothpastes such as Aqua-Fresh, which carry the seal, would lose such approval if they complied with FDA requests.

During 1988, Beecham ended its U.S. cosmetics venture by selling its Beecham Cosmetics business back to a management group and Banker's Trust Co.

SMITHKLINE BEECHAM
Beecham House, Brentford
Middlesex TW8 9BD
United Kingdom

SmithKline Beecham
One Franklin Plaza
Philadelphia, Pa. 19101
(215) 751-4000
Corporate personnel: Robert Bauman, ceo; Henry Wendt, chmn.

SmithKline Beecham
Consumer Products
Philadelphia
Corporate personnel: William E. Learnard, president.
Marketing personnel: Lawrence D. White, vp-mktg & sales; Greg L. Kearl, vp-sales.
Brands/services by agency of record:
Ecotrin
Sine-Off
Ad agency: Jordan, McGrath, Case & Taylor, New York: David Hauer, vp-mgmt super; Shelly Sharkey, acct super.

■

Aqua Care
Clear-by-Design
Contac
Vital Eyes
Ad agency: BBDO, New York: David Seal, mgr-acct rep.

■

Feosol
Ad agency: Lavey/Wolff/Swift, New York: Eric Malter, acct super.

SmithKline Bio-Science Laboratories
King of Prussia, Pa.
Corporate personnel: Harry C. Groome, president.
Marketing personnel: Richard Novak, vp-sales & mktg; Carla Carter, vp-mktg.
Brands/services by agency of record:
SmithKline Bio-Science Laboratories
Ad agency: Phillips Agency, Horsham, Pa.: Kathleen Phillips, president.

Smith Kline & French Laboratories
Philadelphia
Corporate personnel: Frederick W. Kyle, president, US Pharmaceuticals.
Marketing personnel: Roger A. Ross, vp-mktg, US.
Brands/services by agency of record:
Smith Kline & French Laboratories
Ad agency: Salthouse Torre Norton, Rutheford, N.J.: Barbara Falco, Howard Laskau, vps-acct supers.

Animal Health Products
West Chester, Pa.
Corporate personnel: Norman Blanchard, president.
Marketing personnel: Dr. Duane E. Thurman, genl mgr, US & Canada; Gerald Myers, dir-sales.
Brands/services by agency of record:
Animal Health prods
Ad agency: Marketing & Creative Support Services, St. Joseph, Mo.: Kenneth Shearin, creative mgr-mktg mgr.

Norden Laboratories
Lincoln, Neb.
Corporate personnel: Dr. J.I.H. Phillip, president.
Marketing personnel: Jerry Judt, vp-sales & mktg.
Brands/services by agency of record:
Norden Laboratories
Ad agency: Colle & McVoy, Minneapolis: Jim Trevis, Steve Bercham, acct execs.

Beecham Products USA
Pittsburgh
Marketing personnel: Gordon J. McLaren, sr vp-mktg; Douglas B. Cox, vp, toiletries & household; Paul J. Fraioli, vp, health care; Maurice L. Kelley, vp-mkt svcs & professional relations; Warren C. Siddal, dir-media.
Brands/services by agency of record:
Aqua-Fresh
Aqua Velva
Calgon Bath
Geritol
Massengil
Sucrets
Vivarin
Ad agency: Grey Advertising, New York: Robert Burruss, exec vp; Richard Krain, vp-group mgmt super; Matt DeSimone, Ken Brown, Allison Bailey, vps-mgmt supers.

■

Calgon Water Softener
Cling Free
Fruit-Fresh
Lectric Shave
N'ice
Sominex
Sominex Pain Relief Formula
Ad agency: Ogilvy & Mather, New York: Neve Savage, sr vp-group dir; Karen Green, mgmt super.

■

Tums
Oxy
Orafix
Ad agency: Jordan, McGrath, Case & Taylor, New York: Stephen Badenhop, sr vp-acct svcs; Shelly Sharkey, acct super, Tums; Girard Smith, acct exec, Tums; Katie Ryan, mgmt super, Oxy; Angela Rella, acct exec, Oxy; Sylvia Rodreguez, sr vp-media dir; Malcolm MacDougall, chmn-creative; Gene Case, exec vp-creative.

■

A-200
Esoterica
Liquiprin
No Salt
Ad agency: Carrafiello, Diehl & Associates, Irvington, N.Y.: Robert C. Brandt, exec vp-acct super; John Muhlfeld, vp-group acct super.

Beecham Laboratories
Bristol, Tenn.
Corporate personnel: Ted G. Wood, exec vp-sales & mktg.
Marketing personnel: Edwin Christensen, vp-sales; Robert L. Widerkehr, vp, animal health div; Jon Kaeuper, vp-mktg; Michael R. Hilton, dir-pr & comm.
Brands/services by agency of record:
Augmentin
Injectable antibiotics
Nucofed
Oral antistaphs
Timentin
Ad agency: Frank J. Corbett Inc., Chicago: Jim Miller, exec vp; Bill Marconi, vp; Ken Stevens, acct super.

■

Veterinary pharmaceuticals
Ad agency: Charles Tombras Advertising, Knoxville: John Welsh, Guy Seymour, acct execs.

■

Amoxil
Anexsia-D
Fastin
Injectable antibiotics
Ticar
Tigan
Ad agency: Trunk, Shea & McCaffrey, Clifton, N.J.: dePaul R. Trunk, president; Thomas Shea, vp.

RANK **81**

Sony Corp.

Tokyo
ADVERTISING: **$125.9 MILLION**

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	16,252	11,782	37.9
Earnings	549	282	94.6
U.S.	**1988**	**1987**	**% chg**
Sales	5,461	3,409	60.2
Division sales	**1988**	**1987**	**% chg**
Video equipment	4,345	3,417	27.1
Audio equipment	4,248	3,632	17.0
Televisions	2,580	2,380	8.4
Other products	2,493	2,049	21.6
Records	2,577	294	776.3

U.S. advertising by media
($ in thousands)

Media	1988	1987	%chg
Magazine	41,771	31,862	31.1
Newsp supp	18,243	15,502	17.7
Newspaper	3,321	4,036	(17.7)
Outdoor	29	16	78.9
Network TV	6,582	1,543	326.7
Spot TV	3,519	3,576	(1.6)
Synd TV	395	123	220.1
Network Cable	1,068	1,170	(8.7)
Network radio	413	241	71.6
Spot radio	188	300	(51.9)
Measured	75,528	58,459	29.2
Unmeasured	50,400	39,000	29.2
Total	125,928	97,459	29.2

Sony Corp.'s big move last year was the purchase of CBS Records, giving it worldwide rights to labels like Epic, CBS Masterworks and Columbia among others, and the related Columbia House marketing arm.

Despite Sony's increased and highly visible spending on consumer electronics products and its growing step into feature films, CBS Records, and more specifically Columbia House, generates the majority of Sony's U.S. ad spending.

Columbia House uses direct response marketing through magazines, FSIs, TV and direct mail to sell records, CDs and videos under a variety of clubs. That marketing has changed little since Sony's purchase of CBS Records from CBS Inc.

CBS and Columbia brands, from clubs to compact discs, spent $53.2 million in measured media, up 10.4% from 1987, according to LNA/Arbitron.

In one of the bigger media shifts in the past year, the CBS Video Club switched from using both TV and print to virtually all TV. Wunderman Worldwide, New York, handles Columbia House media advertising, while Columbia House uses in-house staff for direct mail.

CBS Records, which is the second largest record seller in the U.S. (behind Time Warner's WEA), has seen its market share of top albums decline sharply in the past year. *Billboard* magazine recently reported that in the first half of this year CBS Records' share dropped to 14.2% from 18.2% in the same period of 1988 for popular albums, to 12.4% from 18.2% for black albums and to 19.3% from 19.7% for country.

CBS Records has responded by seeking more alternative artists and turning to more niche market segments and less general circulation advertising, though market plans vary considerably by group. Advertising also has turned away from the hard sell. While CDs, records and cassettes remain CBS Records' mainstay, sales of music videos are growing.

Another Sony Corp. unit, SVS Corp. (formerly Sony Video Software) is growing, though still a small player in films. In a move that may offer a vision of its parent's future, SVS has expanded production of its own films. SVS originally distributed film videos and also bought theater rights to some. There are rumors Sony is looking to buy a major film studio.

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Now that it is increasingly entering the movie production business, Sony is upgrading the marketing budget for its films, which previously were advertised regionally. SVS expects to have at least six films out in the next year and to launch its first national advertising. Among the films: "An Unremarkable Life," starring Patricia Neal and Shelley Winters, and "Best of the Best" starring Eric Roberts and James L. Jones. SVS continues to distribute videos, some through an agreement with Showtime.

Sony Corp. of America, once Sony's only U.S. subsidiary, spent the past year marketing and expanding existing lines rather than introducing new ones. The only exceptions were the introduction of the TR-5, a tiny, hand-sized video camera, and the launch of a single-frame electronic camera called Mavica.

The lull in new technology will not last long. Sony is readying major new audio products and may enter the home office market within months. It also reportedly hasn't ruled out getting into the cellular phone business.

Sony has upped its ad budget 20%, done some major alteration of its advertising and also shuffled its agency lineup. In the new lineup, Sony no longer splits products with one agency handling TV and another print. McCann-Erickson, New York, which at one point handled almost all Sony Corp. of America products, remains a Sony agency but early this month lost agency of record designation to Geer, DuBois, New York. It also lost Trinitron and other video products to Slater Hanft Martin, New York. McCann, however, still handles Sony's biggest single campaign for the HandyCam products and also handles Sony videotapes.

SHM now has most Sony consumer electronics products except for My First Sony, Mavica and Sony's Sports Video, all handled by Burkhardt & Christy, New York. Geer, DuBois, which is taking over media buying, continues to handle Sony's broadcast professional products.

Sony's new creative, debuting this fall, returns to a more light-hearted approach that was a hallmark of Sony's early campaigns.

Sony will support most heavily its TV line, a new audio product, its camcorders, and its line of Personal Videos that include a recorder player and a TV in a tape recorder-sized package. To bolster sales of the compact Personal Videos which use 8mm tapes rather than the normal larger VHS, Sony in August joined with Musicland to promote movies on 8mm in some locations.

Sony TVs last year were the third best-selling brand with 6.5% of U.S. TV sales, up from 6.0% in 1987, according to *Television Digest*. Sony's share of the VCR market was 2.0%, down from 2.5%. Sony has expanded its move from the Beta VCRs it developed to the industry-standard VHS system.

SONY CORP.
7-35 Kitashinagawa 6-chrome
Shinagawa-ku, Tokyo, 141, Japan

Sony USA Corp.
9 W. 57th Ave.
New York, N.Y. 100019
(212) 371-5800
CBS Records
New York
Record Division

Marketing personnel: Tom Mottola, president, CBS Records; Don Ienner, president, Columbia; David Glew, president, Epic; Paul Smith, president, CBS Records distribution; Arnold Levine, vp-creative svcs; Carol Lee Shepard, vp-adv & design.
Brands/services by agency of record:
Epic
Columbia
CBS Masterworks
Ad agency: (In house): Carol Lee Shepard, vp-adv & design.

Columbia House division
Marketing personnel: Cornelius F. Keating, sr vp, group dir-mktg; Richard Wolter, president; Columbia record, tapes, compact disc clubs; Sharon Kuroki, vp-music club mktg; Brian Wood, vp, video club; Harry Elias, vp, CBS Video Library; Richard Capossela, dir, video club mktg.
Brands/services by agency of record:
CBS Compact Disc Club
CBS Video Club
Columbia Records & Tape Club
Ad agency: Wunderman Worldwide/Y&R, New York: Peter Raber, mng super-group dir; Marie Claire Hupp, acct super, Columbia tape, records, CDs; Ann Friedman-Ryan, acct exec, CBS video club; Adrienne Wax, mng super, CBS video libraries; Grace Fallon, acct super, CBS video; Lisa Arkovitz, acct exec, CBS video.

SVS Inc.
New York

Marketing personnel: Teresa Bauer, theatrical mktg mgr; Steve Brecker, mkt mgr, home video; Loris Kramer, mkt devel mgr, childrens, instructional.
Brands/services by agency of record:
SVS films
Sony Home Video
Ad agency: (In house): Teresa Bauer, theatrical mktg mgr; Steve Brecker, mkt mgr, home video; Loris Kramer, mktg devel mgr, childrens, instructional.

Sony Corp. of America
Park Ridge, N.J.

Marketing personnel: Jeff Brooks, sr vp-adv & promo; Bob Basso, dir-corp adv; Larry Barruch, vp-consumer adv; Scott Westover, dir-business & professional adv; Janice Brihaupt, mgr, magnetic prods.
Brands/services by agency of record:
Professional prods
Ad agency: Geer, DuBois, New York: Steve Farricker, vp; Amit Atlas, acct exec.

■

Magnetic prods
HandyCam
Ad agency: McCann-Erickson, New York: Doug Wise, mgmt rep; Carol Cinnamon, acct super.

■

Trinitron
Watchman
Videoscope projection TVs
Walkman
E.S.
HiFi prods
Auto & mobile
Sony phones
Personal Video
TR-5 HandyCam
Business-to-business
Ad agency: Slater Hanft Martin, New York: Allan Cohen, sr vp-mng super; Adem Hanft, president; Mike Stafford, Kevin Scully, vps-acct supers.

■

Sports Video Systems
Mavica
My First Sony
Ad agency: Burkhardt & Christy, New York: Ron Burkhardt, president; Joel Fineman, mng super; Heidi Gage-Jenkins, acct super.

RANK **84**

Levi Strauss & Co.

San Francisco
ADVERTISING: **$123.1 MILLION**

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	3,100	NA	NA
Earnings	112	NA	NA

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	5,975	6,387	(6.4)
Newsp supp	37	0	NA
Newspaper	0	122	NA
Outdoor	77	29	168.1
Network TV	27,922	15,477	80.4
Spot TV	5,488	4,709	16.5
Synd TV	4,008	3,413	17.4
Network Cable	7,055	3,816	84.9
Network radio	472	697	(32.3)
Spot radio	101	2,013	(95.0)
Farm pub	171	150	14.0
Measured	51,307	36,813	39.4
Unmeasured	71,800	51,500	39.4
Total	123,107	88,313	39.4

Like a pair of its sturdy jeans fresh from the wash, Levi Strauss & Co. is wearing well in the apparel marketplace.

Buoyed by the spectacular success of its Dockers line, Levi Strauss is transforming itself into a casual fashion house instead of simply a jeans manufacturer.

Dockers, introduced just three years ago, is a collection of casual pants intended for aging baby boomers. Larger around the middle, they are designed a notch above jeans in dressiness.

Levi's plans expansion of Dockers into sportswear for men, women and children. Dockers will grow to include shorts, shirts and outerwear. The push is expected to elevate Dockers sales to over $500 million in 1989, up dramatically from $118 million in 1988.

The Dockers experience is a far cry from Levi's previous attempts to offset slowing jeans sales. Jeans sales peaked in the U.S. in 1981 at 516 million pairs but dropped by almost 25% to 396 million pairs by 1988, researchers said.

Levi's at first tried to spur sales by creating its Battery Street Enterprises unit which included partnerships with designers like Perry Ellis. The mix was too far afield from jeans and, as a result, the Haas family, descendants of the immigrant who sold canvas pants, took the company private through a leveraged buyout.

President Bob Haas said he wanted to do what needed to be done without the glaring eye of Wall Street over his shoulder. He appears to have succeeded. "This time, [Levi's] kept within the boundaries of what it does best, and what the customer knows best," said Colton Bernard, a San Francisco retail consultant.

Levi's and VF each hold about a quarter of the jeans market. VF added to its Lee brand Wrangler and Rustler jeans with the 1986 buyout of Blue Bell Holdings. Smaller companies share the remainder of the market.

Levi's embarked on an internal cost cutting program, closing factories and reducing staff while at the same time boosting its ad campaign. Its Levi's 501 blues campaign ran for five years using blues music to sell the popular jeans with the buttonfly.

Although 501 sales doubled during the five years of the campaign, sales began to slip last year to 37 million pairs from 41 million in 1987. This year, Levi's altered the 501 blues campaign to use a personal, unscripted, stream of consciousness dialogue instead of music.

The new Levi's 501 spots are part of a $22 million campaign. Spending for Dockers is estimated at $5 million to $10 million, while the 900 Series women's line is backed with $20 million.

LEVI STRAUSS & CO.
Levi's Plaza
P.O. Box 7215
San Francisco, Calif. 94120
(415) 544-6000

Marketing personnel: Louis Kirtman, vp-mktg; Linda Aletto, consumer mktg dir; Maureen Moriarty, consumer mktg dir, men's jeans; Julie Palley, consumer mktg dir, youthwear; Larry Ruff, sr adv mgr, men's jeans; Sandi Sullivan, Julie Klee, adv mgrs; Steve Goldstein, consumer mktg dir, menswear; Jim McCarty, sr adv mgr, menswear; John Chappell, consumer mktg dir, women's jeans; Jim Chriss, vp-mktg & sales.
Brands/services by agency of record:
Corp adv
Levi's
Brittania
Ad agency: Foote, Cone & Belding, San Francisco: Allen Jewett, Barbara Pauly, sr vps-group mgmt supers; Kate Grant, acct super, 501; Greg Riley acct super, menswear, women's wear, Brittania, corp; Mary Moudry, mgmt super; Valerie Vento, Suzanne Burton, Nikki Pope, acct execs; Susan Andres, Marcy Moriconi, asst acct execs.

■

Hispanic adv
Ad agency: Mendoza, Dillon & Asociados, Newport Beach, Calif: Eduardo del Rivero, sr vp-client svcs; Luis Casteneda, acct exec; Beatriz Corona, jr acct exec.

RANK **100**

Subaru of America

Cherry Hill, N.J.
ADVERTISING: **$106.0 MILLION**

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	13,787	8,356	65.0
Newsp supp	0	119	NA
Newspaper	1,477	6,553	(77.5)
Outdoor	1	0	NA
Network TV	39,545	31,603	25.1
Spot TV	17,438	16,882	3.3
Synd TV	684	991	(31.0)
Network Cable	1,222	836	46.2
Network radio	0	2,871	NA
Spot radio	2,267	6,279	(63.9)
Measured	76,420	74,490	2.6
Unmeasured	31,600	30,800	2.6
Total	108,020	105,290	2.6

After two straight years of heavy losses in the U.S. car market, Subaru of America may be heading for a third.

In spite of innovative new entries this year, Subaru, the U.S. importer and distributor of cars made by Fuji Heavy Industries in Japan, recorded a loss its first six months of the new year as Subaru car sales remained flat at 87,088.

Total unit sales for Subaru in the U.S. were down again in 1988, dropping 11.9% to 155,954 vehicles, after a less severe 3.3% decline in 1987. Subaru's shares of the U.S. import market and total U.S. car market also were down, at 5.0% and 1.4%, respectively.

Costly rebate and incentive merchandising programs to reduce massive inventories of unsold vehicles cost the company nearly $100 million in 1987 alone. Continuation of the programs accounted for comparable expenditures last year, contributing to the losses of fiscal 1988. Incentives ran from $1,000 to $3,000 on various models. They were used basically to clear out older models. Subaru, however, expects to eliminate this merchandising expense with the launch of new and more competitive products.

In 1988, Subaru station wagons were the company's best-seller again, with sales of 65,725 units, followed by the four-door sedans at 34,397. The entry-level Justy, priced at $5,866 for the four-speed model, was the third best seller at 27,313 units, followed by the upscale XT and XT6 sports models, priced in the $13,000 to $17,000 range, at 14,077 units. All categories were down from year earlier levels.

The Justy minicar accounted for the largest share of Subaru measured advertising in 1988, with an estimated $18 million, mostly in network and spot TV. LNA/Arbitron figures put overall advertising for Subaru passenger cars at $30 million, while expenditures for Subaru station wagons, as a separate category, were over $12 million.

Spring 1989 saw the launch of the new Legacy models, Subaru's first line of compact wagons and sedans, the largest and most expensive ($12,500 to $18,000) cars it has offered. Featuring styling that closely resembles Honda's Acura Legend, the Legacy was expected to give Subaru dealers a strong competitor for the Toyota Camry, Mazda 626, Honda Accord and Nissan Sentra, and help lead the company's comeback in the U.S. market. Thus far sales of the Legacy, the only Subaru without incentives, have been lower than expected.

Subaru hopes to sell 60,000 to 80,000 Legacy models for the full 1990 calendar year—about half of expected total annual sales of 150,000 to 160,000 units.

The Legacy got the lion's share of an estimated $60 million media budget for the second and third quarters of 1989. Subaru spent $40 million in those two quarters in 1988.

During the 1989 tax season, the Subaru rebate program also made use of tax man Henry Bloch of H&R Block, to get out the word on rebates. The TV spots, which broke in February, intentionally looked like the commercials Mr. Bloch did for years for his own company.

Subaru's many sports promotion tie-ins include its use as official car of the U.S. Cycling Federation and sponsorship of a series of seven bicycle races around the country. The company's primary sports sponsorship has been as official car of the U.S. Ski Team, an involvement dating back to 1976.

SUBARU OF AMERICA
Subaru Plaza, P.O. 6000
Cherry Hill, N.J. 08034-6000
(609) 488-8500

Corporate personnel: Harvey Lamm, chmn-ceo; Tom Gibson, president-coo; Marvin Riesenbach, exec vp-cfo.
Marketing personnel: Chris Wackman, vp-mktg; Tim Parzybok, adv & merch svcs dir; Fred Heiler, pr dir.
Brands/services by agency of record:
Subaru cars
Ad agency: Levine, Huntley, Schmidt & Beaver, New York: Terry Bonaccolta, sr vp-group dir; Michael Elkisch, vp-mgmt super; Jerry Noonan, vp-acct super; Aaron Belson, acct exec; Cheri Stern, asst acct exec.

RANK **46**

Tandy Corp.

Fort Worth, Texas
ADVERTISING: **$232.0 MILLION**

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	4,181	3,794	10.2
Earnings	323	316	2.2
U.S.	1988	1987	% chg
Operating income	501	452	10.9

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	9,113	10,979	(17.0)
Newsp supp	159	273	(41.8)
Newspaper	32,911	38,900	(15.4)
Outdoor	138	5	2,766.7
Network TV	32,432	34,898	(7.1)
Spot TV	2,509	360	597.6
Synd TV	118	0	NA
Network Cable	1,426	868	64.3
Network radio	4,738	3,356	41.2
Spot radio	1,484	2,861	(48.1)
Measured	85,026	92,500	(8.1)
Unmeasured	147,000	138,700	6.0
Total	232,026	231,200	0.4

Tandy Corp. plans to aggressively pursue the high end of the personal computer market. It has realigned computer marketing operations, giving its GRiD Systems Corp. division sole responsibility for pursuing large corporate and government accounts for both GRiD and Tandy computer products.

Tandy last year acquired GRiD, a respected high-performance laptop computer marketer. The association with GRiD gives Tandy the respect it deserves, but seldom received when it pursued these plum accounts through its Radio Shack

Count on Billy Williams for a hit.

If you're planning an event—any event—and you want to make sure it's a smashing success, we'll line you up with some of the all-time greats.

Whether it's corporate sponsorships, special events, licensing agreements, commercial endorsements or your own customized marketing promotion, you can have baseball's greatest.

Just call 412/928-0885 and ask for Bob Rodwell or Mike Fetchko. Or write: 381 Mansfield Ave., Suite 127, Pittsburgh, PA 15220.

MAJOR LEAGUE ALUMNI MARKETING, INC.

WE DELIVER THE LEGENDS.

Computer Centers, analysts say.

The marketing realignment will "significantly" boost ad spending for fiscal 1990 beginning July 1 for Tandy's GRiD division, said Bob Goligoski, GRiD's manager of marketing communications. Uhlan-Wright, Mountain View, Calif., handles GRiD's creative. Media placement is done in-house.

Tandy's 7,000 Radio Shack stores and computer centers, meanwhile, will continue to focus on selling to the home, school and small-to-medium-sized business markets.

Ad spending should stay about the same for Radio Shack stores and Tandy computer products, said Bernard Appel, Radio Shack's president. Advertising is handled in-house by the Radio Shack Advertising Department.

Neither Tandy nor GRiD would disclose its ad spending. But, Tandy Corp.'s annual report for the fiscal year ending June 30, 1988, put ad spending at 7.1% of sales and operating revenues or $268 million worldwide.

Tandy's stature in the business computer market also should be enhanced now that it has reached marketing agreements with Digital Equipment Corp. and Matsushita Electric's Panasonic division, which will both sell Tandy computers under their own labels.

Tandy also is looking at alternative distribution channels for the mass market—the first time it has looked outside of its base of Radio Shack stores. It is testing the sale of Tandy 1,000 SX personal computer in 50 Wal-Mart Stores. Also, it has teamed up with J.C. Penney Co. and American Express to sell personal computers through direct mail.

But personal computers are not Tandy/Radio Shack's only business. Radio Shack wants to be known as "The Technology Store."

The company continues to give its stores a high-tech look. A renovation program is expected to be complete in 1992.

The company also is working at developing other leading-edge technology products in audio, video, telephone and magnetic media. Its Thor-CD, an erasable compact disc, is due out in mid-to-late 1990, and Tandy hopes to participate in the development of high-definition TV technology.

Tandy is parent of McDuff Electronics and SuperCenters, Video-Concepts, Scott Electronics and Memtek Products, which markets Memorex audiotapes.

TANDY CORP./RADIO SHACK
1800 One Tandy Center
Fort Worth, Texas 76102
(817) 390-3700

Corporate personnel: John Roach, chmn & president-ceo, Tandy Corp; Bernard Appel, president, Radio Shack; Robert McClure, president, Tandy Electronics; Samuel Wiegand, ceo, GRiD Systems Corp.

Marketing personnel: David Beckerman, vp-mktg svcs; Mike Wood, vp-adv; Robert Myers, vp, business products; Robert Miller, vp-consumer merch; Howard Elias, vp-computer merch; Bruce Walker, sr vp-sales & mktg, GRiD.

Brands/services by agency of record:
Tandy
GRiD

Ad agency: (In-house): Radio Shack Advertising Department, Fort Worth, Texas: Mike Wood, vp-adv; Linda Yarborough, media dir.

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GRiD Systems Corp

Ad agency: Uhlan-Wright, Mountain View, Calif.: Joe Uhlan, president.

RANK **78**

Texas Air Corp.

Houston

ADVERTISING: $128.8 MILLION

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	2,335	4,054	(42.4)
Newsp supp	221	375	(41.2)
Newspaper	82,441	66,647	23.7
Outdoor	1,437	1,575	(8.8)
Network TV	44	42	3.5
Spot TV	11,288	12,974	(13.0)
Synd TV	0	19	NA
Network Cable	188	152	24.4
Network radio	0	0	NA
Spot radio	8,765	15,804	(43.8)
Measured	106,720	101,442	5.2
Unmeasured	22,100	21,000	5.2
Total	128,820	122,442	5.2

Texas Air is emerging from a strike at its Eastern Air Lines operating subsidiary that may determine whether the Houston-based holding company enters the 1990s with a smooth landing.

Chairman Frank Lorenzo is attempting to sell off pieces of the company in an effort to keep Texas Air's Eastern subsidiary from being grounded. He also needs cash to reduce $2.5 billion in debt at Continental Airlines, Texas Air's other main unit.

In 1988 alone, Texas Air brought in $1.2 billion from the sale of assets and securities, and from the sale and leaseback of aircraft. Then in early 1989, deals fell through to sell off Eastern entirely to a group led by Peter Ueberroth and Eastern employees, and to sell Eastern's South American routes to American Airlines. However, Texas Air sold off the profitable Eastern Shuttle in June 1989 to developer Donald J. Trump for $365 million. Approvals from bankruptcy court and federal agencies also were expected this month for Eastern's $210 million sale to Midway Airlines of eight Philadelphia gates, 16 aircraft and air routes to Toronto and Montreal.

Mr. Lorenzo has been involved in talks concerning the sale of a major stake in Continental to Mr. Trump, or to Scandinavian Airlines System and another unidentified partner. SAS already owns 9.9% of Texas Air as part of a joint marketing agreement.

Aggressive fare-cutting and promotional tactics by Continental and Eastern, have earned them reputations as cut-throat competitors. This has dictated the selection of daily newspapers as the main outlet for fare-oriented advertising in 1988.

Eastern and Continental combined equally for measured newspaper spending of $82 million in 1988, up 24%, according to LNA/Arbitron.

However, Texas Air's ability to compete in 1989 was severely tested by labor conflicts at Eastern, where a strike in April forced the carrier into bankruptcy. Although crippled, Eastern did not shut down, maintaining shuttle operations, reduced service from Atlanta, New York, Washington and Miami, and full service to 20 cities in Latin America.

As Eastern rebuilds with non-union employees, it is supporting its operations with print and spot radio advertising, and image-oriented spot TV in New York, Miami and Washington, says Michael Henderson, Eastern's director of marketing communications.

By early September, Eastern had resumed flights to 57 cities with just under 600 departures per day. The carrier's goal is to down-size from its pre-strike service levels of 77 cities and 1,000 flights per day to 70 cities with 750 to 800 departures per day.

Troubles at Eastern have dropped Texas Air's combined operations from the No. 1 air carrier at mid-year 1988 with an 18.6% share to No. 5 at mid-year 1989 with a 12.5% share of revenue passenger miles (RPM).

TEXAS AIR CORP.
Capitol Bank Plaza
333 Clay St., Ste. 4040
Houston, Texas 77002
(713) 658-9588

Corporate personnel: Francisco A. Lorenzo, chmn-ceo; John B. Adams, James W. Arpey, sr vps.

Continental Airlines Corp.
Houston

Corporate personnel: D. Joseph Corr, chmn-ceo; Lewis H. Jordan, exec vp-coo.

Marketing personnel: John W. Nelson, exec vp-mktg; James V. O'Donnell, sr vp-mktg programs.

Brands/services by agency of record:
Continental Airlines

Ad agencies: N W Ayer, Houston: Caroline White, vp-mgmt super; Dennis Ritchie, vp-super, domestic; Donna Logan, David Fraser, sr acct execs; Tom Fadrhonc, mgmt super, intl; Darlin Aune, acct super; Yvonne Lelko, sr acct exec; Brice Campbell, acct exec, Continental Express.

N W Ayer, New York: Chris Clark, sr acct exec; Marilyn Hartnett, acct exec.

Eastern Air Lines
Miami

Corporate personnel: Philip J. Bakes Jr., president-ceo; Joseph B. Leonard, exec vp-coo.

Marketing personnel: George J. Brennan, vp-mktg; Richard Blake, vp-mkt planning & rsch; Michael Henderson, dir, mktg comm.

Brands/services by agency of record:
Eastern Air Lines

Ad agency: Lintas:New York: Joe Karle, exec vp-acct dir; Warren Ruden, Glenn Marrichi, sr vps-mgmt supers; Teri Steele, vp-acct super; Michelle Barry, acct exec.

RANK **25**

Time Warner

New York

ADVERTISING: $409.7 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	8,713	7,597	14.7
Earnings	712	578	23.2
Division sales	**1988**	**1987**	**% chg**
Time: Magazines	1,752	1,621	8.1
Time: Books	891	954	(6.6)
Time: Programming	1,052	904	16.4
Time: Cable TV	812	714	13.7
WC: Filmed entert	1,571	1,356	15.9
WC: Recorded music	2,040	1,531	33.3
WC: Cable & broadcast	456	387	17.9
WC: Publishing	139	130	6.4

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	64,989	[illegible]029	22.6
Newsp supp	1,917	[illegible]76	39.4
Newspaper	42,037	36,748	14.4
Outdoor	848	256	231.1
Network TV	32,263	18,392	75.4
Spot TV	78,368	79,345	(1.2)
Synd TV	4,151	2,025	105.0
Network Cable	23,891	19,415	23.1
Network radio	2,178	2,402	(9.3)
Spot radio	6,672	6,744	(1.1)
Measured	257,315	219,731	17.1
Unmeasured	152,400	130,200	17.1
Total	409,715	349,931	17.1

The two heavily advertised halves of Time Warner Inc.—Time's magazine group and Warner's filmed entertainment division—were extremely active in 1988. Warner charted an 11% market share of theatrical film rentals and Time expanded its battery of magazines with startups and acquisitions.

The combined company debuted in July after Time Inc. fended off a hostile takeover attempt by Paramount Communications that threatened to undo its deal with Warner. For 1988 and 1987 financial and advertising results shown in the accompanying table and box, *Advertising Age* combined totals for both companies.

Time, which underwent an editorial revamping in 1988, recorded ad revenue of $349.7 million on 2,505 pages, up 6% over 1987, according to Publisher's Information Bureau. The magazine's guaranteed rate base was lowered 6.5% to 4.3 million as of Jan. 1.

This coming February, *Entertainment Weekly* will enter the market. The magazine, featuring reviews of TV videos, books and other forms of entertainment, is expected to reach circulation of 500,000.

Sports Illustrated for Kids monthly debuted in January. About the same time, Time launched *Cooking Light*, a bimonthly published by its Southern Progress subsidiary. The publication, perhaps more a lifestyle than cooking magazine, was expected to carry 320 pages of advertising this year. Southern Progress also acquired *Southern* magazine from Southern Limited Partnership and investment bank Stephens Inc. and renamed it *Southpoint*, aiming for greater male readership.

Time acquired a 50% interest ($185 million) in Whittle Communications and holds a $1.5 million minority investment in Emerge Communications which this fall has launched the first issue of *Emerge*, a general interest publication written for a black audience.

In December, Time and Hachette-Filipacchi jointly published a "one-shot issue" of English-language *Match*, a European picture magazine, which may become a pan-European five-language monthly. Time and Hachette are launching *Elle Japon*, a Japanese version of the popular fashion magazine and a Spanish edition of *Fortune* this month, with a German edition planned for next year.

Time also sold out to joint venture partner, Dale Lang, its 50% share in Working Woman/McCall's Group.

Time's magazine group increased its subscription promotion for *Sports Illustrated* by 61% to $18.6 million in measured media, according to LNA/Arbitron, cut spending slightly for *Time* at $15 million, and decreased expenditures for *People* by 32% to $13.3 million.

Warner's summer 1989 was a blockbuster with the release of "Batman" and "Lethal Weapon 2." In 1988, Warner Bros. stayed in the third position in North American theatrical film rental market shares, according to *Variety* The studio had 11% of the market, the same as Twentieth Century Fox, but trailed Disney (20%) and Paramount (16%). Warner Bros. spent $74 million in measured spending on 26 films in 1988.

In fall 1988, Warner Bros. formed a joint venture with David Puttnam, former head of Columbia Pictures, to produce six films over four years.

This January the $1.3 billion Warner buyout of Lorimar Telepictures was finalized, forming a studio with 47 hours of weekly TV programming and 31 series of both first-run and syndicated programs.

Time-owned Home Box Office announced plans to enter the basic cable industry with a 24-hour, all-comedy channel later this year. Time decreased its spending on HBO 23% to $12.4 million in 1988. Spending for Cinemax rose by almost 400% to $4.3 million.

HBO's entry into basic will fit well into Warner's cable operation. Warner ranks as fifth-largest MSO.

TIME WARNER
Time & Life Building
Rockefeller Plaza
New York, N.Y. 10020
(212) 522-1212

Time Magazine Co.
Southern Progress Corp.
Birmingham, Ala.

Corporate personnel: Don Loga, president-ceo; Jeffrey C. Ward, publisher, Cooking Light; Ed Dickinson, publisher, Progressive Farmer; Anthony P. Glaves, publisher, Southern Accents; Scott Sheppard, publisher, Southpoint; Burton Craige, publisher, Travel South.

Southern Living

Corporate personnel: H.B. Flora, publisher.

Marketing personnel: Greg Keyes, adv sales dir; Eleanor Griffin, promo & merch mgr; Marilou Snyder, southern mktg dir; John Alex Floyd Jr., mktg svcs dir; Hallett Johnson III, circulation dir.

Brands/services by agency of record:
Southern Living

Ad agency: DDB Needham Worldwide, McLean, Va.: Joseph Landy, president.

Time Inc. Magazines
New York

Corporate personnel: Reginald K. Brack Jr., chmn & president-ceo.

Fortune

Corporate personnel: James B. Hayes, publisher.

Marketing personnel: John Jay, US adv sales dir; David L. Nimz, promo dir; Kenneth H. Godshall, circulation dir.

Brands/services by agency of record:
Adv promo

Ad agency: Ogilvy & Mather, New York: Denise Johnson, vp-acct super.

■

Circulation promo

Ad agency: (In-house): Barry Kessel, dir-promo, magazine circulation dept.

Life

Corporate personnel: Katherine M. Boniwell, publisher.

Marketing personnel: Edward R. McCarrick, adv sales dir; Ripley S. Odell, promo dir; Rachael A. Greenfield, circulation dir.

Brands/services by agency of record:
Adv promo

Ad agency: Messner Vetere Berger Carey Schmetterer, New York: Kent Roman, acct super.

Money

Corporate personnel: William S. Myers, publisher.

Marketing personnel: Betsy Martin, adv sales dir; Michael Rich, promo dir; Michelle Jaworski, circulation dir.

Brands/services by agency of record:
Adv promo

Ad agency: John Emmerling Inc., New York: John Emmerling, chmn.

■

Circulation promo

Ad agency: (In-house): Barry Kessel, dir-promo, magazine circulation dept.

People

Corporate personnel: Elizabeth P. Valk, publisher.

Marketing personnel: Dave Long, adv sales dir; Michael Pepe, promo & mktg dir; Jeremy Koch, circulation dir.

Brands/services by agency of record:
Adv promo

Ad agency: Young & Rubicam, New York: Terry Frances, acct super.

■

Circulation promo

Ad agency: Holland & Callaway Advertising, New York: Ron Holland, chmn; Jim Callaway, president.

Sports Illustrated

Corporate personnel: Donald J. Barr, publisher.

Marketing personnel: Thomas J. Hickey Jr., adv sales dir; Barry Briggs, mktg & sales devel dir; Michael Owen, circulation dir.

Brands/services by agency of record:
Adv promo

Ad agency: Ogilvy & Mather, New York: Jim Echickson, acct super.

■

Circulation promo

Ad agencies: Wunderman Worldwide/Y&R, New York: Bob O'Keefe, acct super.

A. Eicoff & Co., Chicago: Mike Collins, acct exec.

Sports Illustrated For Kids

Corporate personnel: Ann S. Morre, publisher.

Marketing personnel: Jeffrey Crennan, adv sales mgr; Susan Alexander, mktg dir; Lee Wicox, promo dir; Kate Salovaara, circulation dir.

Brands/services by agency of record:
Adv promo

Ad agency: Ogilvy & Mather, New York: Jim Echickson, acct super.

■

Circulation promo

Ad agency: (In-house): Barry Kessel, dir-promo, magazine circulation dept.

Time

Corporate personnel: Robert L. Miller, worldwide publisher; Louis A. Weil III, US publisher.

Marketing personnel: Richard Heinemann, assoc publisher; Ellen Fairbanks, US circulation dir.

Brands/services by agency of record:
Adv promo

Ad agency: Lois/GGK, New York: George Lois, chmn-ceo; Theodore Veru, president-coo.

■

Circulation promo

Ad agency: Wunderman Worldwide/Y&R, New York: Bob O'Keefe, acct super.

Entertainment Weekly

Corporate personnel: Michael J. Klingensmith, publisher, Entertainment Weekly.

Brands/services by agency of record:
Adv promo

Ad agency: Deutsch, New York: David Deutch, chmn.

Programming & Cable
Home Box Office
New York

Corporate personnel: Michael J. Fuchs, chmn-ceo.

Marketing personnel: John K. Billock, sr vp-mktg; Dan Levinson, vp-adv & promo; Steve Janas, vp, dir-adv.

Brands/services by agency of record:
HBO
Cinemax

Ad agencies: BBDO, New York: Ken Angel, sr vp-mgmt rep.

Kobs & Draft Advertising, New York: Howard Draft, president.

HBO Video

Corporate personnel: Eric Kessler, president.

Marketing personnel: Tracey Dolgin, sr vp-mktg; Steven Zales, dir, non-theatrical mktg; Peter Liguori, mgr-theatrical mktg.

Brands/services by agency of record:
HBO video

Ad agencies: HWH Enterprises, New York: Lois Whitman, president.

Cadwell Davis Partners, New York: Eliot Glazer, acct mgr.

American Television & Communications Corp.
Stamford, Conn.

Corporate personnel: Joseph J. Collins, chmn-ceo.

Marketing personnel: Tim Evard, vp-mktg.

Brands/services by agency of record:
ATC Corp.

Ad agency: (In-house): James Duffy, dir-pr.

WARNER COMMUNICATIONS
75 Rockefeller Plaza
New York, N.Y. 10019
(212) 484-8000
Warner Bros.
Burbank, Calif.

Marketing personnel: Robert G. Friedman, president-worldwide adv & publicity; Joel Wayne, sr vp-worldwide creative adv; Joe Hyams, sr vp-adv & special project; John Jacobs, vp-media; Richard Kallet, vp-coop adv; Richard Del Belso, vp-mkt rsch.

Brands/services by agency of record:
Warner Bros. films

Ad agency: Grey Advertising, New York: Alec Gerster, exec vp, media & programming svcs; James Bell, sr vp-group media dir; Joanne Wayne, vp-assoc media dir; Alfa Tate, assoc media dir, LA.

■

Lorimar films

Ad agency: Bozell Inc., Los Angeles: James Spero, sr vp-media dir; Sam Randazzo, assoc media dir.

RANK **38**

Toyota Motor Corp.

Toyota City, Japan

ADVERTISING: $272.9 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	54,254	50,571	7.3
Earnings	2,338	2,356	(0.8)

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	36,476	27,105	34.6
Newsp supp	712	427	66.9
Newspaper	5,011	5,183	(3.3)
Outdoor	822	1,229	(33.1)
Network TV	64,193	46,298	38.7
Spot TV	68,582	66,294	3.5
Synd TV	5,945	5,410	9.9
Network Cable	2,750	2,229	23.4
Network radio	1	2,301	NA
Spot radio	6,564	4,831	35.7
Farm pub	NA	216	NA
Measured	191,045	161,524	18.3
Unmeasured	81,900	69,200	18.4
Total	272,945	230,724	18.3

Toyota Motor Sales USA, a subsidiary of Toyota Motor Corp., Japan, anticipates an overall 25% to 30% ad spending gain in 1989, largely to launch the Lexus luxury car this month. That comes on top of an 18% gain in ad spending in 1988, which nurtures Toyota's position as the leading car/truck importer in the U.S.

Lexus will draw more than $60 million in advertising this year and next as it enters the highly contested luxury import market now dominated by European producers and American Honda's Acura division. Nissan also is joining the fray this fall with its Infiniti line.

Toyota expects to sell 16,000 Lexuses by the end of 1989 and 75,000 next year, evenly split between the high-end LS400 at $35,000 to $40,000 and the smaller ES250, which starts at $21,050. Presales of the imported Lexus amounted to a sizable 5,000.

Toyota has signed 90 Lexus dealers in the top luxury car markets, with plans for 100 by 1990. About 60% of them currently run Toyota dealerships.

The company sold a total of 935,960 units (cars/trucks) in the U.S. during 1988, up 0.3%. Despite its sales increase, market share dipped to 6.05% from 6.27%, still a sizable lead over No. 2 importer, American Honda at 4.97%. Toyota led importers in the light-truck market, with a 5.1% share, down from 6.5%. Nissan remained No. 2 at 3.5%, down from 4.6%.

The intensive pre-launch Lexus marketing plans almost went into a tailspin over the use of the Lexus name. Toyota had spent an estimated $12 million promoting Lexus when Mead Corp., owner of the Lexis computerized information service for attorneys, sued it for trademark infringement. Toyota won the case on an appeal.

The first consumer ads for Lexus broke this January. Initial ads showed only small portions of its two new cars, such as a close-up of a fender. In the spring and early summer, Lexus hit the auto buff books with ads highlighting its technology and design. An eight-page brochure was available to those calling an 800 number.

Toyota boosted its measured advertising by 18.3% to $191 million in 1988. According to LNA/Arbitron, it spent $10.8 million on best-selling Cressida (about $21,498 for a four-door sedan), which had 213,365 unit sales, up 14.3%.

Camry, the best-seller in 1987, accounted for $30.5 million, followed by Corolla at $20 million and Celica at $10.7 million. Spot and network TV received the lion's share of ad expenditures, but were heavily supported by magazines.

Much of the 1989 ad effort focused on Toyota's line of redesigned light trucks, with the creative approach blending in with car ads to bolster the overall Toyota "brand" image. LNA/Arbitron measured media figures estimate 1988 truck spending at $57 million, up 35.7%. With its 1988 truck sales down 18% from the previous year, Toyota went into 1989 with a truck budget said to be double that of 1988.

The Toyota and General Motors Corp. agreed to produce 100,000 light trucks a year beginning in 1991 at their joint production facility in Fremont, Calif. The deal will enable Toyota to skirt a 25% U.S. Customs tariff on some imported trucks.

Toyota joined the "real people" trend in import car advertising with a 12-minute video brochure on Cressida. The tape, mailed to all current Cressida owners and selected others, invited them to test-drive the car and pick up a free videocassette of one of 10 popular movies.

TOYOTA MOTOR SALES U.S.A.
19001 S. Western Ave.
Torrance, Calif. 90509
(213) 618-4000

Corporate personnel: Yukiyasu Togo, president; Robert McCurry, exec vp-sales & operations; J. Davis Illingworth, vp-genl mgr, Lexus div.

Marketing personnel: Albert W. Wagner, vp-sales; George Borst, vp-mktg; David Danzer, corp mktg mgr; David Pelliccioni, natl adv mgr; Don Cecconi, natl truck adv mgr; Leo Parente, dealer assn adv mgr; Joseph Tetherow, natl pr mgr, Lexus; Robert Neuman, natl mktg operations mgr; Richard Anderman, natl adv mgr; Kurt Von Zumwalt, pr mgr.

Brands/services by agency of record:
Toyotas

Ad agency: Saatchi & Saatchi DFS/Pacific, Torrance, Calif.: Stuart Upson, chmn-ceo, NY; Jim Lindsey, chmn-Southern Calif.; Joe Cronin, mgmt dir.

■

Lexus

Ad agency: Saatchi & Saatchi Team One, Torrance, Calif.: Stuart Upson, chmn; John Hirschboeck, president; Tom Cordner, exec vp-creative dir; Scott Gilbert, sr vp-mgmt super.

■

Hispanic adv

Ad agency: Conill Advertising, Los Angeles: Carlos Rossi, ceo; Leila Winick, mgmt super.

RANK
89

UAL Corp.

Elk Grove Village, Ill.
ADVERTISING: $120.2 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	8,982	8,305	8.1
Earnings	1,124	335	235.5
U.S.	1988	1987	% chg
Sales	7,192	6,945	3.6
Division sales	1988	1987	% chg
Passenger	7,723	6,856	12.7
Cargo	507	489	3.6

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	7,736	7,927	(2.4)
Newsp supp	187	68	175.6
Newspaper	9,579	15,885	(39.7)
Outdoor	101	60	69.4
Network TV	39,843	31,342	27.1
Spot TV	10,829	12,535	(13.6)
Network Cable	1,918	1,575	21.8
Network radio	4,060	1,830	121.9
Spot radio	7,421	7,750	(4.2)
Measured	81,676	78,971	3.4
Unmeasured	38,500	37,200	3.5
Total	120,176	116,171	3.4

UAL Corp., innovative in its integration of travel and leisure operations through its Allegis era, may set the tone of future management-labor relations under its new employee-ownership structure.

In an agreement reached late this month, UAL will be sold to its employees via its pilots union, top executives and British Airways PLC for $6.75 billion. Employees will hold 75% of the shares, management 10%, and BA 15%.

The board structure requires that major directional changes affecting the company cannot be approved by a simple majority but must receive a majority of both the labor and independent contingents on the board. Employees cast the deciding vote should the board reach a standstill.

This structure perhaps would have nipped UAL's past integration of hotels, rental cars and airlines under first the UAL and then the Allegis banner—a concept that did not draw the employees' support.

United's continued strength in American aviation and its successful targeting of the more profitable business traveler is the envy of the industry. In 1988, United reported its passenger load factor rose to 67.9% from 65.4% in 1987 and its average yield per revenue passenger mile rose from 10.3 cents to 11.2 cents. While cost per seat mile also rose from 7.9 cents to 8.2 cents, that still meant United was making more money per passenger per mile. UAL Corp. for the first time in four years reported a profit from continuing operations.

United has geared its operations to meet its primary marketing targeting—the businessman. It now offers hourly service between Chicago, Washington, Denver and Seattle hubs, an extensive frequent flyer program and a marketing cooperation program with British Airways. It also has an award-winning ad campaign from Leo Burnett USA, Chicago, featuring George Gershwin's "Rhapsody in Blue."

Many of those marketing programs were put into effect under John R. Zeeman, former United Airlines exec VP-marketing and planning. In May, Mr. Zeeman was named to head up UAL's partially-owned European reservations system, Galileo, and John C. Pope, United's CFO, was named his replacement. Mr. Pope has so far offered little indication of any plans to change marketing directions.

United, however, has said it will talk to other agencies beyond Burnett, its sole agency, in planning for European expansion next year. The talks with other agencies are expected to be only about advertising in Europe.

United's success has not been achieved without some problems, including high load factors on existing routes, former head, Richard Ferris' abortive decision to put money into other industries instead of additional planes, and United's later decision to await arrival of suitably-equipped and more fuel-efficient new planes instead of buying used older models. These delayed the airline's entry into some competitive markets and left it unable to fill demand in others, especially in the Pacific.

United also lost the profitable Seattle-Tokyo route in March and has seen increased rivalry from American Airlines in the U.S., which now has more seats than United, and from Northwest Airlines for the overseas business traveler.

As a result, United's share of the total U.S. airline market dropped to 17.6% in revenue passenger miles during the first seven months of 1989, compared to 17.8% in the same period of 1988. This placed it No. 2 behind American, which had an 18.7% share, up from 16.2%.

United has added Mexican flights in the last year and announced plans to start European service in May. While United has authority to serve Frankfurt, it is seeking government permission to serve eight European cities from its hubs.

United Airlines is a much more dominant part of UAL Corp. than it has been in recent years. The parent, which changed its name from Allegis in May 1988, earlier sold its Westin Hotels and Hertz Rent-a-Car subsidiaries, and in August 1988, sold off 50% interest in Covia Partnership (the Apollo reservations system in the U.S. and Japan) to several airlines for $499 million.

UAL CORP.
1200 Algonquin Rd.
Elk Grove Village, Ill. 60007
(312) 952-4000

United Airlines
Elk Grove Village, Ill.

Marketing personnel: John C. Pope, exec vp-mktg & planning; John E. Ruhaak, vp-adv & promo; William Alenson, mgr-adv, domestic; William Groundwater, mgr-adv, intl; Patricia Engels, vp-mkt devel (including frequent flyers); Tom Lagow, sr vp-planning; Barbara Mowry, president, MPI (direct mktg formerly Mileage Plus Inc.); Chris Bauers, vp-genl sales mgr.

Brands/services by agency of record:
United Airlines

Ad agency: Leo Burnett USA, Chicago: James Thompson, sr vp-acct dir; Steve Crawford, vp-acct dir; John Goad, vp-acct super; Wendy Peters, acct super.

RANK
14

Unilever NV

London/Rotterdam
ADVERTISING: $887.5 MILLION

Sales & earnings
($ in millions)

Worldwide	1988	1987	% chg
Sales	30,980	30,948	0.1
Earnings	967	948	2.2
U.S.	1988	1987	% chg
Sales	6,180	5,757	7.5
Operating income	509	448	13.6
Division sales	1988	1987	% chg
Margarine, fats, oil	6,193	NA	NA
Frozen foods	3,848	NA	NA
Food & drinks	5,379	NA	NA
Detergents	6,762	NA	NA
Agribusiness	900	NA	NA
Specialty chemicals	2,630	NA	NA
Personal prods	2,947	NA	NA
Other	2,321	NA	NA

U.S. advertising by media
($ in thousands)

Media	1988	1987	% chg
Magazine	59,449	58,259	2.0
Newsp supp	218	245	(10.7)
Newspaper	15,917	1,210	1,215.9
Outdoor	715	64	1,014.8
Network TV	189,652	213,481	(11.2)
Spot TV	49,944	58,555	(14.7)
Synd TV	26,959	30,836	(12.6)
Network Cable	8,279	4,865	70.2
Network radio	11,816	8,627	37.0
Spot radio	1,521	3,319	(54.2)
Measured	364,469	379,460	(4.0)
Unmeasured	243,000	253,000	(4.0)
Total	607,469	632,460	(4.0)

Unilever continued to strengthen its position in the U.S. health and beauty aids market through acquisition.

The largest came this July with the acquisition of Faberge and Elizabeth Arden lines of toiletries, cosmetics and fragrances. Unilever paid the Riklis Family Corp. $1.55 billion for the properties.

Faberge gives Unilever a strong line of hair-care products, including category leader Aqua Net hairspray, as well as Faberge Organic and Brut deodorant and fragrances. Elizabeth Arden markets premium skin-care, fragrance and color cosmetics products under Elizabeth Arden, Chloe, Lagerfeld and Fendi brand names.

The two companies will be added to Unilever's Chesebrough-Pond's unit. They carry a combined $42 million ad budget.

This summer, Chesebrough-Pond's also acquired Minnetonka Corp. and its Calvin Klein Cosmetics line after picking up Evyan Perfumes earlier in the year. Evyan is a New York-based company that markets White Shoulders, The Baron and Most Precious fragrances. The ad account went to Ogilvy & Mather which also will handle new introductions from Chesebrough's Matchabelli unit, including Elizabeth Taylor's Passion for Men, and the first fragrance for Erno Laszlo, both scheduled for launch this fall.

Unilever created Van Den Bergh Foods Co., New York, from parts of Lever Bros. and Shedd's Food Products, as well as portions of recent acquisitions, Durkee Industrial Foods and Pennant Products. The move consolidates Unilever U.S.'s strong presence in edible fats and oils.

Last winter, Unilever's Thomas J. Lipton Inc. and Lever Brothers created L&L Media, New York, a media buying operation to handle the $150 million national broadcast ad budget for the two concerns. L&L should give "more flexibility in pairing up products in commercial clusters, especially those that use split :30s," says Daria Sheehan, a Lever spokeswoman. Outside sources said the move was partly in reaction to the continued price hikes for national TV time, as well as surcharges for 15-second commercials.

Unilever showed mixed results in its main strength in 1988—household products. The company did well in the $1.5 billion liquid laundry detergent category, with Lever's Surf liquid, a line extension launched in 1986. Supported by increased advertising—more than $6.6 million for the liquid and almost $15 million shared with Surf powder in 1988 compared with $3.9 and $9.5 million, respectively, the year before—Surf liquid grabbed 10% of the liquid market, up from 6% to 7% the prior year. Lever's Wisk dropped about two points to 15% with its All liquid rose about a point to 6%. But Procter & Gamble still reigns with Tide, flat at 20%; Era, remaining at 10% and Cheer at 6%.

For all brands, Lever had a total share of 30% of liquids, against P&G's 45%, both essentially unchanged from a year ago, while Colgate-Palmolive had 8%, according to Jay Freedman, household products analyst for Kidder, Peabody & Co.

In the $2 billion dry laundry detergent category, Lever's Surf garnered a 10% share, up a point from the year before while its All rated 6%, down slightly. P&G dominated with Tide's 32%, Cheer's 9% and Bold's 5%.

For all dry laundry detergent brands, Lever's share stood flat at 17% for 1988, with P&G off about a point to 55%. Colgate-Palmolive had 12%.

In fabric softeners—liquid and dry combined—Lever's share fell to 23.5% from 28% in 1987. In the competitive dry fabric softener category—growing more than 8% to some $340 million in 1988—it appears P&G has won with the successful introduction of Downy sheets in early 1988, garnering 15% of the category compared to Lever's Snuggle sheets which dropped from 24% to 18%. P&G also markets Bounce dryer sheets, the category leader with 40%. The other major contender is Beecham's Cling Free, with 6%.

In the half-billion dollar dish detergent category, Lever's Sunlight had 18% of the market, up 1 share point. While its All also gained slightly to 4%. P&G's Cascade brand's 50% share remained flat. Colgate-Palmolive's Palmolive brand dropped 2% to 13%. Palmolive liquid was recently joined by other liquids which now comprise 25% of the dish detergent sales, including Lever's Sunlight liquid, with 6% and P&G's liquid Cascade, 9%.

Of the $1 billion bar soap category, Lever's Dove took a 15% share in 1988, flat from a year before while Lever's Caress was flat at 5%; Shield had 3% and Lifebouy and Lux each had less than 2%. Armour-Dial's Dial and P&G's Ivory were at 13% and 10% shares, respectively. For all brands, Lever took 30% of the market—about the same as in 1987—against P&G's nearly 35%, up slightly

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and Armour-Dial's steady 20%.

Last July, Unilever bought back the distribution rights to its Pears soap from Dep Corp. and will explore Pears extention into facial cleansers next year, with Ogilvy & Mather handling the account.

The three-quarters of a billion dollar toothpaste market grew by only $25 million in 1988, due mainly to increased price and value associated with tartar control toothpastes. Lever brands took 11% of the market, down slightly from the year before, with Aim, 5%, down a point; CloseUp, flat at 5% and Pepsodent, flat with under 1%. P&G's Crest dropped 3 points to 35%, with Colgate-Palmolive's Colgate toothpaste up two points to 28% and Beecham's Aquafresh with 10%.

Tartar control now represents 35% of the market, with Lever's Tartar Control Aim only 1% compared to Crest, 20%; Colgate, 10% and Aquafresh, 5%.

Among food categories, Lever dominates margarines with some 30% of the market, including Shedd's, 12%, flat; Promise, 6%, steady; Imperial, down a point to 6%; I-Can't-Believe-It's-Not-Butter, up a point to 4% and Krona and Mrs. Filberts at less than 1% each.

Unilever's Lipton had about half the U.S. tea bag market, flat from 1987, trailed by Tetley's 10% and around 37% of the instant tea category led by Nestea's 43%.

UNILEVER NV
Burger Meester
Vacob Plein 1
3000 DK Rotterdam

Unilever U.S.
Lever Bros. Co.
390 Park Ave.
New York, N.Y. 10022
(212) 888-1260

Marketing personnel: David F. Webb, president; John R. Speirs, sr vp-mktg; William D. Ecker, category mgr, hard surface cleaners; William J. Gentner, category mgr, laundry additives; Charles M. Kummel, category mgr, bar soaps; George T. Mayer Jr., category mgr, laundry detergents; John Hopper, mktg mgr, laundry detergents; Keith D. DeVault, sr vp-sales; Gloria B. Deragon, mktg rsch dir; Robert A. Schmitz Jr., assoc dir-mktg rsch; Elizabeth C. Crehan, dir-promo svcs; Frank E. Gonda Jr., dir-creative svcs.

Industrial Division

Marketing personnel: Harold W. Jackson, genl mgr; Riley N. Stone Jr., mgr-mktg & govt sales; Robert D. Kneissl, mgr, detergent prods; Carl R. Canter, technical mgr, detergents & toiletries.

Corporate media buying: (In-house): L&L Media: Bruce Hoenig, president; Dan Riordan, mgr-network broadcast; Alberta Drumm, Jean Marie Fish, asst mgrs-network.

Brands/services by agency of record:
Sunlight dishwashing liquid
Sunlight automatic powder
and liquid dishwashing detergents
Caress bar

Ad agency: BBDO, New York: Gary DePaolo, media dir; Robert McGreevy, acct super; Kenneth Mills, acct exec; Kweku Amonoo, asst acct exec; Trisha Grant, asst acct exec, Caress; Susan Schaefer, asst acct exec, Sunlight liquid; Laureen Schwartz, asst acct exec, Sunlight powder.

■

Dove soap bar
Surf powder and liquid detergents
Final Touch fabric softener

Ad agency: Ogilvy & Mather, New York: Dove bar: Becky Saeger, sr vp-group dir; Jane Davis, acct dir; John Nardone, acct mgr; Richard J. Crean, acct coord. Surf: Becky Saeger, sr vp-group dir; Cecily West, acct dir; Ellen Dubin, acct exec; Richard J. Crean, acct coord. Final Touch: Becky Saeger, sr vp-group dir; Cecily West, acct dir; John Nardone, acct mgr; Richard J. Crean, acct coord.

■

Concentrated All & liquid All detergents
Snuggle liquid & sheet fabric softener
Shield soap

Ad agency: Lintas:New York: Al Colello, exec vp-exec creative dir; Terry Rosenquist, group exec vp; Cindy Wilford, Irene Little, Bill Vitriol, vps-acct supers.

■

Wisk detergent
Lever 2000

Ad agency: J. Walter Thompson USA, New York: Steve Dworin, sr vp-mgmt dir; Bill Gross, acct dir; Adam Turtletaub, acct super; Bill McMahon, acct rep; Steve Penders, asst acct rep.

■

Professional programs

Ad agency: Sudler & Hennessey, New York: Neil Leiner, exec vp-mng dir; Wayne Traub, sr vp-acct super; Sally Scheuermann, acct exec; Lisa Salaba, asst acct exec.

■

Industrial & institutional prods

Ad agency: Richard Lewis Corp., Scarsdale, N.Y.: Richard Byer, president.

Thomas J. Lipton Inc.
Englewood Cliffs, N.J.

Corporate personnel: Blaine R. Hess, president-ceo; Thomas N. Fuelling, president-ceo, Lawry's Foods

Marketing personnel: James W. Benson, sr vp-mktg; James Reid, sr vp-operations & genl mgmt divs; John M. Heil, vp-grocery mktg, Lawry's Foods; Edmund Ladendorff, vp, beverage div; Angelo S. LaMantia, vp, foods div; Robert S. Livingston, vp, sales div; Anthony G. Montuori, vp-mktg support; Max J. Ballard, genl mgr, Good Humor; Richard P. Kundrat, genl mgr, food service & bottler-dairy divs; Robert K. Norfleet, genl mgr, Continental Foods; David P. Bell, dir-prod mgmt, soup & recipe prods; Bruce Belowich, dir-merch & promo planning; Vivian Bruno, dir-mkt rsch; Michael Cullen, dir-new prods & coord div; Linnea Johnson, dir-prod mgmt, convenience teas; Gregory G. Knoll, dir-prod mgmt, meals & side dishes; Stewart Krentzman, dir-prod mgmt, Wyler's; Theodore Labiner, dir-creative svcs; Daniel Morrison, dir-prod mgmt, condiments & snacks; Russell Sherwood, dir-prod mgmt, regular & specialty teas; Linda Webb, dir, nutrition & consumer svcs.

Brands/services by agency of record:
Tea bags & specialty teas
Convenience teas
Soup mix
Cup-A-Soup
Food service

Ad agency: Lintas:New York: Steven W. Norcia, group exec vp; Doug Harting, sr vp-mgmt super.

■

Side dishes

Ad agency: Young & Rubicam, New York: Robert Gleckler, sr vp-mgmt super.

■

Sunkist fruit snacks
Wyler's drink mixes, FruitSlush, Big Squeeze

Ad agency: FCB/Leber Katz Partners, New York: David Roethgen, sr vp-mgmt dir.

■

Wish-Bone salad dressings

Ad agency: Sudler & Hennessey, New York: Lisa Blumenstein, sr vp-acct super.

■

Lawry's Foods

Ad agency: Dailey & Associates, Los Angeles: Brian Morris, exec vp.

■

Knox gelatin

Ad agency: Lotas Minard Patton McIver, New York: Judy Lota, Sally Minard, partners; Dick Ellington, acct mgmt; Kristin Moore, art.

Chesebrough-Pond's
Greenwich, Conn.
Personal Products Group

Marketing personnel: Patrick Choel, vp-mktg; David Waldron, vp-mktg svcs; Mike Connor, group prod mgr, color cosmetics; Ed Jackson, group prod mgr, oral hygiene; Laura Klauberg, group prod mgr, hair care & cotton swabs; Linda Nash, group prod mgr, facial care & nail polish removers; Robert Sheasby, group prod mgr, body care; Greg Van Gasse, group prod mgr, fragrances & deodorants; Vic Gaudet, vp-sales, personal prods; Kent Doss, vp-sales, Prince Matchabelli.

Brands/services by agency of record:
Trust deodorant
Aim toothpaste
Pepsodent, Aim toothbrushes
Impulse body spray

Ad agency: Lintas:New York: Al Colello, exec vp-exec creative dir; Terry Rosenquist, group exec vp; Rosalia Barnes, vp-mgmt super; Andrew Maguire, vp-acct super.

■

Vaseline Intensive Care lotions
Vaseline Lip Therapy
Vaseline Intensive Care suncare prods
Vaseline Intensive Care hand & nail formula lotion
Vaseline petroleum jelly
Vaseline Intensive Care bath prods

Ad agency: McCann-Erickson, New York: Harvi Robinson, sr vp-mgmt rep; Susan Lansing, vp-acct super.

■

Rave hair care prods
Pond's cold cream
Aziza cosmetics
Q-tips cotton swabs & cotton balls
Cutex cosmetics
Hero, Wind Song, Aviance, Verve, Cachet fragrances

Ad agency: Ogilvy & Mather, New York: Kathleen Foley, sr vp-group dir; Christine Flouton, acct super, Pond's; Carolyn Brinn, acct super, Cutex, Aziza, Windsong, Aviance, Verve; Anne Ocampo, acct super, Rave; Serena Collison, acct super, Hero.

■

Close-Up toothpaste
Timotei shampoo

Ad agency: J. Walter Thompson USA, New York: Steve Dworin, sr vp-mgmt dir; Michael Dabrowski, acct dir; Tina Schmucki, acct super; Eve Shostak, acct rep; Betsy Braham, asst acct rep.

Prestige Products Group

Marketing personnel: Raymond A. Baliatico, president; Sherry Baker, vp-genl mgr, Erno Laszlo & Parfums International; Irene Cotter, mktg dir, Parfums International; Betsy Olum, mktg dir, Erno Laszlo; Joel Kaufman, natl sales mgr, Erno Laszlo; Joseph Sluzz, vp-sales, Parfums International.

Brands/services by agency of record:
Elizabeth Taylor's Passion
White Shoulders
Erno Laszlo

Ad agency: Ogilvy & Mather, New York: Kathleen Foley, sr vp-group dir; Sally Luce, vp-acct super.

Ragu Foods
Trumbull, Conn.

Marketing personnel: Arthur P. Gonis, president-ceo; John W. Rice, vp-mktg; David Cooper, group prod mgr, spaghetti sauces; Frances Bainor-Ebner, group prod mgr, marinades, tenderizers, pizza sauce; Natalie Danysh, group prod mgr, new prods; Robert Spessard, vp-sales.

Brands/services by agency of record:
Ragu spaghetti sauces
Pizza Quick sauces
Adolph's tenderizers & marinades

Ad agency: Waring & LaRosa, New York: Irwin Levy, sr vp-acct svcs; Clark Oliver, vp-mgmt super; Michele Monagas, acct exec.

■

New prods

Ad agency: J. Walter Thompson USA, New York: Steve Dworin, sr vp-mgmt dir; Melissa Murphy, mgmt dir; Michael Dabrowski, acct dir; Ester Lee, sr acct super; Annica Holton, acct rep.

Van Den Bergh Foods Co.
New York

Corporate personnel: A. Clive Butler, president.

Consumer Products Group

Marketing personnel: Michael E. Bauer, vp-mktg; Celene S. Varasano, dir-mktg svcs & planning; Robert E. Lieberman, Thomas A. Murano, Rajan W. Nagarkar, mktg mgrs; Lynn Johnson, dir-mktg rsch; Myrna F. Schreibman, sr promo devel mgr.

Brands/services by agency of record:
Mrs. Butterworth's syrups & pancake/waffle mixes

Ad agency: BBDO, New York: Anthony Brescia, sr vp-mgmt rep; John Berg, acct super; Douglas Grant, acct exec; Kathleen Lynch, asst acct exec.

■

Imperial margarine
Krona spread

Ad agency: Ogilvy & Mather, New York: Becky Saeger, sr vp-group dir; Stephanie Becker, vp-mgmt super.

■

Promise spread
I-Can't-Believe-It's-Not-Butter blend

Ad agency: McCann-Erickson, New York: Linda Luca, vp-mgmt rep; Nancy Kingsberg, Teddy Mulrow-Strain, Suzanne Sayth, acct supers.

■

Shedd's Country Crock spreads
Country Crock cheese prods
Mrs. Filbert's margarine & salad prods

Ad agency: Stone & Simons, Southfield, Mich.: Chuck Stone, president; Howard Dembs, exec vp-acct super; Chris Gaffield, exec vp-acct svcs; Doug Stone, sr vp-acct exec; Tom Maras, Colleen Rouse, acct execs.

RANK **80**

U.S. Dairy Farmers

Arlington, Va.

ADVERTISING: **$126.6 MILLION**

U.S. advertising by media

($ in thousands)

Media	1988	1987	% chg
Magazine	860	455	89.0
Newsp supp	298	0	NA
Newspaper	227	38	NA
Outdoor	759	863	(12.1)
Network TV	49,662	76,699	(35.3)
Spot TV	16,619	14,019	18.5
Syndi TV	3,485	2,738	27.3
Network Cable	6,301	2,080	202.9
Network radio	5,068	0	NA
Spot radio	5,005	3,654	37.0
Measured	68,305	100,545	102.5
Unmeasured	38,300	43,600	79.6
Total	126,604	144,145	(12.2)

Dairy marketing programs are working despite today's cholesterol and calorie concerns. Even though dairy advertising totals for 1988 are down, what's left is doing the job, judging from higher per capita U.S. dairy consumption.

U.S. Department of Agriculture indicates U.S. per capita dairy product consumption up 7.2% to 582.2 lbs. in 1988 from 543.3 lbs. in 1980. That jump is only partially credited to the big federal donations of surplus cheese.

One Midwestern dairy marketer estimated that before the 1983 Dairy & Tobacco Adjustment Act, total U.S. dairy promotion spending was about $90 million a year. It's now $230 million annually.

The dairy act created the National Dairy Production and Research Board and authorized a 15-cents-per-hundred weight of fluid milk assessment to be used by various organizations for a national dairy promotion research and nutrition program.

Some of that allotment goes to private groups such as the half-century-old American Dairy Association, the marketing arm of the United Dairy Industry Association, Rosemont, Ill. The ADA has been losing national support programs to the NDPRB, which in 1987 took over all national cheese, butter and ice cream advertising.

Largest of all state dairy associations, the Wisconsin Milk Marketing Board, also broke from ADA in late 1987 largely because of differing marketing views. Other independent marketing promotion programs are carried on by dairy boards in Pennsylvania, Louisiana and Utah.

Increased milk production is credited with the rise in allocated dairy revenues coming from U.S. dairy farmers in 1988. The total was up about 1% to $210 million from $207.8 million in 1987, which had fallen from $208.3 million in 1986.

Recipient of the largest chunk of milk checkoff funds among the U.S. dairy associations was the NDPRB, which got $76.8 million, down less than 1% from 1987. Its total spending for 1988 climbed 7.2% to $68.7 million; 90% of that was spent in media.

Income for ADA's parent United Dairy Industries Association, now a federation of 19 state and regional dairy associations, dropped 3.7% in 1988 to $51.8 million. Media spending totaled $46 million, down 24.2%. The ADA spent more eclectically than NDPRB, going heavily for spot TV at $20.5 million, and spot radio at $9 million among a multimedia buy, while NDPRB spent 55% of its media on network TV.

Of the separate state groups, the highest ad spending was by the California Milk Advisory Board, which spent $18.2 million for its 1988 marketing promotion, off 3%. Biggest of its campaigns was "Milk does a body good," costing $11.6 million, the work of McCann-Erickson, San Francisco. It also was used with adaptations by Wisconsin and Oregon.

Biggest product category for the NDPRB in 1988 was cheese. The two big campaigns, "Cheese Riddle" and "Don't Forget the Cheese," cost $22.7 million.

For 1989-90, the Dairy Board has budgeted $63.4 million for all advertising with $58.3 million earmarked for media.

The ADA continues with its biggest ad effort on TV and radio for adult fluid milk, themed "Milk, America's Health Kick."

The need to produce a coordinated dairy promotion program to take fuller advantage of creativity, media clout and coordinated national strategy is often brought up by the varied dairy groups. That coordination may be coming through an ad hoc body initiated this year by newly named NDPRB CEO Cynthia Carson. The goal of that body, called the Dairy Industry Strategic Marketing Alliance, is to recommend by the end of this year an industry-wide dairy marketing direction plus long-term strategy.

U.S. DAIRY FARMERS
NATIONAL DAIRY PROMOTION AND RESEARCH BOARD
2111 Wilson Blvd., Ste. 600
Arlington, Va. 22201
(703) 528-4000

Marketing personnel: Cynthia Carson, ceo; George De Jager, sr vp-mktg & adv; Kathryn M. Klaus, mgr-adv programs; Maureen Bergen, mgr-adv & rsch programs; Bill Diggins, sr vp-mkt & consumer rsch; Greg Arnotrading, mgr-economic rsch.

Brands/services by agency of record:
Adv to medical profession

Ad agency: Bozell Medical, New York: Anne Petz, acct exec.

■

Cheese

Ad agency: DDB Needham Worldwide, Chicago: Mike Kearns, vp-mgmt rep.

■

Nonfat dry milk
Trade adv

Ad agency: Gorman Publishing Co., Chicago: Harry Stagnito, vp.

■

Butter
Ice cream

Ad agency: Grey Advertising, New York: Jordan Rosuck, exec vp.

■

Calcium
Youth milk

Ad agency: McCann-Erickson, San Francisco: Tom Drese, sr vp.

American Dairy Association
6300 N. River Rd.
Rosemont, Ill. 60018
(312) 696-1380

Marketing personnel: M.F. Brink, ceo; Grover B. Simpson, sr vp-adv & mktg svcs, United Dairy Ind. Assn.; Stephen A. Dohrmann, vp-mktg planning; Donna A. Arcus, dir-adv svcs.

Brands/services by agency of record:
Fluid milk
REAL seal
Cheese
Butter
Other dairy foods

Ad agency: D'Arcy Masius Benton & Bowles, Chicago: Ben Bishop, sr vp-group acct dir; Bob Meuser, sr vp-mgmt super; Andrea Dichter, acct super.

■

Food service

Ad agency: Noble-Tennant, Chicago: Tim Dorgan, president-coo; Susan Saltwell, acct super.

California Milk
Advisory Board
400 Oyster Point Blvd., Ste. 214
South San Francisco, Calif. 94080
(209) 521-1060

Marketing personnel: Ralph Watts, ceo; Adri Boudewyn, dir-comm svcs.

Brands/services by agency of record:
Manufactured dairy products

Ad agency: FCB/West, Los Angeles: Harry Lamdseidel, acct super; Rob Hudnut, acct exec.

■

Fluid milk

Ad agency: McCann-Erickson, San Francisco: Jerry Scott, acct super; Michael Freeman, acct exec.

Oregon Dairy Products Commission
10505 S.W. Barbur Blvd.
Portland, Ore. 97219
(503) 229-5033

Marketing personnel: Sheldon Pratt, ceo; Peggy Kern, mktg dir; Lorinda Moholt, dir-comm.

Brands/services by agency of record:
Cheese
Fluid milk

Ad agency: (In-house): Peggy Kern, mktg dir.

Washington Dairy Products Commission
1107 N.E. 45th St.
Seattle, Wash. 98105
(206) 545-6763

Marketing personnel: Joseph Westwater, ceo; Doug Simpson, mgr.

Brands/services by agency of record:
Dairy prods

Ad agency: Ehrig & Associates, Seattle: Steve Matzen, acct exec.

Wisconsin Milk Marketing Board
4337 W. Beltway Hwy.
Madison, Wis. 53711
(608) 271-1021

Marketing personnel: Ric Johnson, dir-mktg; Pete DeMars, mgr-consumer mktg; Vicky Jones, mgr-adv.

Brands/services by agency of record:
Cheese

Ad agency: Foote, Cone & Belding Communications, Chicago: Jean MacLaren, mgmt super.

■

Fluid milk

Ad agency: McCann-Erickson, San Francisco: Jerry Scott, acct super.

■

Food processing

Ad agency: Kocs Wesson & Associates, Milwaukee: Warren Eulgin, mgmt super.

RANK **36**

U.S. Government

Washington

ADVERTISING: **$295.1 MILLION**

U.S. advertising by media

($ in thousands)

Media	1988	1987	% chg
Magazine	33,436	44,164	(24.3)
Newspaper	19,885	3,906	397.6
Outdoor	11,140	1,000	1,014.0
Network TV	56,491	55,659	1.5
Spot TV	29,825	35,342	(15.6)
Network Cable	2,355	2,714	(13.2)
Network radio	11,788	10,124	16.4
Spot radio	10,352	8,844	17.1
Measured	175,272	161,843	8.3
Unmeasured	119,628	149,456	(19.8)
Total	295,100	311,299	(5.2)

Washington's ax-wielding budget-cutters continue to trim the federal government's ad spending.

The Defense Department, always the government's top advertiser, saw its budget rise 0.4% to $201.7 million in fiscal 1988. But in fiscal 1989, ending Sept. 30, 1990, it is expected to decline to $196.6 million. The Pentagon reversed its ad strategy in the past year by emphasizing individual service campaigns over an umbrella campaign.

The Pentagon will keep its joint military recruitment advertising at about 10% to 15% of the total defense ad budget, or about $27 million in fiscal 1988, up

25.6% from the previous year.

In 1986 defense ad policy-makers thought they could save millions in ad dollars by shifting more money into the umbrella campaign and away from the specific services, an unpopular idea with the individual branches of the armed forces.

In fiscal 1989, because Marine, Navy and Air Force budgets had sunk so low that the services had very little money to spend on TV or other media, $5 million was transferred from the $31 million joint ad budget to those other services.

In the 1990 budget now under consideration by Congress, more money was recommended to be diverted from the proposed joint program of $30.8 million to the other services, perhaps as much as $5 million for the Navy, $2 million for Air Force and $3 million for the Marines.

In May the joint campaign broke its first new creative in four years: "Opportunity is waiting for you" is the theme of ads by Grey Advertising, New York.

Recruiting has suffered slightly as the Pentagon's ad budget stayed static. Even though the government's recruiting target figures were lower for both men and women in fiscal 1988, the services barely met their goals and the Marines missed its re-enlistment target for career personnel. The quality of new recruits—judged by aptitude tests and high school degrees—did not improve. In the first half of fiscal 1989, ending March 31, the percentage of high school graduates who signed up for the armed forces was slightly down from the same period in 1988. However, all the services met their recruiting goals.

The Army's budget continues to drop. In 1988, it spent $95.6 million, down 5.9%, and is expected to spend $91.7 million this year. For 1990, Army has requested $100.4 million. Young & Rubicam, New York, handles.

The Navy's ad budget increased 30.2% to $19.4 million in fiscal 1988, and is expected to remain about the same in 1989. For 1990, the Navy requested a budget of $20.2 million. BBDO, New York, is the agency.

The Marines spent $17.7 million last year, an 11.5% decline. It anticipates a budget of $16.9 million this year, and requested $16.8 million for 1990. The Marine's contract with J. Walter Thompson USA, Atlanta, is up for review next year.

The Air Force also saw a decline in fiscal 1988 of 11.9% to $14.8 million. It anticipates the same spending for 1989, and requested $14.2 million for 1990. Bozell, New York, handles the Air Force and the National Guard.

Other major government spenders include the U.S. Postal Service, whose budget dropped 12% to $35.6 million last year. The postal service budget for fiscal 1988 is more than $40 million and is expected to be more than $45 million in 1990. The Postal Service has become a more aggressive marketer under the direction of Peter Eichorn, new assistant postmaster general for marketing and communications, and a former top marketing executive for Polaroid Corp. This year the Postal Service has its first major corporate tie-in, with MCA Home Video for release of the video "Land Before Time." The video cassette will promote the service's new dinosaur commemorative stamps. The Postal Service also is considering a sponsorship for the 1992 Olympics.

Despite Amtrak's ad spending decline of 16.5% to $24.2 million in 1988, the railroad enjoyed a banner year, with revenue increasing 17%. Revenue is up 15% so far this year, and ridership increased 9%. Amtrak continues its "All Aboard Amtrak" campaign via DDB Needham Worldwide, New York.

The U.S. Mint will be less of a major player in the next several years. It spent about $16 million last year, down 27%, and is expected to have an even smaller budget this year.

Public service advertising rose to $17.4 million, up 14%. The Advertising Council handled $4.1 million of the public service ads, up 13.6%. The Centers for Disease Control's $8 million AIDS awareness campaign continues with its "America Responds to AIDS" public service ads. The CDC in the coming year will consider paid advertising, following congressional approval last October of a $45 million paid and public service campaign. Congress has not, however, authorized funds for the paid campaign, and has shown little inclination to do so.

U.S. GOVERNMENT
Washington, D.C.

Department of Defense

Staff personnel: Lt. Gen. Donald Jones, deputy asst sec, defense military manpower & personnel policies.

Marketing personnel: Lynn Lucchetti, dir; Maj. Dave Fredrikson, USA, asst dir-adv, contracting officer's rep; Maj. Martha Cavaiani, USA, deputy dir; Lt. Porsche Gaston, USMC, program adv mgr; Capt. Donna Edwards, USAF, program adv mgr; Lt. Steve Hein, USCG, program adv mgr.

Brands/services by agency of record:
Joint Recruiting

Ad agency: Grey Advertising, New York: Robert Ravitz, sr vp-mgmt rep; Jim Graham, vp-group mgmt super; Bill Sandberg, David Stanley, vps-mgmt supers; Jim Battin, vp-mgmt rep, direct response; Leonard Susman, acct super; Sherman Landwehr, business mgr.

Department of Army

Staff personnel: William D. Clark, acting asst sec of Army, manpower & reserve affairs; Lt. Gen. Allen K. Ono, deputy chief of staff, personnel.

Marketing personnel: Lt. Col. Jerry Harke, chief mktg & adv office, office of deputy chief of staff, personnel; Maj. William Harkey, adv program mgr.

U.S. Army/Army Reserves

Staff personnel: Maj. Gen. Jack Wheeler, commanding gen., U.S. Army Recruiting Command; Maj. Gen. William Ward, chief, Army Reserve.

Marketing personnel: Thomas Evans, acting dir-adv & sales promo.

Brands/services by agency of record:
U.S. Army/Army Reserve

Ad agency: Young & Rubicam, New York: John Glorieux, exec vp-mng dir; Bill Green, sr vp-group dir; Dori Stern, vp-rsch dir; Bruce Wager, sr vp-media dir.

U.S. Army ROTC

Staff personnel: Lt. Gen. John Voss, commanding gen., U.S. Army Training & Doctrine Command; Maj. Gen. Robert Wagner, commanding gen., U.S. Army ROTC Cadet Command.

Marketing personnel: Col. Robert Thompson, dir-mktg, adv & public affairs directorate.

Brands/services by agency of record:
U.S. Army ROTC

Ad agency: Young & Rubicam, New York: John Glorieux, exec vp-mng dir; Clark Brooks, vp-mgmt super; Dori Stern, vp-rsch dir; Bruce Wager, sr vp-media dir.

U.S. Navy

Marketing personnel: Capt. R.F. Kelly, dir-recruiting adv; Steve Abbott, dir-adv operations div.

Brands/services by agency of record:
U.S. Navy

Ad agency: BBDO, New York: Frank Perkins, exec vp-mng dir; Janet Presley, vp-mgmt rep; Kathryn Arning, acct super.

U.S. Marine Corp.

Marketing personnel: Brig. Gen. Gary Brown, dir-personnel procurement div; Lt. Col. Dee Caudill, head-mktg branch.

Brands/services by agency of record:
U.S. Marine Corp.

Ad agency: J. Walter Thompson USA, Atlanta: Chris Hall, vp-group acct dir; Brent Katzmann, acct super.

U.S. Air Force

Marketing personnel: Brig. Gen. John Salvadore, commander, recruiting svc; Col. David Kraus, adv & promo dir; Tim Talbert, adv div chief; Fred Ragan, mgmt div chief.

Brands/services by agency of record:
U.S. Air Force

Ad agency: Bozell Inc., New York: Gerret Schwieger, vp-acct group dir; Doug Laughlin, vp-mgmt rep; Fred Morris, vp-acct super; Lucy Aquinaldo, vp-business mgr.

National Guard

Marketing personnel: Maj. John Runner, chief Army National Guard recruiting & retention mgmt center; Maj. Jim Martin, Air National Guard recruiting & retention branch.

Brands/services by agency of record:
National Guard

Ad agency: Bozell Inc., New York: Gerret Schwieger, vp-acct group dir; Doug Laughlin, vp-mgmt rep; Ron Owners, acct super; Tom Previ, acct exec, Army National Guard; Mark Rowe, acct exec, Air National Guard.

Transportation Department
Coast Guard

Marketing personnel: Capt. Juan Salas, chief, recruitng & job entry div; Lt. Commander Peter Gunner, dir-natl adv.

Brands/services by agency of record:
Coast Guard

Ad agency: CLI Productions, Hyattsville, Md.: Fern Kornfield, acct super.

U.S. Postal Service

Marketing personnel: Peter Eichorn, sr asst postmaster general, mktg & comm; John Wargo, asst postmaster-mktg; Rod DeVar, mgr-creative svcs branch.

Brands/services by agency of record:
U.S. Postal Service

Ad agency: Young & Rubicam, New York: Richard Kahn, sr vp-group dir; Richard Kobbon, Bill McGarry, Jack Powers, Cathy McCarthy, vps-acct supers; Jennifer Howard, Lorie Siegal, acct execs.

Amtrak

Marketing personnel: William S. Norman, exec vp-mktg & business devel; Timothy Gardner, vp-passenger mktg.

Brands/services by agency of record:
Amtrak

Ad agency: DDB Needham Worldwide, New York: Roy Lancaster, group sr vp-business unit dir; Lauren Berger, sr vp-mgmt super; Betsy Lovejoy, John Garment, acct supers.

U.S. Mint

Marketing personnel: John Papa, acting dir-mktg; Mrs. Michael Burke, mktg officer.

Brands/services by agency of record:
American Eagle Bullion Coin

Ad agency: Grey Advertising, New York: Robert Ravitz, sr vp-mgmt rep; Edith Wollin, vp-mgmt super.

RANK
71

Volkswagen AG

Wolfsburg, W. Germany
ADVERTISING: **$140.3 MILLION**

Sales & earnings
($ in millions)

■ Worldwide	1988	1987	% chg
Sales	33,856	29,487	14.9
Earnings	446	323	38.3
■ U.S.	**1988**	**1987**	**% chg**
Sales	3,335	NA	NA

U.S. advertising by media
($ in thousands)

■ Media	1988	1987	% chg
Magazine	29,134	23,270	25.2
Newsp supp	1,047	106	888.0
Newspaper	7,432	9,028	(17.7)
Outdoor	64	1	7,022.2
Network TV	29,741	49,629	(40.1)
Spot TV	16,337	13,073	25.0
Synd TV	916	0	NA
Network Cable	1,656	1,332	24.5
Network radio	1,744	0	NA
Spot radio	10,162	4,472	127.2
Measured	98,236	100,910	(2.6)
Unmeasured	42,100	43,200	(2.5)
Total	140,336	144,110	(2.6)

Volkswagen of America is hoping the introduction of a new sports car and an upscale midsized sedan will help prevent unit sales in 1989 from skidding for the fourth straight year.

The automaker sold 168,000 vehicles in 1988, a 12% drop. The company's share of the U.S. import market fell sharply for the second straight year, from 6.1% to 5.5%, and its share of the total U.S. market dipped from 1.9% to 1.6%.

One bright spot was a strong showing from the Fox, Volkswagen's low-end subcompact. After a poorer-than-expected performance in 1987, sales of the Fox totaled 56,932 vehicles, up 41.7%.

Volkswagen is pinning much of its hopes for a turnaround in 1989 on the Corrado, its first full-blooded sports car. The 140-mph Corrado, a 1990 supercharged model, debuted in September. Another new Volkswagen entry, the Passat, an upscale midsized sedan, will be introduced during first quarter 1990.

Volkswagen's 1989 lineup of cars was both expanded to include new models and refined with features such as anti-lock breaking systems, new interiors and sunroofs. It celebrated its 40th anniversary in the U.S. by introducing six midyear models that carry the exclusive Wolfsburg Edition badge—a Jetta GLS 16V, a four-door Jetta GL, a a four-door Fox GL, a four-door Golf GL, a Cabriolet and a seven-seat Vanagon GL.

The automaker recently pulled its ad campaign featuring stoic engineers in life-threatening, race-course settings. William Gegota, Volkswagen U.S. director of marketing, said the "German Engineering. The Volkswagen Way" theme line will continue, but the 1990 campaign will see greater emphasis on regionalization, on both association and individual dealer co-op programs and on radio ads.

Audi of America, a division of Volkswagen of America, is hoping that a federal investigation, which found that unintended acceleration in Audi automobiles resulted from drivers unknowingly stepping on the accelerator instead of the brake, will finally put the controversy to rest.

Audi, haunted by the bad publicity concerning the unintended acceleration controversy since 1986, saw total vehicle sales for 1988 drop 44% to 22,943 units. Total sales for the first six months of 1989 also are down 20% to 9,312 from the same period last year. Audi's share of the total U.S. import market fell sharply from 1.3% to 0.75% in 1988 as its measured ad spending edged up 7% to $30 million.

The introduction of two new models—the 1990 Coupe Quattro and the 1990 Audi V8 Quattro—is designed to help the company get back on track. Both models are being supported by a wide-scale, three-month fall print campaign running in national magazines and newspapers.

Audi also introduced 1989 versions of the Audi 80, 80 Quattro, Audi 90 and Audi 90 Quattro models, as well as refined versions of the 100/200 Series. Along with its vehicles, Audi offers the Audi Advantage, which features a three-year/50,000-mile, new-vehicle limited warranty, maintenance protection and a Guaranteed Resale Index that certifies trade-in value.

VOLKSWAGEN AG
Postfach
D-3180 Wolfsburg 1
West Germany

Volkswagen of America
888 W. Big Beaver Rd.
P.O. Box 3951
Troy, Mich. 48007-3951
(313) 362-6000

Corporate personnel: William J. Young, vp, Volkswagen US; Richard L. Mugg, vp, Audi of America.

Marketing personnel: William A. Gelgota Jr., dir-Volkswagen adv; Anthony Kirton, dir-Audi mktg; Ron Dusenberry, mgr-Volkswagen adv; Bruce Butzier, mgr-Audi adv; Gary Grabowski, Volkswagen dealer adv mgr; George Pizzo, Audi creative adv mgr.

Brands/services by agency of record:
Audi
Volkswagen

Ad agency: DDB Needham Worldwide, Troy, Mich.: Robert Freeman, president; Philippe Defechereux, sr vp-acct dir, VW; Christian Von Glasow, sr vp-acct dir, Audi; Ken Campbell, vp-planning mgr, VW; Robyn Reihm, vp-mgmt super, VW; Charlie Zollo, vp-acct super, VW (NY); Frank Cousens III, vp-acct super, VW; David Hudson, vp-strategic planning dir, Audi; Andy Schmittdiel, vp-field operations dir, Audi; John Callahan, acct super, VW; Scott Schofding, acct super, Audi; Robert Finch, acct super, Audi field adv (Chicago); Darcy Ahl, Jim Coraci, Ron Silagy, acct execs, VW.

RANK
13

Warner-Lambert Co.

Morris Plains, N.J.
ADVERTISING: **$609.2 MILLION**

Sales & earnings
($ in millions)

■ Worldwide	1988	1987	% chg
Sales	3,908	3,441	13.6
Earnings	340	296	15.0
■ U.S.	**1988**	**1987**	**% chg**
Sales	2,038	1,831	11.3
Operating income	589	526	12.0
■ Division sales	**1988**	**1987**	**% chg**
Health care	2,509	2,257	11.2
Gums & mints	918	768	19.5
Other prods	481	416	15.6

U.S. advertising by media
($ in thousands)

■ Media	1988	1987	% chg
Magazine	18,863	14,227	32.7
Newsp supp	1,443	1,049	37.6
Newspaper	3,637	274	1,227.4
Outdoor	204	1,005	(79.7)
Network TV	111,072	102,472	8.4
Spot TV	34,498	41,683	(17.2)
Synd TV	19,565	14,119	38.6
Network Cable	3,340	2,123	57.3
Network radio	16,911	24,614	(31.3)
Spot radio	1,103	2,397	(54.0)
Measured	210,656	203,982	3.3
Unmeasured	398,500	385,900	3.3
Total	609,156	589,882	3.3

Warner-Lambert Co. stepped up its new product activity in 1988-89, with line extensions of such popular brands as Dentyne gum and Benadryl cold remedy, and new ethical drugs to reduce cholesterol.

The new prescription drugs place W-L squarely in battle with pharmaceutical leader Merck & Co., which markets the leading cholesterol-reducing agent, Mevacor. It also is about to run headlong into Merrell Dow in the $400 million worldwide market for smoking cessation remedies.

W-L signed an agreement in December 1988 with Elan Corp. of Ireland to market a prescription nicotine patch for smoking cessation, pitting it directly against Merrell Dow's Nicorette, which has been the only prescription remedy in the U.S. to help smokers quit tobacco.

W-L's worldwide advertising and promotional budget has been increasing for several years, and it says the 1989 budget is $950 million, up 8%.

Spending in U.S. measured media, however, increased only 2.9%, although the numbers show W-L is basically increasing support for key brands. Products backed by the heaviest spending in 1988 were the Benadryl line, with $29.1 million in spending, up 9%; Dentyne gum with $11.6 million, up 1.7%; Listerine with $23 million, up 23.9%; Listermint with $10.6 million, up 4%; Rolaids with $15.6 million, up 0.6% and $18.1 million for Trident Gum, down 10.8%.

W-L stepped up spending for Listerine as it joined other competitors in billing the mouthwash as a plaque and gingivitis preventative. The claim is under review by the Food and Drug Administration, which says plaque-fighting ability is a drug claim, and products bearing such a claim must be reviewed for approval from the agency.

Last year, all mouthwashes marketed to prevent plaque increased their market share in food stores, valued at $363 million, or half the market. Listerine grew 7 share points to 26%, followed by Procter & Gamble's Scope at 23% and Pfizer's Plax at 14.5%, according to industry audits.

W-L expanded the Benadryl line with Benadryl Plus Nighttime liquid cold relief medication, which competes in the $178 million nighttime liquids segment of the $1.1 billion cough-cold category, according to Kline & Co., Fairfield, N.J. It will go up against Richardson-Vicks' Nyquil, the longtime leader in the entire category.

Benadryl, an antihistamine, turned from prescription-only status to OTC in 1985 as an allergy remedy. It has since passed one-time allergy market leader Schering-Plough's Chlor-Trimeton. In late 1988, Benadryl had a 40% share of the near $125 million allergy relief segment, followed by Chlor-Trimeton's 30%.

W-L, however, is still struggling for presence in the larger cough-colds segment. Last year, W-L introduced Benadryl Plus, a multi-symptom cold reliever. The product is not among the top-selling remedies in the category. In 1988, according to Kline & Co., Richardson-Vicks' Nyquil continued to lead the category with a 12% share, followed by Alka-Seltzer Plus at 10%, Burroughs-Wellcome's Sudafed and Actifed, at a combined 9%; SmithKline Beecham's Contac at 8% and Schering-Plough's Drixoral and A.H. Robins' Dimetapp, tied at 7% each.

W-L introduced assorted fruit flavors of Rolaids. The brand had an estimated 13% share for the 12 months ending in June 1989 of the $900 million antacid market behind Rorer's Maalox, with just under 15%. P&G's Pepto-Bismol and Norcliff-Thayer's Tums had just under 14% each and Stuart's Mylanta, 11%.

At American-Chicle, W-L's gum and mints subsidiary, the company rolled national with Sugarfree Dentyne gum, its first U.S. line extension in the gum's 90-year history. Sugarless Dentyne has been in Canada for two years, where the company says it more than doubled market share of the Dentyne franchise.

W-L is offering the product because sugarfree gum now represents 50% of the nation's $1 billion spent on chewing gum. Sugarfree Dentyne is getting $4 million in TV and print ads this year, which broke in mid-summer via Young & Rubicam.

W-L moved to expand its Schick razor franchise with the May introduction of Schick Slim Twin, a narrow cartridge razor system which is getting more than $12 million in advertising and promotion, including a variety of couponing programs and a free razor offer. Gillette had more than 60% of the $720 million wet shave market, followed by Schick's 15%.

One product that saw major spending cuts was W-L's Promega Fish Oil. The company had high hopes for fish oil in 1987 but the category fell apart.

FDA approval came this year for the prescription drug, Lopid, for reducing the risk of coronary heart disease. The approval came on the heels of the November national roll-out of Cholybar, a prescription drug that reduces cholesterol levels.

With heart disease America's leading killer, analyst Robert Benezra of H.C. Wainwright, Boston, says the market for cholesterol-reducing drugs could reach $1 billion by 1993.

WARNER-LAMBERT CO.
201 Tabor Rd.
Morris Plains, N.J. 07950
(201) 540-2000

Corporate personnel: Joseph D. Williams, chmn-ceo; Melvin R. Goodes, president-coo; Robert J. Dircks, exec vp-cfo; Donald E. O'Neill, exec vp, chmn-intl operations.

American Chicle Group
Morris Plains, N.J.

Marketing personnel: Robert Serenbetz, president; Robert A.R. Clouston, vp-prod mgmt; Theodore G. Schable, vp-sales.

Brands/services by agency of record:
Trident
Chewels
Clorets
Bubblicious
Halls
Sticklets
Chiclets

Ad agency: J. Walter Thompson USA, New York: Jack Morrissey, sr vp-mgmt dir; Adele Finaly, vp-acct dir; Peter Leinroth, vp-acct super.

■

Rolaids
Certs
Sugar-Free Certs
Sugar-Free Certs Mini-Mints
Dentyne
Rascals
Candilicious

Ad agency: Young & Rubicam, New York: William Thompson, exec vp-group dir; Arlene Brickneer, sr vp-group dir; John Leonard, sr vp-mgmt super.

Consumer Health Products Group
Morris Plains, N.J.

Marketing personnel: Raymond P. LeFebvre, president; L. Russell Moran, vp-prod mgmt; Joseph W. Masse, vp-sales.

Brands/services by agency of record:
Listerine
Listermint with Flouride
Lubriderm
Sinutab
e.p.t.
Anusol
Personal Touch shaving prods
Schick shaving products

Ad agency: J. Walter Thompson USA, New York: Jack Morrissey, senior vp-mgmt dir; Jeremy Birkbeck, sr vp-acct dir; Matthew Asinari, Fred Stuart, vps-acct supers; Lisa Durels, acct super.

■

Efferdent

Ad agency: Young & Rubicam, New York: William Thompson, exec vp-group dir; Arlene Brickner, sr vp-group dir; John Leonard, sr vp-mgmt super.

■

Benylin
Benadryl oral
Benadryl topical
Tucks
Caladryl
New prods

Ad agency: Sudler & Hennessey (consumer div), New York: Arthur M. Rosen, exec vp-mng dir; Lisa Blumenstein, John Draper, Greg Weed, sr vps-acct supers.

■

Anusol
Benadryl oral
Benadryl topical
Benylin
Caldryl
Promega
Tucks
New prods

Ad agency: Sudler & Hennessey (professional div), New York: Donald Masterson, exec vp-group dir; Angela Rossetti, sr vp-acct super; Wendy Mantel, vp-acct super.

Parke-Davis Group
Morris Plains, N.J.

Marketing personnel: Joseph E. Smith, president; Harry F. Oberkfell, vp-mktg; Jerry T. Roberts, vp-sales; Wayne L. Dickerson, Michael A. Hoffman, Anthony Bonelli, Roger M. Boissonneault, group prod dirs.

Brands/services by agency of record:
Centrax
Cholybar
Comprecin
Dilantin
Doryx
Eryc
Loestrin
Lopid
Meclomen
Procan SR
Thrombostat

Ad agency: Sudler & Hennessey (professional div), New York: Donald Masterson, exec vp-group dir; John Rinaldi, sr vp-group super; Joseph Labonsky, sr vp-acct super; Pamela Goldman, vp-acct super; Conrad Omansky, acct super; JoEllen Marro, assoc media dir.

Warner-Chilcott Laboratories
Morris Plains, N.J.

Marketing personnel: A. Dominick Musacchio, dir-mktg; Gary J. Borchard, prod mgr.

Brands/services by agency of record:
All advertised brands

Ad agency: Sudler & Hennessey (professional div), New York: Donald Masterson, exec vp-group dir; Conrad Omansky, acct super; JoEllen Marro, assoc media dir.

RANK **94**

Wendy's International

Dublin, Ohio
ADVERTISING: **$114.2 MILLION**

Sales & earnings

($ in millions)

■ Worldwide	1988	1987	% chg
Sales	2,902	2,869	1.1
Earnings	28	5	532.5
■ Division sales	**1988**	**1987**	**% chg**
Systemwide sales	2,901	2,869	1.1
Retail sales	977	987	(1.1)
Royalties	69	64	8.3
Other	17	8	116.9

U.S. advertising by media

($ in thousands)

■ Media	1988	1987	% chg
Magazine	0	483	NA
Newspaper	163	319	(49.0)
Outdoor	1,747	2,026	(13.8)
Network TV	49,309	46,772	5.4
Spot TV	31,302	31,706	(1.3)
Synd TV	2,685	750	284.6
Network Cable	902	143	531.0
Spot radio	603	469	28.6
Measured	85,911	82,668	5.1
Unmeasured	27,300	26,000	5.0
Total	114,211	108,668	5.1

Late in 1988, Wendy's International amended its umbrella advertising theme, adding the phrase "and a whole lot more" to the end of its "The best burgers in the business" signature.

It was a small change in some ways, but indicative of Wendy's patient approach to marketing as it rebuilds the financial strength and marketplace power it enjoyed five years ago.

That rebuilding continues to proceed too slowly for some Wall Street analysts, with the company making few major changes or taking bold chances.

The company's net income in 1988 rose to $28.5 million, still short of the $76.2 million it posted in 1985, but considerable improvement over $5 million in 1987 and a net loss of $5 million in 1986.

Similarly, average per-store sales are struggling to regain the levels achieved earlier in the decade. Company-operated restaurants averaged sales of $793,000 in 1988, slightly better than 1987's average of $786,000 but not back to 1984's average of $874,000 when "Where's the beef?" was a national catch phrase and Wendy's was riding high. Average sales for franchisees' restaurants dropped off even more sharply and have been slower to recover.

Wendy's slide has cost it market share in a fairly stagnant $60 billion fast-food market that has become a highly competitive arena. Wendy's has lost a notch in the ranking of the top hamburger chains, having been replaced in the No. 3 spot behind McDonald's and Burger King by Hardee's Food Systems. Wendy's commands an approximate 4.5% share. McDonald's holds a 19% share, based on its U.S. sales of $11.4 billion.

To regain market share and sales momentum, Wendy's marketing strategy has been to focus primarily on the hamburgers that are its menu backbone. But it also promotes the "whole lot more" part of its ad theme.

In April 1989, Wendy's launched a new effort it dubbed its "Victory" campaign. Based on a two-year-long consumer survey that it claims shows its hamburgers preferred over those of its competitors, the campaign featured company founder and Senior Chairman of the Board R. David Thomas delivering the message "If we didn't have the best burgers in the business, I woul'n't have named the place after my daughter."

WENDY'S INTERNATIONAL
P.O. Box 256
4288 W. Dublin-Granville Road
Dublin, Ohio 43017-0256

Marketing personnel: Charles Rath, exec vp-mktg; Emil Brolick, vp-strategic planning & rsch; Don Calhoon, vp-field mktg; Dennis Lynch, vp-corp comm; Bill Long, Bob Stowe, natl mktg mgrs; Tom Heskamp, dir-sales promo.

Brands/services by agency of record:
Wendy's

Ad agency: Backer Spielvogel Bates Worldwide, New York: Randolph C. Lindell, exec vp; Toby Hochman, acct super; Tim Maurey, asst exec.

Backer Spi./Vogel Bates Worldwide, Dublin, Ohio: Raymond S. Caruso, exec vp-genl mgr.

■

Sales promo

Ad agency: Impact Inc., Chicago: Tom Smart, acct dir.

RANK **97**

Whitman Corp.

Chicago
ADVERTISING: **$111.7 MILLION**

Sales & earnings

($ in millions)

■ Worldwide	1988	1987	% chg
Sales	3,583	3,060	17.1
Earnings	234	252	(7.2)
■ U.S.	**1988**	**1987**	**% chg**
Sales	2,996	2,577	16.3
Operating income	430	226	90.2
■ Division sales	**1988**	**1987**	**% chg**
Pet	1,452	1,348	7.7
Pepsi General	900	605	48.8
Midas	395	351	12.6
Hussman836	756	10.5	

U.S. advertising by media

($ in thousands)

■ Media	1988	1987	% chg
Magazine	1,763	4,100	(57.0)
Newsp supp	75	68	10.7
Newspaper	3,648	2,581	41.4
Outdoor	79	108	(26.4)
Network TV	16,025	13,323	20.3
Spot TV	34,364	43,524	(21.0)
Synd TV	0	0	NA
Network Cable	183	37	400.5
Network radio	2,748	4,091	(32.8)
Spot radio	8,117	7,083	14.6
Measured	67,000	74,912	(10.6)
Unmeasured	44,700	49,900	(10.4)
Total	111,700	124,812	(10.5)

Heralding its name change with a print campaign that broke in November, Whitman Corp. (formerly I.C. Industries) moved to establish its new identity as a consumer goods and services company by adding three new companies to its Pet Inc. division and expanding its Pepsi-Cola General Bottlers operations in Wisconsin.

The company's new name was derived from Whitman's Chocolates, a Pet candy division, and followed the company's spinoff of Illinois Central Railroad to shareholders and the $1.3 billion sale in April of Pneumo-Abex, aerospace and military company.

Whitman's three consumer core companies include St. Louis-based Pet and Pepsi General and Midas International Corp., both of Chicago.

With acquisitions and cost-cutting accompanying the restructuring, Whitman cut its ad costs by an estimated 10.6% in 1988. Media budgets were reduced for many major product lines, except Midas Muffler.

The Midas division purchased 50 more franchised shops, mostly in the New York-New Jersey-Philadelphia area. Midas says in 1988 it held a 22% share of the exhaust replacement market, more than 13% of the brake service market and 4% of the overall shock absorber, strut and front-end replacement market. Midas' measured spending rose 19.1% to $41.7 million, nearly all in network and spot TV.

Pet cut back media spending, especially on Old El Paso food products, which dropped 66% to $2.8 million. Ad outlays fell 50% for Progresso Soup to $6.6 million and 41% for Accent Flavoring to $2.4 million. To compensate for these cuts, Pet continues to increase its use of merchandising programs, special promotions and samplings, according to a Pet spokesman.

Old El Paso holds a 32% share of the dry grocery Mexican market and a 9% share of the frozen Mexican food market; Progresso, 29.9% share of the ready-to-serve market and Accent, 48.7% share of its market, the company says.

WHITMAN CORP.
111 E. Wacker Dr.
Chicago, Ill. 60601
(312) 565-3000

Marketing personnel: Wendell W. Larsen, sr vp-corp affairs; Charles H. Connolly, vp-corp comm.

Brands/services by agency of record:
Corp adv

Ad agency: Gardner Advertising, St. Louis: Aly Johnson, mgmt rep.

Pet Inc.
St. Louis

Corporate personnel: Raymond N. Felton, US Grocery operations, vp-sales & mktg.

Marketing personnel: John Ferguson, vp-mktg, Mexican foods; Sly Stevenson, vp-mktg, Italian foods; Gerald Hayes, vp-mktg, specialty foods; Ted Keller, vp-sales & mktg, health foods; David Burke, vp-sales & mktg, frozen foods; Jerry Burchyett, vp-sales & mktg, bakery operations.

Brands/services by agency of record:
Media placement-Pet Inc.

Ad agency: Haworth Group, Minnetonka, Minn.: Claude Stevens, president; Tom Siqveland, vp-planning; Dan Douville, media planning; Andrea Lahtanen, mgr-print media.

Whitman's Chocolate Division
Philadelphia

Corporate personnel: Ray De Riggi, president.

Marketing personnel: Tom McNulty, vp-sales & mktg; Rita Birnhak, vp-mktg.

Brands/services by agency of record:
Whitman's Chocolate div

Ad agency: (In-house): Rita Birnhak, vp-mktg.

Midas International Corp.
Chicago

Marketing personnel: Russell J. Richards, sr vp, franchise operations, mktg; E.C. Schoenleb, vp-mktg.

Brands/services by agency of record:
Midas Intl

Ad agency: Wells, Rich, Greene, Chicago: Larry Singer, president; Lee Landan, exec vp, dir-client svcs; Stan Flaum, sr vp, dir-field svcs.

Pepsi-Cola General Bottlers
Chicago

Corporate personnel: Gerald McGuire, president-ceo; Maynard Nehring, exec vp.

Brands/services by agency of record:
Pepsi-Cola General Bottlers

Ad agency: (In-house): Genadco Advertising, Chicago: P.J. McCarthy, vp-adv.

RANK **75**

Wm. Wrigley Jr. Co.

Chicago
ADVERTISING: **$134.2 MILLION**

Sales & earnings

($ in millions)

■ Worldwide	1988	1987	% chg
Sales	NA	NA	NA
Earnings	NA	NA	NA

U.S. advertising by media

($ in thousands)

■ Media	1988	1987	% chg
Magazine	5,414	4,980	8.7
Newsp supp	526	0	NA
Newspaper	140	0	NA
Outdoor	220	839	(73.8)
Network TV	68,175	51,672	31.9
Spot TV	25,971	29,977	(13.4)
Synd TV	10,449	6,096	71.4
Network Cable	7,075	6,680	5.9
Network radio	4,988	8,231	(39.4)
Spot radio	0	822	NA
Measured	122,955	109,297	12.5
Unmeasured	11,200	10,000	12.0
Total	134,155	119,297	12.5

Wrigley's six key brands—Big Red, Doublemint, Extra, Freedent, Juicy Fruit and Spearmint—gave the company a 47% share of the $1.8 billion chewing gum market worldwide, virtually even with 1987.

To protect that market share, the company spent $123 million on measured advertising in 1988, up about 13.4%.

An incremental $6 million was spent in the fourth quarter on a new corporate ad campaign; themed "Share a little piece of America," the 60-second TV spot featured vignettes of consumers enjoying gum in a variety of settings, ranging from a wedding to a football game. Produced by Wrigley agency BBDO, Chicago, the campaign was designed to counter some of the gum market's toughest problems about social acceptability. The four top Wrigley brands—Big Red, Doublemint, Juicy Fruit and Spearmint, which still represent a majority of Wrigley sales—are featured in the spot.

The biggest chunk of individual brand spending went to Spearmint, which received $30.7 million in measured media. After introducing an unusual, jingle-less, 60-second TV spot for Spearmint, Wrigley used that "Total chewing satisfaction" tagline and computer graphics in a variety of 30-second executions.

An additional $21.4 million went to advertise five-year-old sugarfree Extra gum, now the market's No. 2 sugarless gum (behind Warner-Lambert's Trident) with nearly as large a market share as the more-established Doublemint and Spearmint. Wrigley's biggest product news was the addition of cinnamon and Winter Fresh flavors to the Extra line; the new products were featured in print ads and in tags to the regular Extra TV spots.

Extra and Big Red gum were the major contributors to the company's 4% increase in U.S. unit sales during 1988.

WM. WRIGLEY JR. CO.
410 N. Michigan Ave.
Chicago, Ill. 60611
(312) 644-2121

Corporate personnel: William Wrigley, president-ceo.

Marketing personnel: R. Darrell Ewers, exec vp; Ronald O. Cox, group vp-mktg; Anthony Cipollina, vp-sales; Gary Bebee, Susan Sherry, assist vps-mktg.

Brands/services by agency of record:
Wrigley brands

Ad agency: BBDO, Chicago: Eric Harkna, president-ceo; Tonise Hayden, sr vp-mgmt super.

Amurol Products Co.
Napervilla, Ill.

Corporate personnel: A.G. Atwater, president.

Brands/services by agency of record:
Amurol prods

Ad agency: Leo Burnett USA, Chicago: John Kovas, acct dir; Kathy Wargan, acct super.

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NEWSPAPER

Advertising Age

October 2, 1989

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LAST MINUTE NEWS

Infiniti plans to show car in new ads

CARSON, Calif.—Nissan's Infiniti division on Oct. 23 breaks a regional campaign in about 30 markets, using a new series of "nature scene" spots with a special ending that reveals the car for the first time. Sources describe the cars as being seen in a muted, almost ghostlike fashion.

Following that brief glimpse of one of Infiniti's two models, one or more dealer names will appear on the screen.

Some dealers start receiving cars Oct. 16; the car will officially be available to consumers starting Nov. 6.

That regional effort uses new network and cable TV spots that break Oct. 16 as the second wave of Infiniti's $60 million-plus ad program. The commercials, running through early January, continue the subtle Japanese-style approach now being used for the luxury car.

Although the new batch of commercials includes more information about Infiniti's two models, automotive sources said, only those shown regionally after Oct. 23 show the car.

Both efforts will be unveiled at a Detroit news conference this week, where automotive reporters and editors will be able to test-drive the new cars and learn about their technical details.

Sources said Infiniti is also considering airing on network TV a re-edited version of the corporate video shown to prospective dealers early this year. The low-key video features an older man and a younger man sitting in a restaurant discussing the concept of luxury.

If Infiniti decides to go ahead with this commercial, the length of which is undetermined, the one-time Nov. 5 airing would be heavily promoted in advance as a marketing "event."

Hill, Holliday, Connors, Cosmopulos, Inglewood, Calif., handles Infiniti. Both Nissan and agency officials declined comment on ad plans.

The video was created by Bill Heater and Don Easdon, the exec VP-creative directors responsible for Infiniti's advertising. Mr. Heater, who provided

(Continued on Page 8)

INSIDE

Off the wall ..... P. 4
Honda defies gravity in a bold new campaign for the redesigned Accord sedan.

Like father, like son ..... P. 48
James Jordan's and Elmore Leonard's sons follow in their fathers' footsteps.

Makeup moves ..... P. 64
Maybelline looks more attractive as a takeover target following P&G's deal with Noxell.

Whittle eyes seniors

'Special Reports' spinoff seen in '90 or '91

By Scott Donaton

Whittle Communications is preparing a spinoff of *Special Reports* aimed at the mature market, sources say.

A source close to Whittle confirmed the company is planning to launch a magazine system designed to reach adults ages 50 and older. The still-untitled medium could roll out in late 1990 or early 1991.

"They're very excited about the prospects," the source said.

Whittle Vice Chairman Alan Greenberg wouldn't confirm the launch. But he said, "We don't plan to stop with just *Special Reports* as it is now known. We are working on a lot of products. There are potential spinoffs of *Special Reports*, and that could be one. There aren't many seniors where we're at now," referring to *Special Reports*.

Lakeside Pharmaceuticals, for its Citrucel fiber laxative, is a charter advertiser in *Special Reports*. Lakeside got involved with Whittle so it could have the first opportunity to advertise in the new project for seniors, said Ryan Abbate, Lakeside's ad manager.

"We're looking ahead to [being involved with] further *Special Reports* properties, like the gray market *Special Reports* that's in the works," Mr. Abbate said.

Details of the new system are sketchy, but it will likely resemble the current *Special Reports*, a series of six quarterlies, each devoted to a single topic

The magazines will be distributed through the waiting rooms of gerontologists and in other places frequented by older adults, such as nursing homes, a source close to the project said.

The new system would represent direct or

(Continued on Page 64)

One Burger King spot features an action-packed, scene aboard an aircraft carrier, where the men get their takeout food.

Burger King breaks from indecisive past

(Rating: ★ ★ ★)

By Bob Garfield

AD REVIEW

Finally.

At long last, Burger King Corp. has found an identity.

After years of disarray, operational and management upheaval, lost market share, advertising multiple-personality disorder and, ultimately, takeover by foreigners, the world's second-biggest hamburger slinger has decided what it wants to be.

It wants to be Pepsi-Cola.

Isn't it funny how you always find something in the last place you look? Burger King searched high and low for a marketing strategy and there it was, right on TV. Meet the new Burger King: a regeneration ahead.

What's being regenerated, apart from a

(Continued on Page 68)

One character in a TV set reaches into another set and pulls out a hamburger.

A new 'personality'

Burger King cozies up to consumers

By Scott Hume

MIAMI—Burger King Corp. wants to do more than break some rules. It wants to quit the game.

The No. 2 hamburger chain is gambling that a long-term commitment to establishing a relationship with consumers and a kinder, gentler image will pay off more than mimicking the fast-food industry's short-term, "commodity" marketing strategy based on price.

Burger King's $150 mill[illegible] "Sometimes you've gotta break the rules" ad campaign, starting this week, is intended to set it apart from competitors and its own past.

■ *Ad Age* uncovers DMB&B's huge salary proposal for BK creative talent—Page 3.

"When we came in here the status quo was unacceptable to anybody," said Barry Gibbons, the 43-year-old restaurant management executive installed as Burger King

(Continued on Page 66)

Coffee giants battle for gourmet control

By Judann Dagnoli and Laurie Freeman

The clash of the coffee titans is spilling onto Colombian ground as Procter & Gamble Co. rolls out Folgers Gourmet Supreme and General Foods USA starts touting a whole-bean version of its Yuban brand.

Folgers Gourmet Supreme is F&G's first entry in the gourmet coffee segment and represents its response to rival General Foods' new Maxwell House Colombian Supreme. The General Foods product hit store shelves east of the Rockies last May and is now rolling into the remaining 15% of the country.

An estimated $10 million-to-$15 million TV and print campaign for Folgers Gourmet Supreme from N W Ayer, New York, breaks this month. Ayer won the assignment last April from Wells, Rich, Greene.

General Foods is staying one step ahead in the gourmet coffee race with Yuban Whole Bean coffee. Testing in Los Angeles, San Francisco and Portland, Ore., the line extension of the primarily West Coast-distributed Yuban is supported with local newspaper ads themed "The whole bean and nothing but the bean."

D'Arcy Masius Benton & Bowles, New York, handles.

Maxwell House Colombian Supreme and Yuban Whole Bean are 100% Colombian; Folgers Gourmet Supreme is a mix of Colombian and Arabica coffee beans.

Although P&G and General Foods are locked in close battle for the overall lead in the coffee market—P&G now has a 31% share in supermarkets compared with General Foods' 30.6%, one source said—General Foods dominates the gourmet segment.

The company has been grinding out upscale coffee products at a rapid-fire pace, including Colombian Supreme, Maxwell House Rich French Roast and the new Yuban within the past six months. General Foods also markets Maxwell House Private Collection.

Industry sources say falling coffee consumption is influencing marketers to introduce high-price, high-margin gourmet coffees.

"Consumers are drinking less coffee, but they are drinking better coffee," one source said.

Pound sales of coffee in supermarkets dropped 9% to 811 million for the year ended July 14, from the same period a year earlier, Arbitron/SAMI reported.

But gourmet coffee sales are on the rise, FIND/SVP reported, with sales in the segment at $600 million last year, up from $500 million in 1987.

The research company said the segment has grown about 20% for each of the past five years and now accounts for 8% of the overall $6.3 billion coffee market.

Colombian blends have been riding this wave, constituting 5% of total U.S. coffee sales, the National Federation of Coffee Growers of Colombia reported.

Both the new Folgers and Yuban entries are premium-price.

Packaged in black cans with gold lettering, Folgers Gourmet Supreme is sold in 16 varieties, including a brick pack and three can sizes in regular and decaffeinated for automatic drip and percolator/regular grinds.

P&G said Gourmet Supreme will be priced about 30¢ higher than regular Folgers at wholesale.

The marketer wouldn't comment on ad spending or ad plans for Gourmet Supreme but said a free standing newspaper insert in November will offer a free can for every two cans purchased. □

Murdoch beefs up FSIs

Industry questions wisdom of holiday drops

By Alison Fahey

Starting in 1991, Rupert Murdoch's News America Publishing will publish free standing inserts every Sunday, an industry first that outside executives characterized as risky.

The schedule will include six dates when rival Valassis Inserts doesn't plan to drop inserts.

Valassis and News America's Quad Marketing and Product Movers often publish FSIs on the same Sunday. In 1991, Valassis will drop 46 Sunday inserts; Product Movers plans 34 and Quad plans 28.

News America has about 55% of the estimated $850 million FSI market; Valassis about 45%.

The six extra dates, to be evenly divided between Quad and Product Movers, coincide with holidays, considered poor drop times because of low newspaper readership and coupon redemption rates.

"If it doesn't work, it'll leave a bad taste. Whenever someone does something new, they run the risk of hurting their image," said Elliott Young, president of Perception Research Services, which tracks FSI use and effectiveness. "I think [marketers] will buy the space simply to reach more people, but they will scrutinize the performance," and repeat purchases may not materialize.

"They are putting their money on the line either way. Without going through a test, they are taking an undue risk."

"They are putting their money on the line either way," said Vincent Sottosanti, president of promotion agency Comart-KLP, New York. "Without going through a test, they are taking an undue risk."

News America will announce the plan this week. The company said the move could bring solace to marketers who complain FSIs are too hard to schedule and are ineffective.

"This is the first time in the 20 years of the industry that marketers don't have to worry about getting FSI coverage. We have complete market and date coverage, and we have six exclusive dates to add impact," said Ken Bortner, president of News America's FSI Division.

Still, observers have doubts.

"My gut reaction is that historically, traditionally, holidays are lousy days to drop offers, and I don't think you're going to change consumer behavior," said William A. Robinson, ceo of the Chicago-based promotion agency that bears his name.

Said David Brandon, president-ceo of Valassis: "We've concluded that there's four, five or six Sundays when we'd love to keep our presses going and make business for ourselves, but we didn't see it as viable for our customers."

But Mr. Bortner said the company is confident the space will attract some marketers.

"There are enough players in

(Continued on Page 65)

Hollywood gets world view

By Marcy Magiera

With foreign ownership invading Hollywood, the traditional film marketing rules may be rewritten.

Sony Corp.'s announcement last week of its intention to acquire Columbia Pictures Entertainment marked the third of Hollywood's major movie studios to fall ...eas interests.

Along with Sony, Qintex Australia's planned buyout of MGM/-UA Communications Co. could signal a tighter rein on marketing costs, greater attention to global marketing and increased home video promotion, Hollywood observers say.

A third Hollywood giant, Fox Film Corp., already is owned by Australian media magnate Rupert Murdoch through his News Corp.

The new owners are likely to broaden the view of studio marketing executives, one observer said.

Advertising and publicity campaigns could be designed with a more international flavor and "be more sensitive to local customs," said Gordon Weaver, president Gordon Weaver Co., an entertainment marketing consultancy.

Movie marketing with an inter-

(Continued on Page 64)

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LETTERS

Big Mac no cluck

In your article about McDonald's chicken (AA, Sept. 4), a Church's fried chicken franchisee, Steve Eckhardt, said he thought "McDonald's could confuse its customers by rolling out too many different new products." Well, Steve, hardly any of the nearly 20 million customers who visit McDonald's restaurants each day drive up by accident, and even fewer are confused or disappointed as a result of their visit.

It's true McDonald's takes the hamburger business more seriously than anyone else, but it's also true that McDonald's takes the dining-out business seriously. McDonald's didn't wait for the world to start demanding chicken on the menu. Millions of folks demanding something you don't serve in your restaurants each day would not be a pleasant situation. That is why McDonald's is the leader, not a follower.

Although it has been more than three years since I worked as Ronald McDonald's press secretary, I am convinced McDonald's nearest competition is still the decision to eat at home.

Robert L. Keyser III
Keyser Group
Hinsdale, Ill.

A far-out correction

Rance Crain, in his column, exaggerated slightly, perhaps by a factor of a billion billion, when he said that colonizing Mars would place us in competition with the rest of the universe (AA, Sept. 4). We would at most be challenged by aliens from a few nearby star systems, or maybe 1/500,000 of the huge Milky Way galaxy. In turn, there are approximately one billion other galaxies.

Anyhow, we should colonize the moon first. It's not only more doable, but may be less of a threat to our close neighbors in Alpha Centauri.

James M. Bland
Dallas

Crossing the boundaries

According to this ad, our first president crossed the Potomac River with such essential hardware as "sturdy, attractive cabinets, cooling modules" and more. Of course he did; he was revolutionary!

Clearly, this is an ad we can do without.

Dan Stech
Copy director, GTR Advertising
Cleveland

'GQ' vs. 'Esquire'

Re: "Brady's Bunch" item about *GQ's* September issue (506 pages) being the "biggest issue of a men's magazine in publishing history" (AA, Aug. 28).

Wrong! The October 1973 (40th anniversary) issue of *Esquire* contained 564 pages. It included Hemingway, Fitzgerald, Wolfe, Capote and many more of the great Arnold Gingrich's literary cronies.

Jay M. Remer
National ad manager
The New Yorker
New York

The December 1983 *Esquire* was 618 pages. As VP-group advertising director at the time, it was particularly gratifying because only a few years before the magazine had been given up for dead by most advertisers.

William H. Longley
President
Health Monitor Marketing
White Plains, N.Y.

While the December 1983 issue of *Esquire* may have been a total of 618 pages, according to PIB, there were 285.05 advertising pages in that issue (some ad/edit ratio, right?).

The September 1989 issue of *GQ* closed at 342 advertising pages with a very healthy ad/edit ratio. So, I guess you can say that the September issue had more advertising pages than any men's magazine in history!

Michael Clinton
Publisher
Gentlemen's Quarterly
New York

Don't give in to drugs

Sid "Just-Say-Yes" Bernstein is at it again—telling us that if we simply legalize drugs, the problems drugs cause will disappear (AA, Sept. 11).

Sure. And the repeal of Prohibition eliminated all the problems caused by liquor.

Bernstein seems to think that drugs are profitable because illegality lets dealers charge high prices. Wrong, Sid—competition and the spirit of American enterprise have made drugs nice and cheap. In most cities, you can get a line of coke or a smoke of crack for less than the price of dinner and a movie.

The problem is that, for addicts, one isn't enough. Drugs are obscenely profitable NOT because the unit price is high, but because demand is insatiable.

Get real, Sid. Drug problems are not caused by drug dealers or drug profits. They're caused by drugs themselves.

Drugs kill people. They ruin lives. They destroy the individual freedom and responsibility that are the very foundation of our democratic society. We can't afford to give in to them. It won't be easy—but we've got to fight.

Jim Williams
Omaha, Neb.

I applaud Sid Bernstein's stand on legalizing drugs.

Opposition to legalization of drugs is basically an ideological concept. It's a moral issue. It is thus an ideological war . . . similarly Prohibition.

Within this generation we have fought and lost every ideological war in which we've engaged—Korea, Vietnam and, currently, Nicaragua and El Salvador.

Will we never learn?

The old saw "If you can't beat 'em, join 'em" applies here. Failure to recognize this doleful truth is bleeding our great country of dollars, causing loss of respect for law and order, corrupting law enforcement personnel, etc.

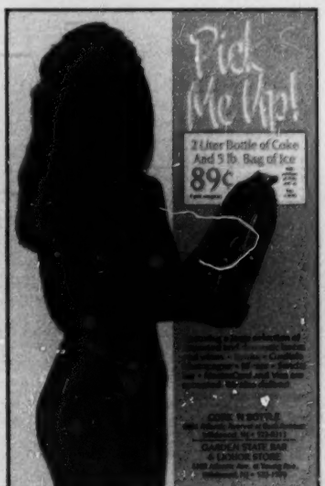
We can stop all this and provide hospitalization and counseling to the addicts based on revenue derived from legalized drug sales.

Fortunately, *Ad Age* has the ear of our best communicators. So keep telling them. It may bring us to our senses!

Daniel L. Lionel
President, Leadership Advertising Development Co.
Syosset, N.Y.

FREEZE FRAME

BRAND-NAME LOYALTY
For my last meal I'd like some Campbell's tomato soup, Swanson's 'Hungry Man' turkey dinner, Heinz baked beans, Diet Pepsi...
Sidney Harris



A Classic sexist ad

Words cannot fully describe why this local Coca-Cola promotion on the Jersey Shore is a Classic case of an ad we can do without, but for starters let's try "sexist," "sophomoric" and "stupid."

On the other hand, "Pick me up," if hyphenated, *could* simply be a reference to the stimulating qualities of Coca-Cola's caffeine ingredient. . . . Nah!

I sure hope that the implicit endorsement of co-op funding doesn't exist for this type of four-color fiasco!

Peter Pelland
President
Pelland Advertising Associates
Springfield, Mass.

Like a cheap paperback

Good god. That Mr. Brady had to endure a sponge bath *and* open windows all on the same day is an outrage. How dare those people subject a group of *obviously superior* Americans to such untenable conditions! This is clearly an act of war.

Mr. Brady's recent report on Forbes' fab bash (AA, Aug. 28) read like a cheap paperback, complete with caricatures of bitchy women and egocentric men. (What, no Zsa-Zsa?) The sad thing is these people are real.

The sadder thing is that I actually read it.

Tina L. Creguer
Senior copywriter
University Microfilms Int'l.
Ann Arbor, Mich.

Time for continuity programs

In response to your Aug. 7 article "Purse strings tighten despite ads," I strongly agree with Prof. Leslie Telser that in these times of cautious consumer spending, marketers should concentrate on increasing their market share by convincing consumers to switch brands.

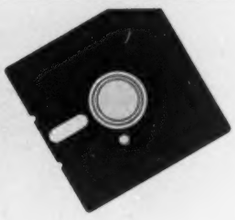
However, when product identity is established and product recognition has been achieved, advertising has done its job and can do little more to move consumers from one brand to another.

In an economic environment such as we are experiencing today, smart product managers are looking toward strategic sales promotion as a means of swaying consumers to their brand. Strategic continuity programs are key to getting the consumer to switch brands. These programs tell the consumer to buy *now* and to keep

(Continued on Page 34)

CORRECTIONS & CLARIFICATIONS

- The ad pages given in a chart listing city magazines are for the first seven months of 1988 and 1989, not whole-year figures (AA, Sept. 18, P. 33).
- *Inside* and *The Jewish Exponent* are sold separately, rather than in package ad deals as reported (AA, Sept. 18, P. 33).
- *TV Entertainment's* audited circulation for the six months ended June 30 was 4,136,279, down 1.5% from 4,199,919 for the same 1988 period, according to the Business Publications Audit of Circulation (AA, Aug. 21, P. 60). □



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Top magazines report big gains in ad dollars

By Ira Teinowitz

This year may turn out to be a glorious one for magazine advertising, the Publishers Information Bureau reports.

PIB last week said that through Aug. 31, 141 of the nation's top 165 magazines showed increases in ad dollars, while double-digit gains were common.

Of the top 20 revenue-producing magazines, double-digit gainers include *People*, up 13.1%; *Business Week*, up 16.6%; *Fortune*, up 21.3%; *Family Circle*, up 17.0%; *U.S. News & World Report*, up 20.1%; *Good Housekeeping*, up 12.5%; *Forbes*, up 20.6%; *Cosmopolitan*, up 11.6%; *Woman's Day*, up 25.3%; *Ladies' Home Journal*, up 26.6%; *Vogue*, up 14.9%; and *McCall's*, up 33.1%.

The few losers in the top 20, however, included two of the nation's largest magazines. *TV Guide* was down 0.7%, and *Reader's Digest* was down 1.6%. *Money* was also down 1.2%.

PIB revenue figures can, by nature, be somewhat optimistic. Dollar estimates are calculated based on ad pages at published category rates and don't reflect the discounting common at magazines.

Still, the overall revenue growth of 12% through August to $4 billion for the nation's 165 top revenue magazines is healthy. Ad pages were up 4.2%.

"Whether or not the [revenue] numbers are exactly right, the per cent changes are right on the nose," said James Guthrie, exec VP of the Magazine Publishers of America.

Mr. Guthrie said the MPA's own analysis of first-quarter numbers shows magazines are capturing a growing share of ad dollars, a trend he expects to continue.

"The '90s will be the decade of magazines as more and more advertisers look to niche marketing and tighter definitions of customers," he said.

Mr. Guthrie said magazines have seen the biggest gains in food advertising, where newspapers have been losing.

Overall, network TV has been the main loser, with business from travel companies and beer and wine producers off, he said.

Mr. Guthrie said the shift in dollars from promotions to brand advertising has also benefited magazines.

"Major food manufacturers are going for brand equity building instead of the short-term burst for price considerations," he said.

The growth was also apparent in newspaper supplements with *Parade* up 16.4% in revenues and *USA Weekend* up 22.2%. □

'Apartment Life' suits Chevy

By Scott Hume

Recognizing that not all young adults trade up from apartment living to home ownership, Meredith Corp. is reviving *Apartment Life*.

The magazine will go on sale nationally Oct. 31 with a cover price of $2.95, distribution of 350,000 copies and a single advertiser, General Motors Corp.'s Chevrolet division (AA, Sept. 18).

Chevrolet bought 20 pages of ads in the first issue, which will have a total folio of 128 pages. A second issue is planned for May, again solely sponsored by the automaker. After that, Meredith hopes *Apartment Life* will become a quarterly.

"There are no long-term contracts signed, but we hope we can work with Chevrolet through 1990" for a total of four issues, said Jerry Ward, who heads Meredith's Better Homes & Gardens Special Interest Publications group and who serves as publisher of *Apartment Life*.

Mr. Ward declined to detail the cost of the buy.

Meredith in 1969 launched *Apartment Ideas*, an every-other-monthly that it renamed *Apartment Life* a year later. In 1981, the publication was retooled as a more upscale magazine called *Metropolitan Home*.

"The new *Apartment Life* will still target young singles, couples and marrieds ages 20 to 35, but with a broader focus than before," Mr. Ward said. Besides furnishings, the magazine will cover travel, food, fashion, fitness and music, he said. □

Magazine ad-page leaders

Publishers Information Bureau figures for January through August.

Rank	Magazine	Revenue	% chg	Pages	% chg
1	Time	$221,048,966	7.9	1,634.23	10.0
2	Sports Illustrated	205,522,645	3.3	1,826.43	0.3
3	People	198,494,386	13.1	2,315.68	6.1
4	TV Guide	194,397,868	(0.7)	1,954.43	(6.1)
5	Business Week	149,510,886	16.6	2,728.06	5.3
6	Newsweek	146,288,447	4.5	1,435.10	(2.2)
7	Fortune	98,573,945	21.3	2,185.73	16.4
8	Better Homes & Gardens	95,777,510	2.2	903.98	1.9
9	Family Circle	91,555,047	17.0	1,234.12	13.7
10	U.S. News & World Report	88,153,989	20.1	1,194.64	9.5
11	Good Housekeeping	86,152,398	12.5	975.98	3.1
12	Forbes	84,579,338	20.6	2,069.83	8.9
13	Cosmopolitan	79,961,060	11.6	1,484.85	0.1
14	Woman's Day	78,777,263	25.3	1,087.24	12.8
15	Reader's Digest	70,327,214	(1.6)	589.61	(10.1)
16	Ladies' Home Journal	63,951,494	26.6	982.16	21.1
17	Glamour	58,542,120	6.1	1,263.50	(4.0)
18	Vogue	54,860,523	14.9	1,832.55	0.7
19	McCall's	48,769,985	33.1	725.49	21.7
20	Money	47,708,269	(1.2)	786.03	(8.3)
21	Golf Digest	45,935,064	15.2	948.23	4.4
22	Redbook	45,268,981	7.8	723.39	(3.1)
23	Rolling Stone	42,819,805	14.8	1,220.18	7.5
24	Southern Living	40,571,719	2.2	876.48	(6.7)
25	Bride's	39,024,877	23.7	2,373.94	14.3
26	Parents	36,754,532	19.7	937.15	10.5
27	Car & Driver	34,903,715	16.7	864.02	3.1
28	Elle	34,583,389	15.5	1,253.69	(0.1)
29	Life	34,346,250	17.8	493.93	11.2
30	Mademoiselle	31,186,014	0.5	1,054.94	(7.0)
31	Travel & Leisure	30,945,671	18.7	903.27	12.4
32	Playboy	29,718,518	22.5	490.23	17.3
33	Modern Maturity	29,170,949	17.1	157.11	12.2
34	Sunset	29,034,316	(4.8)	1,011.70	(3.2)
35	The New Yorker	28,570,785	4.1	1,231.40	(4.4)
36	Modern Bride	28,337,306	25.2	1,835.82	14.2
37	Inc.	27,819,485	13.5	733.95	1.9
38	Seventeen	27,802,513	1.8	967.63	(4.9)
39	GQ	27,782,104	19.2	1,237.85	6.9
40	Architectural Digest	27,738,930	11.3	1,113.64	1.4
41	Country Living	27,561,146	24.0	707.99	5.7
42	New York Magazine	27,231,886	6.1	1,793.41	(0.1)
43	Road & Track	26,055,847	23.5	822.60	5.1
44	Self	25,751,327	16.9	828.67	7.7
45	Field & Stream	25,622,382	9.0	597.02	(5.2)
46	Smithsonian	25,381,463	3.7	616.22	(4.4)
47	Ebony	24,973,061	(0.2)	784.34	(2.2)
48	Golf	24,258,152	20.7	879.81	21.8
49	Motor Trend	22,115,523	16.3	679.73	3.6
50	National Geographic	22,032,845	(5.0)	153.54	(8.0)
51	Vanity Fair	21,932,675	50.9	762.28	20.9
52	Metropolitan Home	21,814,130	27.6	765.14	19.8
53	Esquire	20,875,067	26.7	724.56	16.0
54	Popular Mechanics	20,008,439	11.6	628.18	0.5
55	Harper's Bazaar	19,119,688	5.3	765.51	(3.7)
56	Working Woman	18,993,921	8.1	660.94	(2.4)
57	Town & Country	18,776,264	9.7	894.87	(1.4)
58	Popular Science	18,642,579	31.8	674.59	27.8
59	Bon Appetit	18,421,756	14.0	630.03	4.0
60	W	18,098,092	16.4	897.69	7.1
61	Outdoor Life	17,984,493	17.0	637.81	8.3
62	Cable Guide	17,971,958	1.0	276.74	14.6
63	Gourmet	17,190,071	10.5	707.29	(3.4)
64	House Beautiful	16,633,127	10.0	503.15	1.7
65	Hot Rod	16,483,967	17.6	740.60	(0.3)
66	Muscle & Fitness	15,817,593	53.0	1,049.01	1.3
67	New Woman	15,455,194	15.0	665.23	1.7
68	Penthouse	15,141,273	19.6	383.04	11.8
69	US	14,174,028	46.6	478.26	20.1
70	Popular Photography	14,071,347	3.1	658.83	6.3
71	Delta Sky	13,799,857	4.0	578.90	(5.6)
72	Omni	13,078,999	10.0	445.12	(4.6)
73	House & Garden	12,956,552	(7.9)	539.86	(19.5)
74	Condo Nast Traveler	12,892,398	69.3	549.33	48.3
75	Prevention	12,777,277	2.8	404.46	(10.1)
76	Essence	12,706,575	3.3	576.91	(4.3)
77	American Way	12,505,210	11.4	1,137.61	5.1
78	Star Magazine	12,156,350	24.8	378.40	17.4
79	Home	11,901,645	8.3	452.78	(3.8)
80	Jet	11,715,686	(7.1)	750.42	(10.5)
81	1,001 Home Ideas	11,514,267	20.8	451.92	6.6
82	Tennis	11,351,595	2.9	526.05	(15.0)
83	Economist	10,819,550	11.5	1,416.10	0.7
84	Working Mother	10,606,031	10.8	537.19	0.2
85	Bicycling	10,441,600	20.0	879.39	(0.7)
86	Food & Wine	10,295,350	39.2	456.81	19.0
87	Beermaster	10,073,902	2.8	566.53	(3.1)
88	Changing Times	9,462,540	(11.0)	381.70	(10.9)
89	Financial World	2,445,017	32.7	486.91	0.2
90	Entrepreneur	9,400,422	62.6	1,212.86	49.4
91	Sports Afield	9,018,539	12.6	504.73	(15.2)
92	Texas Monthly	8,974,639	8.6	617.35	3.0
93	American Health	8,699,515	14.4	467.02	8.9
94	Nation's Business	8,450,425	18.9	290.19	9.6
95	Skin Diver	8,398,175	2.3	949.64	0.0
96	Connoisseur	8,283,190	11.4	525.13	(10.9)
97	Country Home	8,225,680	30.8	268.73	31.5
98	Home Mechanix	7,874,584	(8.8)	375.22	(4.4)
99	Business Month	7,798,753	33.1	258.99	4.5
100	Black Enterprise	7,566,416	4.1	622.46	1.5

Percent Change is compared from January through August 1988 pages by PIB.
Source: Publishers Information Bureau

Toy dealers who ignore New York's Hispanic consumers are just kidding themselves.

In 1988, New York's Hispanics spent more than $35 million on toys and games.
Want to reach these buyers? Advertise on WNJU 47—New York's #1 Spanish-language television station. It's as simple as that!

WNJU 47
Telemundo in New York

For more information, call Rosemarie Lieberman (212) 492-5603

Source: Arbitron, May 1989, sign-on to sign-off. AGB 1988 Telemundo Product Usage Study, New York ADI.

Create Logos on your Computer

Innovative system lets you create world-class logos and publication graphics with amazing speed. Call for free demo disk and VHS video.

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Burger King ads will count

By Scott Hume

Burger King Corp.'s new ad campaign has the potential to significantly boost the No. 2 burger chain's market position.

A nationwide poll of consumers shows that a significant percentage already patronize Burger King, that those who do are overwhelmingly positive about the chain and that advertising can influence many consumers' choice of which chain they visit.

In other words, those who patronize Burger King like it. If the company's new marketing strategy can attract a significant number of new customers, the opportunity exists to improve Burger King's 17% share of the $60 billion fast-food market.

For the survey, conducted in May for *Advertising Age* by the Gallup Organization, a random sample of 1,000 adults was asked how many times in the previous 30 days they'd visited a Burger King, either eating in or using a drive-through window.

Overall, 44% said they'd visited at least once, 46% said they hadn't and 10% declined to answer. For those who'd visited a Burger King, the mean number of visits was nearly three times (2.96).

Burger King's strongest adult patronage base (as with most fast-food chains) comes from people ages 18 to 34: 59% of this group said they had visited the chain at least once.

The mean number of visits during the previous 30 days also was highest among this group: 3.2 times.

Not surprisingly, the numbers fall off for older consumers. Among respondents ages 35 to 54, 44% had visited at least once, 45% hadn't been to a Burger King and 11% had no answer. The mean number of visits for middle-age consumers was 2.79.

Less than one-quarter of consumers ages 55 or older said they'd eaten at Burger King during the previous month; 63% hadn't visited and 14% had no reply.

But, while the patronage base among this group was relatively low, Burger King still has its share of regulars from its ranks: mean number of visits from older patrons was 2.49.

Burger King is most popular in South Central states, where the mean number of visits was 3.44. The chain has the biggest opportunity for improvement in the Midwest and North Central states, where the mean was 2.55 visits.

As any retailer knows, customer traffic is worthless without customer satisfaction. But Burger King patrons like the restaurants.

Overall, 86% of those who'd visited Burger King at least once rated their most recent visit a pleasant experience. That includes 83% of men surveyed and 88% of women.

Positive word-of-mouth advertising from these satisfied patrons can help but hasn't been enough to significantly boost Burger King's sales.

That's where the new ad messages come in, and the survey reveals the extent to which ads can have an impact.

Respondents were asked to rank the power of a chain's advertising to influence their choice of which fast-food restaurant to visit.

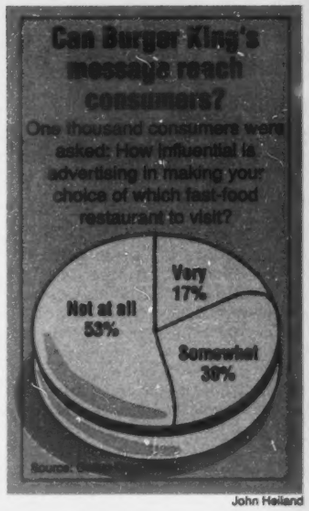
Seventeen percent of the sample rated advertising very influential in their decision-making, and another 30% said it's somewhat influential. But a little more than half (53%) said advertising has no influence on them.

Significantly, the key demographic group—adults 18 to 34—are the most apt to be swayed by ads: 21% rated ad messages very influential.

Burger King recently reassigned its Hispanic ad account to Sosa & Associates, San Antonio, Texas, an assignment the survey shows to have especially high potential. While 15% of the white consumers polled rated advertising very influential, 41% of Hispanic consumers rated ad messages a significant influence.

Among black consumers, 30% said their choice of a fast-food restaurant was very likely to be influenced by the ads they see and hear.

The phone survey has a margin of error of 3.1%. □


Can Burger King's message reach consumers?
One thousand consumers were asked: How influential is advertising in making your choice of which fast-food restaurant to visit?
Very 17%
Somewhat 30%
Not at all 53%
John Holland

BK's strategy

(Continued from Page 1)

ceo by Grand Metropolitan after its $5.79 billion acquisition of Pillsbury Co. last December.

The status quo was "unacceptable not just as far as [declining sales at] a few restaurants here and there," Mr. Gibbons continued. "The kind of status quo I'm talking about is the whole attitude that pervaded the management and operations. That has had to change, and this [campaign] is part of it.

"It's not just an ad campaign. It's a bit of a rallying call. It's saying, 'This is the personality you need to recognize when you think of Burger King in the 1990s.' "

The first phase of that personality change includes eight TV commercials (four 30-second spots, four running in both 30- and 60-second versions) produced by the rule-breaking tandem of national agencies hired in May.

Saatchi & Saatchi Advertising, New York, assigned oversight of "brand retailing" ads, created five of the eight spots ("Mr. Mom," "Perfect Date," "Carrier," "Rehearsal" and "Ship/Doubles").

D'Arcy Masius Benton & Bowles is represented by three spots ("Garage," "Nightwatchman" and "Wrong Number") in its role as "brand identity" agency.

What they all share, said Burger King VP-Creative Jeff Myers, is "a more contemporary, hipper way to embody Burger King. This is not 'How fast can we get people to memorize a jingle?' because there is no jingle. This campaign is about getting people to think differently about Burger King."

In addition to the network TV effort, Burger King on Oct. 1 began a massive radio campaign that it says means an average 150 spots a day in every major market for two weeks.

Burger King will spend up to 20% of its approximately $150 million media budget in the next 12 months on radio, by far its largest commitment to that medium, executives said.

D'Arcy created the radio spots, featuring individualized versions of a basic musical theme by such artists as the Fabulous Thunderbirds, John Lee Hooker, Paul Shaffer and the World's Most Dangerous Band, and Mel Torme.

Tone-Loc is one of the artists featured in spots from Uni-World Group, New York, and Sosa & Associates, San Antonio, Texas, has created a series of Hispanic music tracks.

The eight TV commercials breaking Oct. 4 are intended to reshape Burger King's image. Even "Ship/Doubles," introducing the new BK Doubles sandwiches (AA, Sept. 25), downplays the traditional product shots in favor of humor.

"When 96% of the American public knows what a Whopper is, why am I going to spend time on the tube telling them what they already know?" said Gary Langstaff, exec VP-marketing. "We said, 'No, we're going to change the dialogue.' We're going to entertain and, yes, we're going to inform, and we're going to do it with a sense of humor, a little lightness and a wink of the eye. And we're going to be provocative in terms of executional technique."

"When 96% of the American public knows what a Whopper is, why am I going to spend time on the tube telling them what they already know?"

Burger King—currently offering a different sandwich each day for 99¢—will still selectively use discount promotions, Mr. Langstaff said. But he's determined discounting won't be the rule.

"This business is wedded to the idea that you've got to show the product [on TV] for 24 seconds and, worse, discount it to get people's attention, both of which I think are fundamentally stupid executions," Mr. Langstaff said.

"Discounting has evolved from tactic, where it has a very viable role, to strategy. It's the stupidest thing I've ever heard," he said. "And the tragedy of it is that with the advent of the microwave, the quality credentials of our business went up because consumers were changing the way they're preparing food at home.

"We didn't do a damn thing different, but yet we benefited from the changing environment at home. And now we're about to blow it because the marketing geniuses [in this industry] can't find a way to get out [of discounting]."

Mr. Langstaff acknowledged he and Burger King raised some eyebrows by "breaking rule No. 1 in hiring agencies by hiring two." He pointed to the new creative as proof the decision was a sound one, though he admitted it was a "management challenge."

"The key [to the two-agency split] was managing the [creative] process, and that was where Jeff Myers became so important," Mr. Langstaff said. "It was a tough job. The challenge was it has to be managed, because if it wasn't managed it was going to spin out of control.

"You had capabilities but also powerful egos" at the two shops, he said.

The dual agency setup "worked better than we expected," Mr. Myers said. "There's no denying that it took some work and attention, but the focus was on getting the job done.

"We hired two of the best general-market agencies money could buy," he said, smiling. "And, yes, they have primary and secondary responsibilities. But there's no chart that says, 'OK, you can do this but, no, not that, work.' "

"We all have had equal input," said UniWorld President Herb Kemp. "Everything has been a matter of 'Here's where we are, here's where we want to go. Who can do it best?' "

Said Harvey Hoffenberg, Saatchi vice chairman-executive creative director: "This [team concept] isn't about dividing things up. We agreed on an attitude, a tone of voice that all the advertising needed to carry, and we've kept focused on that."

"And the result is that we've wrested away creative leadership," said Saatchi Exec VP Richard Pounder. "This advertising is better and fresher than anything coming out of Oak Brook [Ill., headquarters for McDonald's Corp.].

"It has a better standard of energy and reward than consumers are getting from the guy resting on his laurels. It'll hit them [McDonald's] shortly: They've lost it, gang." □

DMB&B

(Continued from Page 3)

trying to build your creative reputation, you need to be prepared to make those sorts of investments."

Judy Wald, president of the Judy Wald Agency, a recruiter specializing in placement of agency creatives, said top creative people are more in demand now than ever.

Ms. Wald contended that large shops like D'Arcy and Saatchi & Saatchi Advertising—Burger King's other shop—are hurting for talent.

"Obviously, neither one of those agencies was known for brilliant, fantastic creative," she said. "They both have to shore up, they feel, and put the emphasis back on the creative product."

Ms. Wald has been working with both agencies on their creative searches. She declined to discuss specifics of the D'Arcy offer.

Since being awarded the Burger King account, D'Arcy has hired John Neiman, the former McCann-Erickson Worldwide exec VP-executive creative director, as vice chairman-chief creative officer of its USA division.

The agency also hired several senior creatives to work exclusively on the Burger King business, including Senior VP-Creative Director David Hale from J. Walter Thompson USA; Senior VP-Associate Creative Directors David Levine from McCann and Nick Vitale from Lintas:New York; and VP-Executive Producer and Associate Creative Director Bruce Davidson from Backer Spielvogel Bates *(see item on Page 50)*.

Mr. Neiman's package was richer than the one that was turned down, but the rest of those hired got less than the rejected offer, sources said.

Mr. Neiman declined to comment on his compensation package.

At most agencies, a separate creative staff for one account would be unusual, but D'Arcy earlier this year divided its New York office into a number of mini-agencies, some handling one or two clients.

Saatchi also lured a new creative director earlier in the year with a rich pact, Vice Chairman Harvey Hoffenberg, formerly at BBDO Worldwide. Mr. Hoffenberg, however, works on many of the agency's accounts in addition to Burger King.

D'Arcy also hired creative talent to work on General Foods USA's $50 million Maxwell House coffee account it won in May, led by Senior VP-Creative Director Michael Shevack, also from BBDO.

Mr. Wilhite said by spending money on big-ticket talent, the agency is sending a message to the industry.

"If we can communicate to the outside world the fact that we are able to attract, satisfy and give long-term sustenance to people of the ilk of David Hale, Nick Vitale, David Levine and Michael Shevack, that is going to say to their peers in the marketplace that DMB&B/USA, specifically the New York office, is a place where I, too, can feel comfortable," Mr. Wilhite said.

"I think that would be a change in perspective on the part of a lot of folks who heretofore did not view the agency in that way," he added.

D'Arcy isn't the only big agency in the market for senior creative help. Ogilvy & Mather and Grey Advertising are looking for top creative directors, and if D'Arcy's lucrative offer is any indication, both will have to pay top dollar to lure big names from other agencies.

"That's what you've got to pay these days to get the right guy at the right time," one agency executive said. □

NEWSPAPER

Advertising Age

October 9, 1989

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Y&R hit by U.S. indictment

New York chief Klein also charged in tourism-ad case

By Jon Lafayette

Young & Rubicam, the nation's largest ad agency, and one of its top executives were indicted Friday on federal conspiracy and racketeering charges in an alleged kickback scheme involving the Jamaica Tourist Board.

Two former Y&R executives also were indicted along with two Jamaicans with ties to the tourist board.

Y&R denied the allegations.

The indictment was handed down by a federal grand jury in New Haven, Conn.

Arthur Klein, president of Y&R's flagship New York office; Thomas Spangenberg, a former senior VP-management supervisor; and the agency itself were charged with conspiring to violate the Foreign Corrupt Practices Act.

All three were accused of violating the federal Racketeer Influenced & Corrupt Organization Act, originally designed to combat organized crime but also used to prosecute white-collar crimes.

The two Jamaicans, former Tourism Minister Eric Anthony Abrahams and businessman Arnold Foote Jr., were charged with RICO violations, while Steven McKenna, former Y&R senior VP now at subsidiary Wunderman Worldwide, was indicted for perjury.

Another Y&R executive, VP-Account Supervisor Edward J. Daley, was named as an unindicted co-conspirator. Sources say Mr. Daley has received immunity from prosecution in return for his testimony.

The indictment alleges that in 1981, Y&R paid kickbacks to the two Jamaicans in return for their influence in obtaining for Y&R the tourism board's $8 million-to-$10 million ad account.

The agency was awarded the account in 1981 and went on to create the well-known "Come back to Jamaica" campaign.

Y&R kept the business this year after a review.

In addition, the defendants allegedly created a sham ad agency known as Ad Ventures in the Cayman Islands to conceal the kickback scheme.

Y&R says the charges are "based on speculation and innuendo and are without substance or merit."

Y&R then entered into a consulting contract with Ad Ventures "so as to provide an ostensibly legitimate reason for the kickback payments," said Stanley A. Twardy Jr., U.S. Attorney for Connecticut.

The government is also asking Y&R to forfeit its gross profits on the Jamaica account, about $3.75 million, and for the Jamaican defendants to forfeit the alleged kickbacks, allegedly totaling about $900,000.

If convicted of conspiracy, Messrs. Klein and Spangenberg could be imprisoned for up to five years and fined $250,000, while Y&R could be fined $500,000.

RICO charges carry a maximum sentence of 20 years imprisonment and a $250,000 fine upon conviction for individuals and a possible $500,000 fine for companies. Perjury charges carry a maximum penalty of five years imprisonment and a fine of $250,000.

In a statement, Y&R said the charges were "based on speculation and innuendo and are without substance or merit."

"What they have done is they've labeled each and every payment to Ad Ventures a

(Continued on Page 68)

ANA members set to defend brand equity

By Judann Dagnoli and Julie Liesse Erickson

HOT SPRINGS, Va.—Brand equity is under attack, and advertisers are fighting back.

That was the message at the 80th annual meeting of the Association of National Advertisers here Oct. 1 to 4, where 350 marketers warned that regulatory forces, retailer power, bottom-line focus and climbing media costs are squeezing ad budgets and jeopardizing brands.

"We're less concerned than we were last year about the 'grossed-up' issues, like megamergers and agency compensation, and more concerned about market issues," said Kim Armstrong, director of advertising and promotions for AT&T Co. and chairwoman of the ANA Committee on Nominations.

Marketers blamed themselves for consumers' waning confidence in advertising, a factor that's hurting brands.

■ For pictures of ANA's gathering and a chat with new Chairman John Ruhaak, see Page 70.

Outgoing ANA Chairman and Owens-Corning Fiberglas Corp. VP Joseph Doherty said the industry should take stronger public stances on such issues as tobacco, liquor and political advertising to help change the public's view of the industry as "snake oil salesmen."

This "tendency to be wary of advertising is something we ought to heed seriously," he said.

Perhaps the single biggest threat to brand equity is promotional spending, including slotting allowances paid to retailers to gain shelf space, executives said.

One ANA source said several

(Continued on Page 70)

At the Association of National Advertisers' annual meeting, the new chairman of the group, John Ruhaak (2nd l.), VP-advertising and promotion at United Airlines, joins past chairmen Kim Armstrong, AT&T Co., and Joseph Doherty (2nd r.), Owens-Corning Fiberglas Corp., and DeWitt Helm Jr., ANA president.

LAST MINUTE NEWS

Lord Geller case settled

NEW YORK—Lord Einstein O'Neill & Partners late Friday agreed to pay $7 million to WPP Group in an unexpected settlement of WPP's lawsuit against the breakaway agency in New York state Supreme Court. In a terse statement, WPP said its Lord, Geller, Federico, Einstein agency, Lord Einstein and Young & Rubicam, which owns 49% of Lord Einstein, agreed to drop all claims. "The settlement does not suggest admission of wrongdoing by any of the parties and is intended to avoid the expense and distraction that would accompany continued litigation," the statement said.

Philip Reiss, an attorney for WPP and Lord Geller, said he was "very pleased" with the settlement but declined to comment further. Under the out-of-court settlement, the parties aren't allowed to discuss or reveal exact terms of the deal, such as whether Lord Einstein can now solicit clients or employees of Lord Geller. The case stemmed from the March 18, 1988, walkout by six top Lord Geller executives, who left to form Lord Einstein. Lord Einstein subsequently hired 60 Lord Geller employees and was awarded two Lord Geller accounts.

Coke revisits 'Hilltop'

ATLANTA—Coca-Cola Co. has shot an updated version of its celebrated

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Reader's Digest Association focuses on international growth.

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Bell Atlantic introduces actor James Earl Jones to his first on-camera ad role.

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David Hale's dream comes true through Burger King's new radio campaign.

Saatchi surge

Stock soars; takeover rumors fly

By Laurel Wentz and Gary Levin

As Saatchi & Saatchi Co.'s stock price soared Friday, contradictory rumors had the London-based company facing increased investment by a U.S. financial institution and/or an imminent takeover bid.

On Friday, 10.2 million shares —or about 6% of the company's outstanding common stock—were traded in London, where Saatchi shares closed at 342 pence, up from 300 pence at the start of the trading day. In New York Stock Exchange trading, Saatchi closed at $17.25, up $2.13.

A Saatchi executive said the company wouldn't comment on price-sensitive information.

For a few hours, the financial community was on the alert for a takeover bid for Saatchi from Adia, a Lucerne, Switzerland-based recruitment services group, reportedly considering a 375 pence-per-share bid.

Analysts said Adia is interested in expanding in the business services sector. Earlier this year, the company bought Inspectorate, a London-based service company dealing with inspections and security control and personnel. In the U.S., Adia owns Tempworld and Comp-u-staff temporary-help companies.

No bid materialized before the London and New York markets closed, and analysts familiar with Adia said the Swiss company had looked over Saatchi's consulting companies, up for sale since June, and decided not to buy any of them *(see related story on Page 40)*. Adia officials couldn't be reached for comment.

Another scenario: Memphis, Tenn.-based Southeastern Asset Management, an investment house, was increasing the 10.2% stake it took in Saatchi last month, said Chris Akers, an analyst at Citicorp Scrimgeour Vickers.

Southeastern Chairman Mason Hawkins said he had no comment on speculation his company had increased its Saatchi holdings. "Public filing will have to answer that question," he said. Southeastern is Saatchi's largest shareholder. The company has maintained it's increased its Saatchi shares as an investment.

Old reports also resurfaced: a possible takeover bid by Dentsu, Tokyo; a management-led buyout of Backer Spielvogel Bates Worldwide, New York, by Backer Chairman Carl Spielvogel, backed by Prudential Bache Securities, and "greenmail" by Robert Jacoby, the former chairman of Ted Bates Worldwide.

Mr. Jacoby, who was ousted shortly after Saatchi acquired Bates in 1986, said he hadn't purchased any Saatchi shares recently. In fact, he said, he sold his stake of 300,000 Saatchi American Depositary Receipts last month at $15.75 each. He said he bought them in March at $14.50, so the sale earned him a $375,000 profit.

WPP Group chief executive and Saatchi archrival Martin Sorrell, asked whether he was interested in any Saatchi properties, said, "I have my own organization to run."

At least eight rumors were circulating in London on Friday afternoon, and Mr. Akers predicted the least likely was an Adia bid.

Andrew Wallach, analyst at Drexel Burnham Lambert, said, "I think it could happen eventually, but it's unlikely right now, at least until they square away their consulting sale." □

Jon Lafayette in New York contributed to this story.

Mountain Dew sports new rival to Gatorade

By Patricia Winters

Pepsi-Cola Co. is going after Gatorade.

The soft drink giant is testing new Mountain Dew Sport, positioned against the longtime sports-drink leader from Quaker Oats Co.

Mountain Dew Sport, introduced in Eau Claire and Menomonie, Wis., two weeks ago, is a low-carbonated drink with sodium, potassium and chloride, ingredients that restore body fluids lost during and after sports-related activities. It also contains vitamin C.

The product comes in yellow-and-white 16-ounce bottles and cans priced competitively with soft drinks at 59¢. A wide-mouth 32-ounce bottle, mimicking one of Gatorade's packages, retails for 95¢, comparably priced with the leader.

Diet and regular versions are offered.

"We're always looking for opportunities, and research shows there is a growing market for sports-oriented beverages," said Jeffrey Brown, manager-public relations at Pepsi. "It's designed for quick refreshment during and immediately after activities but not just sports and exercise activities. It's also refreshment related to activities such as mowing the lawn."

Pepsi is putting heavy ad support behind the test, including TV, radio, outdoor boards, page newspaper ads, coupons, direct mail and point of purchase.

A catalog, offering reduced prices on merchandise with Mountain Dew Sport proofs-of-purchase, was sent to 100,000 households in the test areas.

Ad spending is at a national rate equivalent to between $10 million and $20 million, trade sources say. Quaker spent $26 million on Gatorade in national measured media last year.

Mountain Dew Sport advertising, from BBDO Worldwide, New York, relies on Pepsi's underdog style by subtly taking a jab at Gatorade without mentioning its name.

"It's designed for quick refreshment during and immediately after activities but not just sports and exercise activities."

The TV spot, filmed in Giants Stadium, uses actors as football players at the end of a winning game. The players lift a huge barrel of Moutain Dew Sport, ready to dump it on the coach's head. Suddenly everyone stops, and a voice-over says, "Tastes so good you won't want to spill a drop."

Gatorade gained national publicity when New York Giants players poured the product on coach Bill Parcells' head during its 1986-87 championship season.

The Mountain Dew Sport spot, themed "Go for it," was directed by Bianchi Films.

Pepsi's test of Mountain Dew Sport demonstrates the company's desire to expand volume by targeting beverage niches.

In a spurt of new-product activity, Pepsi also is testing in Cleveland Pepsi A.M., an increased caffeine product aimed at morning consumption. It's also testing a sparkling water line called H2Oh!.

Pepsi appears to be trying to expand its shelf space beyond the soft-drink aisle in supermarkets. While Mountain Dew Sport is sold next to soft drinks, the product also is in the juice aisle where Gatorade is sold.

The new product has a tough game ahead. Gatorade is the only national competitor, and it's proved so far to be unconquerable.

With $350 million in sales in 1988, Gatorade has been growing 30% annually and owns from 90% to 95% of the sport drink "isotonic" market.

Earlier in the decade, Coca-Cola Foods made an unsuccessful effort with a product called Max. Max, however, was distributed through warehouses, and Pepsi is using its bottler system.

Trade sources say Coca-Cola continues to eye the Gatorade franchise. Coca-Cola markets Sports Aquarius, a sports drink sold by Coca-Cola bottlers in Japan, where it's been very successful.

Rumors have circulated that it's planning a U.S. launch of Sports Aquarius, but Coca-Cola in the past has denied such a move.

Pepsi didn't say how long Mountain Dew Sport will test. Eau Claire is a BehaviorScan test market of Information Resources Inc., possibly one reason Pepsi chose the site, an industry source speculated. □

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Reeling retailers

Sales of chains could bring 'chaos'

By Judith Graham

Chicago's "Magnificent Mile," lined with tony merchants, has long symbolized the reign of department stores at the pinnacle of the retail industry.

Today, however, it symbolizes the extraordinary turmoil in that segment of the business.

Consider but a few of the merchants located within blocks of each other on Michigan Avenue:

- Bloomingdale's: up for sale by financially troubled Campeau Corp.
- Bonwit Teller: forced into Chapter 11 reorganization bankruptcy proceedings with parent L.J. Hooker Corp.
- Marshall Field's and Saks Fifth Avenue: up for sale by parent BAT Industries, under threat of a $21.1 billion takeover bid by Sir James Goldsmith.
- I. Magnin & Co.: sold last year to R.H. Macy & Co., whose separate bidding contest for Federated Department Stores helped drive up Federated's price for ultimate victor Campeau.

The long-term implications of this upheaval—for the chains, their competitors, media and manufacturers—are tremendous, retail industry experts say.

"The events in retailing in the last four months have probably been more turbulent than in the past 20 years," said Erich Linker, senior VP-advertising at *The New York Times*. "It's a concern because the normal course of business is being interrupted."

"For the short term, at least through the end of the holidays, it's going to be business as usual. But what's likely to happen after that, when sales of retail chains are actually consummated—it's going to be chaos," said Harry Bernard, exec VP at Colton Bernard Inc., an apparel consulting company.

Experts say the likely long-term results of the changes include a restructuring of supplier-retailer relationships as manufacturers seek to protect themselves against potential retail failures.

"What this entire situation is doing is causing pause on the part of manufacturers and leading them to explore other options," said William Flatley, principal, Kurt Salmon Associates.

Among the alternatives being considered, industry experts say, are more manufacturer-operated retail stores, more manufacturer control in the department store setting and the development of lists of "preferred" retailers, to which manufacturers will throw more business.

"Vendors are asking themselves, 'What stores do I really believe are going to be here and which should I support?' " Mr. Bernard said.

Experts agree smaller manufacturers that lack a strong consumer franchise or clout with store buyers are most vulnerable to the retail upheaval. But even powerful suppliers, faced with the disruption of important distribution channels, could be hurt.

"Our reservations have to do . . . with next spring. We feel the effects could be more long term than short term," said one executive at Giorgio Beverly Hills.

Another long-term effect could be a further erosion in market share for some department stores, whose managements will be distracted by financial concerns.

"I simply don't think they can afford to take advantage of the strengths they have as the grand emporiums, the fashion authorities. They've got to worry too much about cash flow, day in and day out," said Daniel Sweeney, chairman of Management Horizons, a retail consultancy.

Opportunities will increase for well-financed, focused competitors to make inroads.

Among the names most frequently mentioned by sources: Dillard Department Stores, Nordstrom's, May Department Stores Co. and The Limited.

There will also be cutbacks in staffing for in-house retail advertising and promotion departments.

P.A. Bergner & Co. earlier this year acquired Carson Pirie Scott & Co., and "now all the advertising and promotion is done out of Milwaukee," where Bergner is located, said a former retail executive who asked not to be identified. Buckingham Cioffi & Associates, Toronto, had handled TV for Chicago-based Carson's.

There probably will be a shift away from image to more price-item advertising and a closer evaluation of in-store programs as well as external media.

"Whatever doesn't immediately

(Continued on Page 64)

Department stores whose future is uncertain

The turmoil is expected to have broad implications on advertising.

Retailer	Parent company	1988 ad spending (millions)*
Bloomingdale's	Campeau	$29.9
Abraham & Straus	Campeau	25.2
Rich's	Campeau	23.1
Saks Fifth Ave.	BAT	19.7
Stern's	Campeau	16.8
Jordan Marsh	Campeau	15.4
Burdines	Campeau	14.8
Marshall Field's	BAT	8.4
Lazarus	Campeau	7.8
B. Altman	Hooker	6.8
Bonwit Teller	Hooker	4.1
The Bon	Campeau	3.2
Ivey's	BAT	2.2
Maas Brothers	Campeau	0.1
TOTAL		**$177.5**

*All retailers use in-house shops. Bloomingdale's also uses Grey Advertising, Rich's uses Babbit & Reiman, and Maas uses Benito Advertising.

Source: LNA/Arbitron Multi-Media Services

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SPECIAL REPORT

Outdoor Advertising

Edited by Pat Gray Thomas

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Boards create a 'courtship' that results in happy ending for pub.

Hard to build anew.....S-6
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'Can't have it both ways'.....S-13
Legislative battle fought at local level over how much a board is worth?

Double trouble.....S-20
Wrong building gets ad message, and extra exposure for Chicago radio station.

Outdoor faces its flaws

Measuring bureaus mend fences to push medium forward

By Alan Radding

The 10-year skirmish to keep the upstart out is over.

After ignoring and attempting to discourage the Out-of-Home Measurement Bureau and its 8-sheet focus, the Traffic Audit Bureau—the big boards' auditing service—has approved a 1990 joining of the two organizations.

The restructured organization will embark on an overdue expansion program designed to benefit the entire outdoor medium by providing advertisers more reliable numbers on more out-of-home media.

The two bureaus, to become the Traffic Audit Bureau for Media Measurement effective Jan. 1, will measure all out-of-home vehicles—from in-store media to aerial banners—and the number of people who observe them. "There are a lot of [new out-of-home] formats out there, and no one knows where to go with them," says Kenneth Sammon, TAB president.

"The OMB has already started to audit bus shelters, and [the new TAB] will go along with it," says Julian Sloan, OMB executive director and exec VP of the combined bureau.

"We'll consider anything that should be measured," says John Meskil, TAB chairman and exec VP-media, Warwick Baker & Fiore, New York.

The two organizations essentially perform the same function. They audit the number of vehicles passing a given board and produce a circulation figure for that location.

TAB audits painted bulletins and 30-sheet poster panels; OMB audits newer and smaller formats—primarily 8-sheet posters and transit shelters.

Previously, TAB members presented the primary obstacle to the organizations' merger, says Mr. Sloan, who helped launch OMB when TAB wouldn't audit 8-sheet.

The older outdoor companies perceived 8-sheet advertising to be an upstart competitor, he says. They refused to audit the 8-sheet format because they didn't want to validate a rival.

Over the years, hard-line TAB members retired, sold their companies or were converted and a new generation of outdoor media executives arrived with aggressive plans to expand the scope of outdoor.

"They look at outdoor and want to expand the club. And now, most of them have 8-sheets," says Mr. Sloan. For example, the 10 largest outdoor companies have 8-sheet boards.

"The change was buyer driven," says Mr. Meskil. "Most of the buyers in the industry were using both [30-sheets and 8-sheets] so why should they have to go to two different organizations for the same thing?"

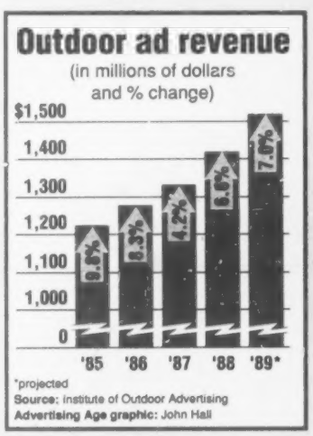
The last resistance crumbled in the face of a complex plan that restructures TAB to incorporate the 8-sheet industry and most other out-of-home formats while preserving each organization's autonomy until new measurement systems are in place in about two years. "All the OMB people have an important role," Mr. Meskil says.

According to Mr. Sloan, when OMB was forming 10 years ago, "I thought it was inevitable that they would merge. It only makes sense to have one organization." □

Alan Radding is a Boston-based correspondent.

BAROMETER

Take a number



Take the pulse

In concept, outdoor is for everybody. In reality, it's a commuter's medium. Barometer rides into town from the outskirts, casting a jaundiced eye on the media encountered.

Transit stations...Location, location, location. In genteel suburbs, graffiti artists still work on easels. But the average lifespan of a board in subway stations is a day, tops.

Bus posters...They stand out in a crowd. But when winter hits the Snow Belt, your name is mud.

Subway cards...Seriously underutilized by serious advertisers. Where do your eyes go when you're ignoring the drunk swaying from the strap?

Big boards...There's not much else to look at during rush hour. But they're less imposing at 55 mph.

Bus shelters...Considering most cities' transit system performance, these redefine the meaning of captive audience.

Taxi signage...Guilt by association. Nobody wants to buy a product riding shotgun on the vehicle that almost ran them over.

Companies pump up their images

Reebok International jumped into out-of-home advertising in a big way last month.

The shoe manufacturer contracted Technique Mirage to flash a bigger-than-life image of its new Pump athletic shoe across building facades in Chicago.

Atlanta-based Technique Mirage uses the brightest projectors available to project images up to 200 feet tall on buildings, mountains, giant screens and even smoke.

In the photo at left, Reebok's shoe is shown projected on the front of Chicago's Water Tower Place, the toney Michigan Avenue shopping mall. Below, Foot Locker's logo splashes across the building's face. □

See Page S-16 for a further look at the trends that are reshaping out-of-home media.

Researchers making a new impression

Outdated system to determine consumer exposure gets revamp

By Alan Radding

The "less-is-more" concept has another convert.

New outdoor research from the Traffic Audit Bureau is expected to address advertiser concern that auditing numbers generated by the current methodology are inflated.

"Smaller numbers should increase our credibility," says Andrew Weitzer, VP-media and research for Gannett Outdoor Group.

Under the current system the gross exposure figures—the number of people that pass an out-of-home ad and how often they pass it—are high and the resulting costs per thousand are low.

"The current system of evaluating exposure is recognized as being outdated due to increased auto ownership and lifestyle change," says Ken Sammon, president of TAB.

"Therefore the industry is fielding national reseach to pinpoint vehicle occupancy by market and by region—New Yorkers usually have full cars, and people in Los Angeles drive alone," he says.

Instead of one load factor—an accepted figure for the average number of passengers per vehicle—several regional load factors may be determined from the surveys to be undertaken by Simmons Market Research Bureau, Mediamark Research and TAB. The test will take place in late fall.

The load factor has been 1.75 people per vehicle since the early 1970s.

"Maybe it was OK during the oil crisis in the early 1970s when lots of people were carpooling, but it isn't OK anymore," Mr. Weitzer says.

Until the research is complete, "A load factor guesstimate is about 1.5 people for a national average for all driving, for all purposes, every day of the week," says Mr. Sammon.

Mr. Weitzer expects some complaints from the industry about the estimated 20% smaller audience figures that will result from the altered load factors.

However, many say the industry must improve its research to encourage greater advertising. There is always a suspicion that the data for outdoor advertising is not accurate, says Richard Olsen, vice chairman of Vitt Media International.

"Outdoor is using vague industry estimates [on general traffic and research], while advertisers are getting more scientific every day," he says.

"They haven't come up with a lot of new research in a long time, so anything new is welcome to us," says Mr. Olsen.

Some buyers remain skeptical.

Bob Warrens, senior VP-director of media resources and research at J. Walter Thompson USA, Chicago, says, "It still isn't going to get us reliable reach for a specific buy or location.

"We're just going around the block to make inferences, although maybe it will give us a little better handle on audience composition," he says.

The new system to quantify reach and frequency will replace Audience Measurement by Market for Outdoor and has been approved by the American Association of Advertising Agencies and the Association of National Advertisers.

"The whole thing is based on the miles traveled and puts a ceiling on reach," says Mr. Weitzer. The new system requires audiences be surveyed by field tests to ascertain how many urban miles individuals drive in a week and in a month. By excluding non-drivers, reach will never be 100% of the market, although frequency will continue to build as in the past.

Once the survey responses are collected in a national data base, the outdoor companies will be able to provide verifiable reach and frequency estimates for various demographic groups based on the percentage of urban miles driven by a particular group.

Some major outdoor advertisers are skeptical of any attempt to segment the medium by demographics.

"You don't really want to target women 18-49 with outdoor. Everybody uses the same roads," says Richard Dilworth, manager, out-of-home operations for RJR Media Services.

The objective is that outdoor be accurately quantified in the same way as other media, Mr. Weitzer says. "Our goal is to try to get outdoor on the computer in every agency with all the data, even pricing, so agencies can do reach and frequency and CPM comparisons."

Mr. Dilworth considers performance auditing the most important new research technique. The system, being tested by Gannett, through TAB, will rely on spot checks by independent auditors to determine whether the proper poster was at the right location at the right time.

"It's no different from the systems that check whether broadcast spots ran when they were supposed to," Mr. Dilworth says.

TAB expects the system to go into full operation in a couple years.

TAB is currently in four major markets monitoring outdoor performance that provides an electronic report on when and where the advertising appears.

Replacing the space position value rating will be a new location rating system based on a more detailed index—the New 4As Outdoor Visibility Rating System—that attempts to quantify a board's impact based on seconds of visibility. It gives credit for structural improvements, the location's visibility and proximity to other boards.

"There has been a lot of [reconstruction] in the industry and the new system will reflect this," says Mr. Dilworth.

Some operators are suspicious of the new location rating system. They fear it could lead to per-location pricing instead of the current unit rate pricing.

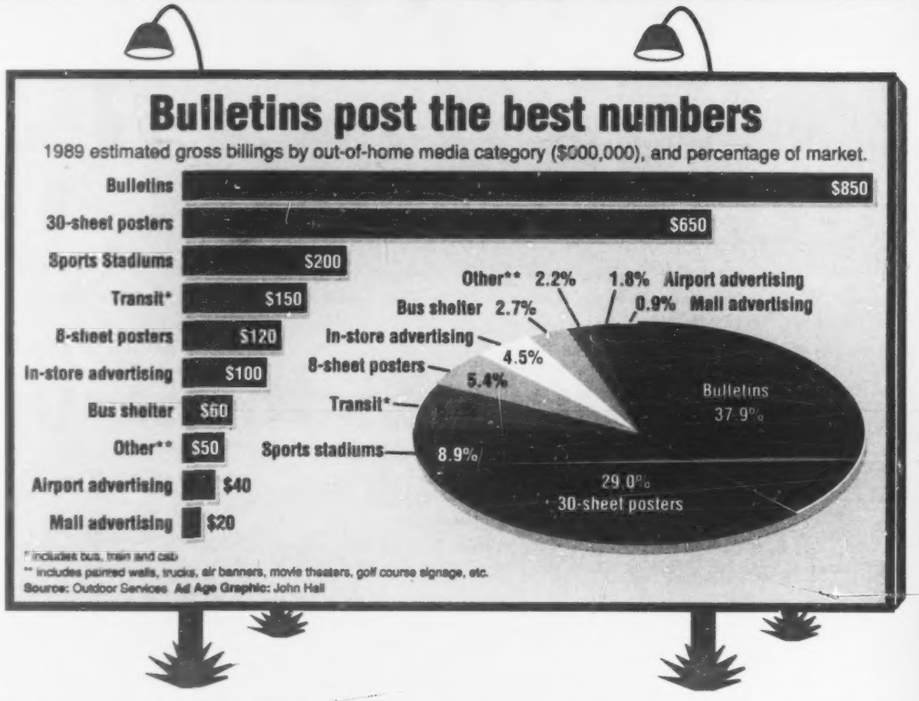
"The viewing time could be a problem," says one source close to 8-sheet operators. The system's variables might penalize smaller out-of-home formats.

The newly combined TAB and the Out-of-Home Measurement Bureau is upgrading and expanding its outdoor research quality. It will audit circulation figures for previously unaudited forms of out-of-home advertising such as transit, malls, in-store media, aerial displays, trucks, bench ads, ski tows, phone kiosks, grocery store displays, taxi backlights, professional sports stadiums/arenas and a variety of other new forms.

In addition, individual outdoor companies are launching their own research initiatives.

In Baltimore, Penn Advertising is testing an interactive communications unit that provides traffic figures, performance auditing and plant monitoring in a computerized remote-control package attached to the back of the board.

The new system notifies the outdoor company when illumination is failing, provides proof of performance through bar code scanning and can transmit traffic data by interfacing with automated traffic counting devices. □



Buffaloed into believing

Boards follow courtship; happy ending for pub

By Scott Hume

What can you create with one outdoor board and a $20,000 ad budget?

A fairy tale. And very high recall.

Crowley, Webb & Associates, Buffalo, N.Y., created both for local tavern Garcia's Irish Pub earlier this year, using an imaginative series of boards that had people talking and wondering.

The saga began April 17 when a board by a downtown expressway carried this message: "Angel in Red: Saw you at Garcia's Irish Pub. Love to meet you. William."

A week later the board carried a new message: "Angel in Red: Still waiting. Garcia's Pub, Friday? William." And the next week yet another: "Angel in Red: I'm going broke with these billboards. Garcia's . . . please. William."

During the fourth week, this response appeared: "Hey Willie, I'm no angel, but I do wear red. Garcia's Saturday. Candi."

The "real" Angel didn't respond until the eighth week—"Dear William. I must be crazy. Garcia's, Friday, 8:30. 'Angel.' "—after which the two star-crossed lovers finally got together. The series ended a week later with this final message: "Angel: Thanks for Friday at Garcia's. I'm in heaven. William."

William searching for "Angel in red," story ends in heaven with fame and riches for Garcia's.

What that synopsis leaves out is the amount of impact the campaign had while it ran. Suddenly, all of Buffalo wanted to know about "William" and the "Angel in Red."

"It took on a life of its own," says Joseph Crowley, the agency's president. "There was so much talk about that board that we arranged with a local radio station to do an interview with 'William' on Wednesday afternoons and Friday mornings" in addition to running Garcia's commercials on the station.

Paul Cotter, the campaign's copywriter, earned the right to portray William during the radio interviews/ads.

There was plenty of "free media" keeping the campaign alive, too. Local TV stations did news features on it. A local newspaper columnist devoted one day's column to the "relationship" between William and

(Continued on Page S-4)

Building for 1992

OAI putting together net to make buying overseas easier

By Alison Fahey

Worldwide outdoor media buys are now only a phone call away.

London-based Outdoor Advertising International, formed last month, has seven affiliates on three continents, allowing marketers to buy out-of-home space around the world through one company.

In the process, the company hopes to address some problems confronting advertisers that want to place out-of-home ads overseas.

"It's a troublesome area, buying outdoor overseas," says Pete Riordan, VP and out-of-home media manager at BBDO Worldwide, New York.

"It's time consuming [for an ad agency to locate and purchase] outdoor on its own," says Joanne Wayne, VP-associate media director, Grey Advertising, New York.

Furthermore, outdoor has long taken a back seat to other media, resulting in many agencies not developing expertise in buying space as easily as, for example, they would with magazines.

The joint-venture partners, comprised of outdoor advertising companies, sales representatives and media buying specialists, buy out-of-home space for members' clients in their respective countries. OAI assigns the buys to the appropriate affiliates; included is information on the client budget and target market.

This is how the system works: if a U.S. marketer wants to run an outdoor campaign in France it would contact the OAI rep in the U.S., which would then contact OAI. The group would direct Comecon, OAI's affiliate in France, to evaluate and make the buy.

The process will enable advertisers to get "better value" for their out-of-home placements because outdoor specialists in each country will make the buys, says Nick Beck, OAI's managing director.

"I can see that [OAI could make better buys than agencies]," says Ms. Wayne. "We're not a tremendous outdoor shop, we don't claim to have that expertise . . . I could see using it," she adds.

Grey now uses an outdoor sales rep, National Out-of-Home Media Services, to make outdoor buys across the U.S.

But advertisers shouldn't expect to get a lower price on outdoor space by using OAI instead of an agency, Mr. Beck says.

"In no case will OAI business be done on any basis besides impact. [Advertisers] may not get the cheapest site but they will get more [value]," he says.

Mr. Beck says OAI will offer the larger ad agencies a portion of the revenues derived from referred business. In that scenario, revenues are divided among the participating joint-venture partners or the ad agency and OAI.

"This is going to return money to the ad agencies that they never had before," says Mr. Beck.

OAI's joint venture partners include: National Out-of-Home Media Sales (U.S.); Marsh & Partners (London); Comecon (Paris); TDI (Hong Kong); Ginza (Barcelona); Pearl & Dean Caribbean (Trinidad); and David Copp Sports Media (London).

OAI is working on joint-venture relationships in Singapore and Japan, and the company also hopes to sign five more European partners by yearend.

OAI's 1990 rollout plans include Moscow, Rio de Janeiro and Australia. The consortium will buy space directly from outdoor companies in countries where it lacks representation, Mr. Beck says.

Agency executives, industry experts and outdoor companies applaud the industry's global di-

(Continued on Page S-16)

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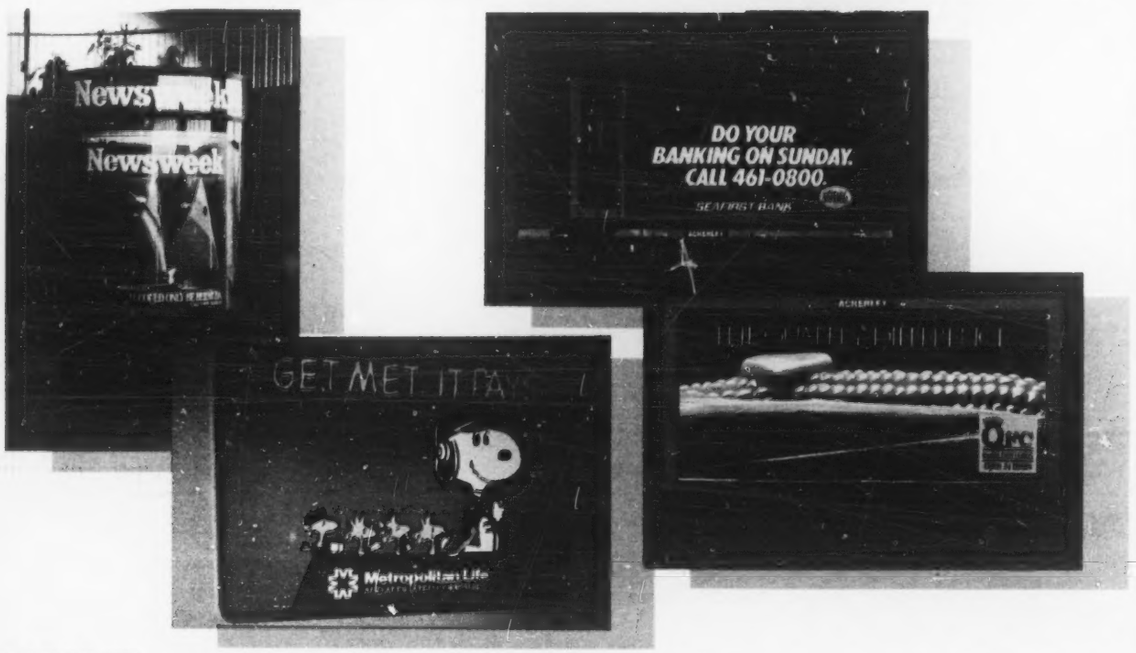

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Buffaloed

(Continued from Page S-2)

Angel. For Garcia's, its awareness and traffic both improved, he says.

"One reason this was so effective is that it had a fairy tale aspect to it," Mr. Crowley says. "Seeing somebody attractive and then later wishing you'd met, that's something I think a lot of people related to, so they watched the boards.

"Also, these boards didn't really look like professional ones, so many people had no idea this was really an ad campaign," he says. "We knew that when we pitched another piece of business and we talked about what we'd done with the Garcia's campaign. One of the execs turned to the other and said, 'My God. I *told* you that was an ad campaign.' "

Adding to the believability was the appearance of the campaign on just one board on the highway leading to Garcia's.

"It was a strategically placed board, certainly, but it was just one, so people had to go out of their way sometimes to find out the latest in the search for 'Angel,' " Mr. Crowley says. "That helped keep interest going."

The campaign was planned as a weekly series from the beginning. But reaction was so strong the agency trimmed the plan to nine different boards from 12.

The complete "Angel in red" campaign for Garcia's, including the arranged radio interviews, cost about $20,000. □

Prices hold steady despite mergers

Traditional structures have been clearly limited by anti-clutter forces, resulting in higher values for the ones that remain

By Alan Radding

There are two ways to expand an outdoor advertising company: buy another outdoor company or move into new out-of-home formats.

Industry experts agree that the ability to grow by putting up boards in new locations is limited.

The Highway Beautification Act of 1965 marked the turning point when traditional boards started coming down in greater numbers than they were going up. The outdoor industry responded by moving into new forms of out-of-home advertising.

"You have to expand your thinking [to other forms]," says Don Davidson, president-ceo of Gannett Outdoor Group. "Everyone thought they were in the billboard business. They couldn't see being in other types of out-of-home."

Today, there are about 500,000 traditional outdoor structures—painted bulletins, 30-sheets and 8-sheets—down from a peak of 1.2 million in 1965. Other out-of-home advertising faces include those on 35,000 buses, 13,000 commuter cars, 13,000 shopping-mall kiosks, 15,000 bus shelters and 13,000 grocery store displays.

Opposition from environmental groups and local governments makes it unlikely that the number of traditional structures will increase significantly.

The economics of the outdoor industry suggest the outdoor boards in existence today will become increasingly valuable as limited supply, increased demand and high profit margins continue, suggests William McCluskey, managing director of Henry Ansbacher Inc., a New York investment firm.

Outdoor's assets are not lost on other Wall Street financiers and investment bankers.

"There is real value in outdoor

(Continued on Page S-8)

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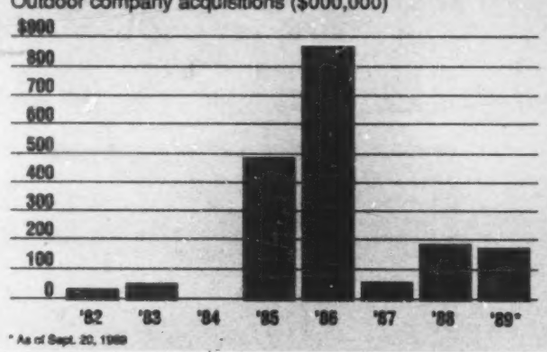
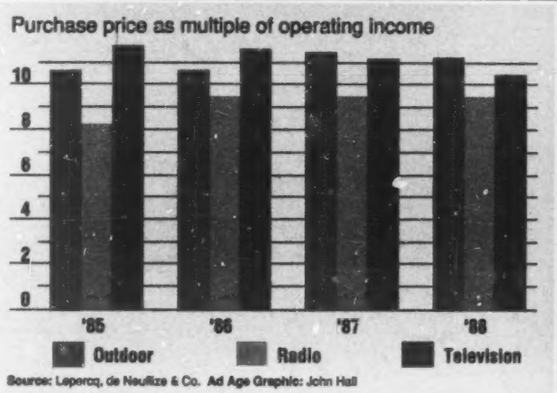


. . . as outdoor multiplies well



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We acted as financial advisor to Metropolitan Outdoor Advertising Corp. in this transaction.

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Ohio Outdoor Advertising Corp.
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Tri-State Acquisition Corp.
has acquired
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We acted as financial advisor to Tri-State Acquisition Corp. in the above transactions.

$73,119,000
Adams Outdoor Advertising L.P.
$64,000,000
Refinancing and Acquisition Line of Credit
$9,119,000
Subordinated Debt Financing
We acted as financial advisor to Adams Outdoor Advertising L.P. and arranged the above financing.

Mall Network, Inc.
(d/b/a MallMedia Network)
Acquisition Financing and Line of Credit
We acted as financial advisor to Mall Network, Inc. and arranged the above financing.

$14,500,000
Metropolitan Outdoor Advertising Corp.
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Mergers

(Continued from Page S-6)

plants. There is a finite number [of outdoor boards] in each market," says Dennis Brush, managing director of Lepercq de Neuflize & Co., a New York investment firm specializing in media with an emphasis on out-of-home.

Speaking to the financial community, Martin Pompadur, a founder of ML Media Partners, a joint venture with Merrill Lynch Capital Markets, says, "It's novel. It's an industry in need of professional marketing and sales and research.

"It's not labor intensive. It is not a state-of-the-art business. Revenue outpaces inflation. Profit margins are indecent at 40% to 45%. There are no inventories to go bad and receivables are not a problem," he says.

"Advertisers are turning to outdoor. It has the lowest cost-per-thousand and it is very regional, localized, which is something that advertisers want," says Mr. McCluskey.

Outdoor advertisers are concerned about board location, traffic count and whether or not it's audited, says Richard Olsen, vice chairman of Vitt Media International. "They don't care whose [outdoor board] it is."

However, outdoor has a credibility problem, he says, adding "large companies may bring a better sense of credibility to the industry."

Foster & Kleiser buy still the biggest

Top outdoor acquisitions since 1985

Acquired property	Buyer	Price ($000,000)	Year
1. Foster & Kleiser	Patrick Media Group	$710.0	1986
2. Naegele Outdoor Advertising	Morris Communications	425.0	1985
3. Peterson Outdoor	Boston Ventures	109.0	1989
4. Heritage Outdoor	Reagan Outdoor	85.0	1988
5. Peterson Outdoor	Adler & Shayken	80.0	1986
6. Creative Displays; Schloss Outdoor; Central Outdoor	Adams Outdoor	73.0	1986
7. Turner Outdoor	Adams Outdoor	65.0	1988
8. Patrick Outdoor of Pennsylvania	Penn Advertising	35.0	1987
9. Patrick Media Group of Atlanta	Outdoor Today	24.0	1988
Amni America	Gannett Outdoor	24.0	1989
11. Tri-State Systems	private group	17.0	1989
12. Idaho Outdoor	Metropolitan Outdoor	6.1	1987
13. Ohio Outdoor	management	4.5	1988

Source: Lepercq, de Neuflize & Co.; industry sources; Advertising Age. Advertising Age Graphic: John Hall

Advertisers probably aren't aware of the merger activity in outdoor and it wouldn't make a difference if they were, says Mike McMichael, VP-manager out-of-home media at J. Walter Thompson USA, Chicago.

Marketers are interested in price changes, and "we haven't seen any," says Mr. McMichael. "I can't believe there would be much price impact [caused by mergers]. Usually competitive pressure keeps prices in line."

JWT estimates that outdoor prices increased 5% in 1988 and 7% this year and will move up only 5% next year. The largest recent increase in outdoor pricing came in 1985, a year of sharp media inflation, when prices jumped 9%.

From a financier's point-of-view, out-of-home economics create a strong cash flow that can support heavy debt. This realization led to the recent surge of leveraged acquisitions.

> "Outdoor has the lowest cost-per-thousand and it is very regional, localized, which is something that advertisers want."

According to Lepercq, the volume of mergers and acquisitions in outdoor companies rose from about $35 million in 1982 to a peak of $874 million in 1986 when Patrick Media acquired Foster & Kleiser in a highly leveraged $710 million deal that is unraveling, says Mr. Brush. In the past two years, total outdoor acquisitions have run about $180 million or more.

The average purchase price is generally small—under $10 million—because most outdoor companies continue to be local or regional operations.

Bankers expect mergers in the outdoor industry to remain high. With about 295 plants (or 125 outdoor companies) in the Outdoor Advertising Association of America and about another 50 non-OAAA member plants, it is clear plenty of targets remain.

But don't expect to see many mega-mergers, advises Don Byer, president of the Institute of Outdoor Advertising.

"Even the big companies realize that they are local plants," he says.

However, spurred by investment bankers, out-of-home is changing. "The perception is that outdoor is old," says Mr. Byer, "but in reality, it is [made up of] young, modern, media and advertising people. □

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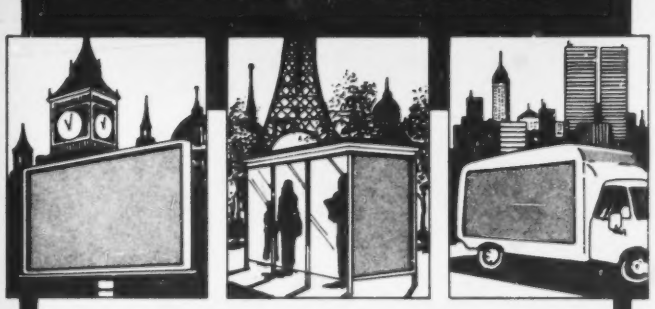

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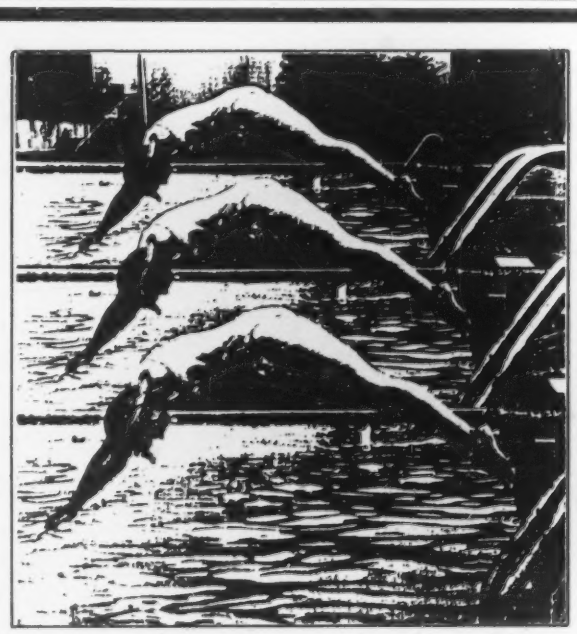

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PEOPLE TO WATCH

Outdoor gets a bum rap in New York, says Herbert W. "Woody" Swain, Jr.

Unlike Los Angeles, where outdoor boards are considered an art form, print and TV get all the attention east of the Hudson, says the VP-creative supervisor at Young & Rubicam, New York. "Outdoor is not top-of-mind with people [in New York]," says Mr. Swain, who has won awards for two of the outdoor boards he designed.

"We're at a disadvantage for assessing outdoor because, except for bus shelters, we're sort of immune to what's going on out there."

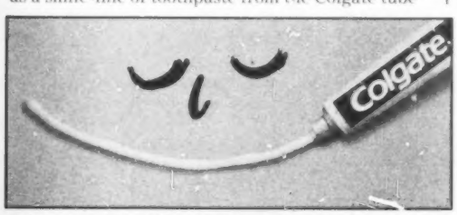
Two outdoor advertising projects that landed on his desk wound up award winners. A transit poster for the United Negro College Fund earned him a Communication Excellence to Black Audiences Award in 1988; last spring he scored his first Obie Award for Colgate toothpaste.

"In today's world, the language has become the barrier," say Lynn Steck, national creative director at Patrick Media Group. "Woody's work represents the first piece of creative from the package goods side that truly integrates the concept and visual for a wordless communication."

The image of a smiling face, with plain black strokes for the eyes and nose, and the mouth drawn as a smile-line of toothpaste from the Colgate tube projects a "childlike simplicity," says Mr. Swain. The tag line is "The wise choice."

Doug Goodman

Herbert "Woody" Swain, Jr.



Outdoor board for Colgate toothpaste gives Mr. Swain his first OBIE Award.

One of the biggest creative challenges for an art director, he says, "is to make sure what you've put on that billboard, when it's blown up, will be right. It's pretty scary when you think about it because that's you up there."

Out-of-home advertising "can be the most creative medium" because there's only the art director and the writer involved in the project, Mr. Swain says.

"It's just you and a piece of paper. You can put whatever you want on it and it'll be seen by thousands of people in a minute. It's a real challenge."

—Sally Fennell Robbins

Advertising Age

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PATRICK MEDIA GROUP, INC. POISED FOR THE FUTURE

Fake product proves to be more than passing fancy

Bogus Mediacom campaign generates real numbers for transit shelter ads

By Pat Gray Thomas

Cute as a thimble, it's a Kimble."

"You'll bless the day you bought a Kimble."

"He who is nimble is quick to buy a Kimble."

What is a "Kimble?" A product that wasn't.

A "Kimble" was a fictitious product created by Mediacom, Canada's giant outdoor advertising company. The ad slogans mentioned above were on the teaser posters placed in transit shelters to test the medium's effectiveness.

The campaign was created by then-staffers at Mediacom agency Miller Myers, Bruce DallaCosta, Toronto. Art Director Tony Kerr is now at Ambrose Carr Linton Kelly, Toronto; Copywriter Bruce MacDonald now works for Ryan MacDonald Edwards, Toronto.

The six-week campaign started in January when the first teaser ad—"Cute as a thimble, it's a Kimble"—appeared in transit shelters in Toronto, Vancouver and Montreal.

During the fifth and sixth weeks of the Kimble campaign—when "He who is nimble . . ." was posted—200 Toronto residents were randomly selected and interviewed in-home by Canadian Facts, an independent research company.

In response to one of the questions—"What is it?"—respondents and thousands of curious callers, guessed Kimbles might be sunglasses, jewelry, snack food, toothpaste, gum and a washing machine; the most popular answers were clothes, shoes and furs.

The study found 84% of respondents agreed transit shelter advertising is "enjoyable," while 85% said it was "interesting" and 75% described it as "informative." When asked to describe any transit shelter ad seen in the last four months without prompting, 4% repeated the ad message or described one of the three Kimble posters.

This is particularly unusual, says Rosanne Caror, VP-research at Mediacom, ". . . considering there was no brand or service and no one had heard of a Kimble prior to our promotion."

When shown a photo with the Kimble name masked, 26% of respondents recalled seeing the poster and 41% of that group could identify Kimble as the product name; 1% could recall the ads when shown complete pictures of the campaign.

After four weeks, 31% of all respondents were aware of the Kimble campaign.

Teens were particularly interested in identifying a Kimble: 86% of 12-to-17-year-olds said they were "very interested" or "somewhat interested" in finding out what one was. Only 46% of 18-to-24-year-olds, 37% of 25-to-49-year-olds, and 31% of those 50-plus showed similar interest.

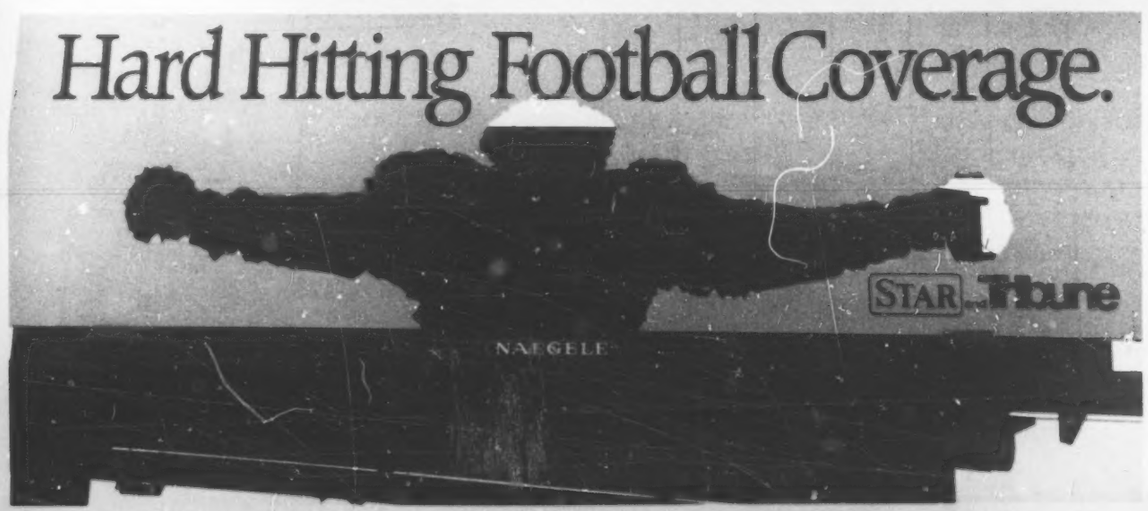
The effort supplied Mediacom with statistics supporting transit shelter advertising, which it used in a 3,000-piece direct mailing to advertisers and agencies.

"One advertiser asked if we had sent a promotional piece to his ad agency," says Yvonne McKinnon, Mediacom VP-advertising and promotions. The advertiser told her, "The agency keeps turning us away from outdoor, and I want them to see this." □

With ads like this, it's no wonder Toronto residents thought the fictitious Kimble was a sunglasses brand.

Mediacom's fake campaign delivered the desired result when a survey said 83% found it "interesting."

WE'LL TEAR OUT OUR GUTS FOR A GOOD IDEA.



Can you imagine this idea on television? What would they do? Break everyone's TV screen?

And, of course, most publications would be delighted to die cut through every page for you.

Or, you could personally take a chain saw to thousands of mail boxes.

But why bother? There's already one medium that's just as big as your idea.

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Outdoor 'can't have it both ways,' cities say

As national curbs cool, the battle is shifting to local level and a tricky question: How much is a board worth?

By Steven W. Colford

A federal court in Gainesville, Fla. last month paved the way for the local government to come up with a formula that would determine the value of an outdoor board, both for taxation and compensation.

By refusing a request by Peterson Outdoor, Ocala, Fla., to dismiss a longstanding lawsuit, the court, in effect, backed the right of a local government to remove outdoor boards for a price, according to Penny Wheat, commissioner in the surrounding Alachua County.

And price—or more specifically, value—is the heart of an increasing number of disputes between outdoor companies and local governments searching for additional revenue sources.

Gainesville and Jacksonville, Fla.; Raleigh, N.C.; and St. Louis are some of the sites where the same questions are being asked of out-of-home companies that pay considerably less in taxes on a board than what they say it is worth when the local government wants to remove it.

Stop the presses!

As this Special Report was going to press last Wednesday, legislation was introduced by Rep. John Lewis, (D., Ga.) to freeze the number of outdoor boards placed along federal highways and to allow the federal government to remove any nonconforming boards remaining after Oct. 1, 1994.

"Peterson has 120 boards outside Gainesville and last year paid $1,400 in taxes on all of them," Ms. Wheat says.

"But when we want to take a sign down, they say it's worth $100,000. Well, they can't have it both ways."

The spreading debate over an outdoor board's value has created another outdoor industry foe—one not necessarily motivated by anti-outdoor-board fervor as are previous opponents.

But the end-result is identical: more pressure on the industry.

The increased activity at the local level comes as the Outdoor Advertising Association of America's new president, Roland McElroy, sees anti-outdoor-board sentiment in Congress abating.

In fact, Mr. McElroy believes OAAA might convince Congress the outdoor industry deserves a further break in two years. That's the next time Congress will have an opportunity to alter the Highway Beautification Act of 1965 that controls outdoor boards along federal roads.

"The HBA has worked and worked very well," says Mr. McElroy.

"About 700,000 signs, illegal and nonconforming, have come down since it was passed.

"We feel the Fifth Amendment position regarding just compensation for the taking [down] of boards should be respected and strengthened, and that is under

(Continued on Page S-14)

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*ERIE, PA, for example, is the *only* U.S. test market whose demographics all fall within 5% of National averages. In fact, twelve of Penn's metro markets appear on "recommended" lists of major testing firms and agencies.

Outdoor versus cities

(Continued from Page S-13)

discussion" within OAAA, he says. "We'd be satisfied with the status quo ... but would like to look for ways to strengthen the process, but we don't have any deep legislative strategy on that right now."

Although Scenic America, an anti-outdoor lobbying group,

> "There has been some nibbling and nipping away by local governments. But generally the states and cities have not been successful."

thinks Congress is averse to further regulation of boards, it also believes trouble for the industry is surfacing on the state and local levels.

"There's not a lot of prospect for any change at the federal level," says Ed McMahon, Scenic America's executive director. "But I think what you're seeing, especially at the state and local levels, is an increased effort to make the billboard industry pay its fair share of taxes, and I think it's in that area that you'll see [more] regulation," he says.

Non-federal battle grounds are active, concedes Mr. McElroy.

"There's been a battle over signs at every [governmental] level, though it's hard to say if it's any more now than in the past," he says.

Mr. McElroy is more immediately concerned with possible legislation that targets all advertising, not just the outdoor medium. Foremost among Mr. McElroy's fears is that Congress will try to disallow some of the deductibility of advertising, whether across the board or just for alcohol and tobacco ads.

"I really don't think ad tax legislation has a chance, but it's just an example of how Congress next year will be looking for any new source of revenue it can find," he says.

"I think 1990 will be a watershed year for the Congress ... which will make every effort to find revenue. And if the economy is strong, that will increase chances they will try to get revenue from any number of sources, whether an ad tax, an excise tax or what have you. On the other hand, if there is a recession, they won't look at anything."

However, one upshot of possible ad-tax legislation might benefit the outdoor industry, which is among the least expensive media and therefore not likely to be cut from media plans, says Mr. McElroy.

Other legislation that has Mr. McElroy's attention is a bill from Rep. Tom Luken (D., Ohio) to ban imagery from all tobacco advertising. Because of proposed limits on type-size and color, Mr. McElroy says, a cigarette pack on a full-size outdoor board would appear to a passerby as about the size of a sugar cube.

Peter Riordan, VP-out-of-home manager, BBDO Worldwide, New York, sees little change in the regulatory environment.

"There are sporadic attempts by [congressional] committees to violate the federal standard for compensation through one gimmick or another. And there's been some nibbling and nipping away by local governments. But generally the states and cities have not been successful."

Scenic America's Mr. McMahon disagrees. "Many billboard companies don't pay property taxes, or when they do, it's based on old values, where they might report the value of a board at $100 when its market value [based on local property values] is in the thousands," he says.

Mr. McElroy's primary concern is that the activity remain on the local level and not spread to Congress, where outdoor is being viewed in a more positive light than it has for years. "I think the outdoor industry has received a bum rap in the last 10 to 15 years," he says. □

Tobacco companies roll to the top

Top 25 outdoor advertisers ($000)

Rank	Advertiser	Outdoor expenditures 1988	1987	% chg	as % of co.'s '88 ad total
1	Philip Morris Cos.	$61,425	$50,877	20.7	3.0
2	RJR Nabisco	57,366	63,064	(9.0)	7.0
3	Loews Corp.	32,802	23,546	39.3	26.5
4	B.A.T. Industries PLC	24,333	15,381	58.2	13.2
5	American Brands	11,831	19,732	(40.0)	7.0
6	U.S. Government	11,140	1,000	1,014.0	3.8
7	Seagram Co.	9,278	13,958	(33.5)	6.5
8	Grand Metropolitan PLC	7,796	7,314	6.6	1.0
9	Anheuser-Busch Cos.	6,708	9,580	(30.0)	1.1
10	McDonald's Corp.	6,306	6,607	(4.6)	0.9
11	Holiday Corp.	5,089	5,000	1.8	7.5
12	Guinness PLC	4,480	3,725	20.3	9.2
13	Allied-Lyons PLC	3,954	3,767	5.0	NA
14	Bond Corp. Holdings	3,581	1,601	123.7	5.0
15	Pepsico Inc.	3,080	4,518	(31.8)	0.4
16	Brown-Forman Co.	3,065	3,963	(22.7)	5.1
17	General Motors Corp.	2,997	1,989	50.6	0.2
18	Adolph Coors Co.	2,897	3,041	(4.8)	1.4
19	Ramada Inns	2,783	1,900	46.5	NA
20	Metropolitan Life Insurance Co.	2,689	1,746	54.0	3.7
21	Coca-Cola Co.	2,538	2,029	25.1	0.7
22	U.S. West	2,426	2,295	5.7	4.0
23	Argyll Group PLC	2,224	5,133	(56.7)	NA
24	Imasco Ltd.	2,190	1,984	10.4	2.4
25	Whitbread & Co. PLC	2,159	870	148.1	NA

Source: Leading National Advertisers.

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The boards that make Milwaukee famous

Well, maybe not quite, but strategic Koss sign has kept area commuters smiling for 17 years

Playing off the biblical story of Noah and the ark, a popular Koss board used the copy, "Noah's favorite pair."

By Pat Gray Thomas

Eye-catching, smile Koss-ing outdoor advertising for audio equipment manufacturer Koss Corp. has entertained Milwaukee-area drivers for 17 years.

An estimated 66,000 people a day drive past Koss Corp.'s international headquarters on Interstate 43 north of Capitol Drive and its attention-grabbing two-sided outdoor board. The board displays 16 foot by 36 foot painted bulletins bearing slogans such as "Wrap Music"—with a visual of a mummy wearing headphones—for northbound traffic; southbound travelers are treated to "Pi-Kosso," which features a Picasso painting complete with headphones.

John Koss Sr., company chairman and founder, is the father of the 17-year-old pun-filled campaign. "We had been in our new building a year or two when our marketing director mentioned what a shame it was to waste all that traffic out there," says Mr. Koss.

"We wanted something light; just to let people know that Milwaukee was the home of Koss headphones," he says.

The first board to go up about a year later was a happy face *without* headphones and copy that asked: "Ever wonder why he's smiling?"

Two weeks later the answer came with the addition of headphones to the happy face.

Mona Lisa asked the same question later that year.

From then on, changing with the seasons, another pop personality or historical figure appeared on the boards, always with Koss headphones and comic commentary:

- George Washington reminded viewers "Father knows best," suggested by son Michael Koss, president-chief operating officer of the company;
- Abraham Lincoln announced, "Not all stereophones are created equal";
- Noah, of Noah and the Ark fame, added, "Noah's favorite pair."

The two outdoor boards' creative costs about $25,000 a year, but "we could rent the boards for $4,000 a month so it's costing us another $50,000," says Mr. Koss.

Milwaukee is the only permanent site for the advertising, but from 1973 through the Los Angeles Olympic Games the boards also were in Chicago, Dallas, Los Angeles and New York's Times Square and Holland Tunnel.

"It got to be very expensive and it required too much administration, so we cut back," he says. "We may do it again," he adds. "It's very effective."

In 1986, Mr. Koss changed advertising agencies and decided at the same time to completely turn "his baby" over to Curro Eichenbaum of Milwaukee—the previous agency, Kloppenburg Switzer & Teich, Milwaukee, did some of the work.

Although the Milwaukee agency now handles the effort, Mr. Koss still reviews all ideas and has the final say on new boards.

The most popular board, until this year, had been one picturing the late actor James Dean. "Rebel Without a Koss" and "With a Koss." But "PiKosso" is now No. 1, Mr. Koss says.

"It's easy to pick the good ones. It only takes a few parties and meetings" to discover a board's promotional aptitude, he says. □

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Become part of the excitement and glamor of Times Square. Van Wagner can make it happen. For information or details on available locations, call Jason Perline or Richard Schaps.

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A look at outdoor trends in creative, technology

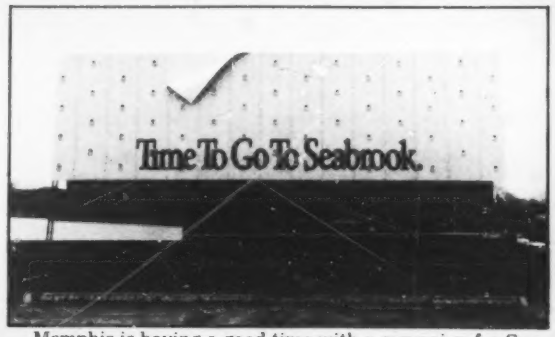
PORTFOLIO

Houston's KPRC-TV's fall schedule was announced via a campaign by Hively Agency, Houston. Posted on the city's major highways, the light weight (150 pounds) and quick assembly of the computer-painted bulletins from Metro-Media Technologies allows the outdoor board to be changed every day.

D'Arcy Masius Benton & Bowles' used fiber-optic technology to add sparkle to Pontiac airport diorama in selected airports and train stations. A burst of light moves across the diorama illuminating the copy as it travels from left to right. Art Director, Elaine Ohno and Copywriter Paul Stawski created the ad.

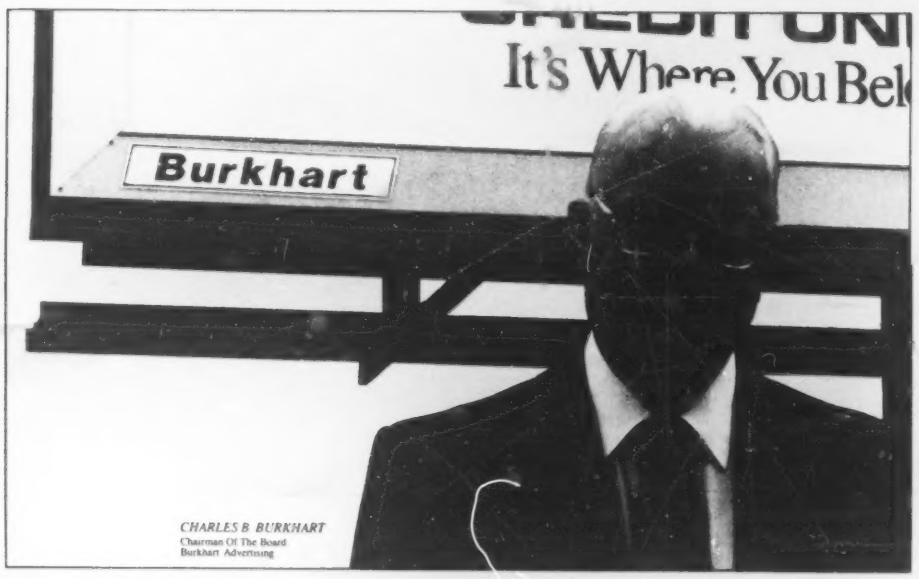
Chiclets' "Chew your face off" will keep gum chewers laughing and Warner-Lambert Canada—Adams Brands happy with this bronze-award winner at Mediacom's 11th Annual Billi Awards show Sept. 26 in Toronto, from J. Walter Thompson Co. Art director is Robert Ito and copywriter is Steve Roxborough.

The three-dimensional CNN camera is watching whenever you happen to look. And once you look, its eye follows your movement as you walk. CNN used a new photographic technique, from Grayson Marshall, Los Angeles, that creates a 3-D effect for the airport dioramas. Creative was done in-house at CNN.



Memphis is having a good time with a campaign for Seabrook Wallcoverings created by Thompson & Company, Memphis. Customers, suppliers and other retailers come in daily with comments about the "peeling paper." One elderly woman called Seabrook to tell them their board needed repair, "the paper is peeling off," she said. Michael H. Thompson is creative director; Trace Hallowell is art director and copywriter.

Panasonic Co.'s outdoor board at the New Jersey entrance to the Lincoln Tunnel has been lighting automatically for the last year. Allied Outdoor Advertising, the first outdoor company to use the system, can turn the lights on or off by pressing a key on a computer control panel. The computerized radio controlled lighting system can be programmed for precise, pre-selected times or changed manually in response to rainy days when instant lighting is needed.



We're Celebrating 25 Years.

In 1964, South Bend's economy was reeling from the closing of the Studebaker Corporation's automotive plant. It seemed an inauspicious time to think of beginning a new corporation.

But Charlie Burkhart had an idea. So he incorporated, and the seven employees of the newly formed Burkhart Advertising went to work out of their small office, providing outdoor advertising to South Bend and Mishawaka.

Today, 25 years later, the privately held Indiana company has a payroll of over $3 million and has four strategically located offices in northern Indiana. Over the years, too, Burkhart's business has expanded to include signage of all kinds as well as outdoor advertising.

We at Burkhart are proud of our company, proud of our growth and proud to be celebrating this milestone 25th anniversary.

Burkhart CELEBRATING 25 years 1964-1989

South Bend · Fort Wayne · Anderson · Lafayette

International

(Continued from Page S-4)

rection.

"It's perfect evidence of the [outdoor] industry's desire to be especially responsive to the needs of advertisers," says Don Byer, president of the Institute of Outdoor Advertising.

"[OAI] could be useful for agencies, especially smaller agencies with fewer [international] affiliates," says Mr. Riordan.

Don Sperring, European media director at Young & Rubicam, London, agrees that smaller agencies may find more use for the OAI network than larger ones.

But a recent joint venture between Avenir, a French poster company, and Mills & Allan, a British financial group, could prove to be formidable competition to OAI in buying outdoor throughout Europe, he says.

John Hope, senior VP-general manager of Gannett Outdoor Network USA, the group that five years ago pioneered the concept of an outdoor media-buying network in the U.S., sees the value of OAI's program.

Still, the Outdoor Network never made the global move because, as Mr. Hope says, "we felt we had too much to do here before we branched out."

OAI is forecasting about $11 million in billings for its first full year. Industry experts note the dropping of the European trade barriers in 1992 is expected to lure more U.S. advertisers to European markets.

"1992 is very relevant" to the formation of OAI, Mr. Beck says.

"Major international advertisers are going to move increasingly into trans-frontier outdoor advertising in Europe because outdoor is the only medium that presents no translation problems when the creative treatment is right," he says.

Mr. Beck feels OAI will help boost outdoor revenues in some countries. For example, with a small outdoor board market in Japan, he predicts Japanese business, which is still learning the ropes in outdoor advertising, will likely flow into the U.S. through the joint-venture partner there. □

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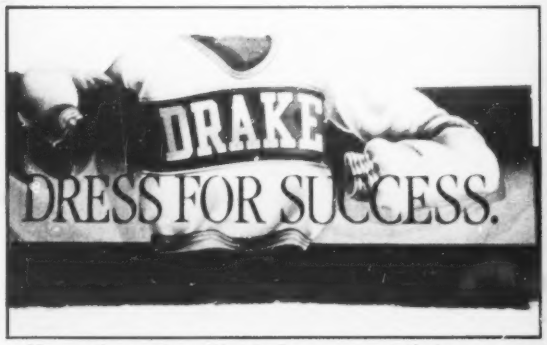
South Dakota Department of Tourism changes its message to the people of Minneapolis up to eight times a day—as often as the city codes allow—from its Sioux Falls office. Created by Lawrence & Schiller in Sioux Falls, S.D., the board is programmed by cellular phone and runs on reflective light.

Only in California: Oasis Laundry laundromats come equipped with big-screen TVs, video monitors and games, snack bar, digital washers and dryers and a "friendly fluff and fold attendant" for customers in a crisis. Zany outdoor boards increased first quarter 1989 sales 500% over the same period in 1988 and generated 14 new—previously unplanned—franchise commitments, the company claims. Agency is Mandelbaum Mooney Ashley, San Francisco. The art director is Cathi Mooney and copywriter is Ken Mandelbaum.

The Minnesota Department of Transportation announced repairs and routing changes to the public via Minneapolis transit shelters to create smooth flowing traffic for drivers who were expecting a summer of discontent with detours and delays that never arrived. Colle & McVoy, Minneapolis, is the agency. Jeff Jahn is art director and Randy Gosda is copywriter.

BOB GRUEN/STAR FILE

The Rolling Stones concert in Philadelphia was a record breaking event as spectators saw National Aerial fly overhead with the largest aerial banner ever flown. Measuring 30 feet by 110 feet, the computer-painted image of Mick Jagger and the Stones, from Computer Image Systems, included a hand-painted Steel Wheels album logo. The banner took less than one week to paint.



Many other universities in Iowa request their own version of the "Drake University board," says Teri Wood, account exec at Naegele Outdoor in Des Moines. Fred Robinson, art director and Jim Richardson, copywriter, at Zimmerman, Laurent & Richardson, Des Moines, created the board that won a local Addy award for best outdoor advertising in 1989.

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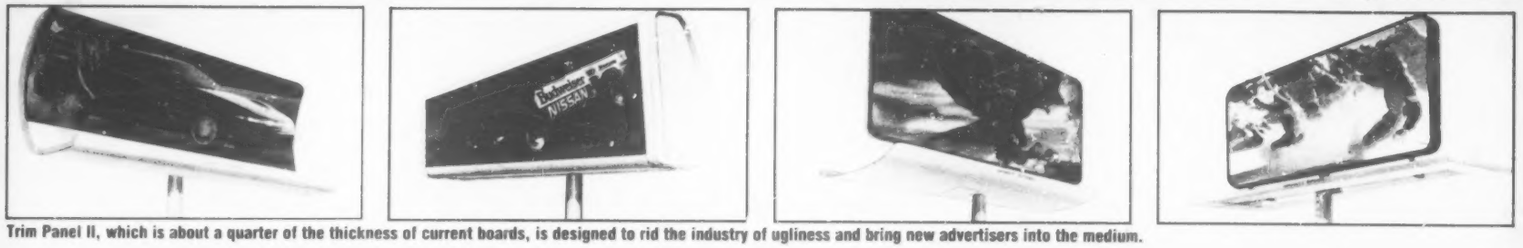

Trim Panel II, which is about a quarter of the thickness of current boards, is designed to rid the industry of ugliness and bring new advertisers into the medium.

Gannett goes back to drawing board

By Bradley Johnson

Gannett Outdoor Group's boards of the future are a little like the Stealth Bomber: sleek, attractive and costly. They also share another common element. "The same technology that was used for the Stealth Bomber," says James Keller, Gannett's divisional VP-marketing.

Gannett's new design, dubbed Trim Panel II, is just 5½ inches thick vs. about 2 feet for regular boards. It is composed of off-white-colored Fiberglas that eliminates the massive, rust-prone open steel structure on the back of traditional boards.

Gannett has spent several hundred thousand dollars over the past four years developing the outdoor boards, says Don Davidson, president of Gannett Outdoor Group. The new boards cost more than $5,000 each, about twice the price of current boards, he says.

Gannett believes its investment will bring new advertisers on board, appeal to existing ones and —maybe most important—mollify critics by presenting a less obtrusive structure.

The project began three years ago when California architect Robert Sully suggested the beleagured industry would benefit by taking the traditional structures back to the drawing board.

Traditional boards are "just damn ugly. I can do something about ugly," says Mr. Sully, president of Argonaut Co., a Santa Monica, Calif., architectural and design company.

Gannett, already working on streamlined boards, took the architect's offer. The result—following input from an aeronautical engineer, field testing in rural Tennessee and wind testing in Phoenix—is the Trim Panel II.

Gannett is preparing to sell the board's merits to cities, which call the shots on placement, and it will make design specs available to competitors at no cost. □

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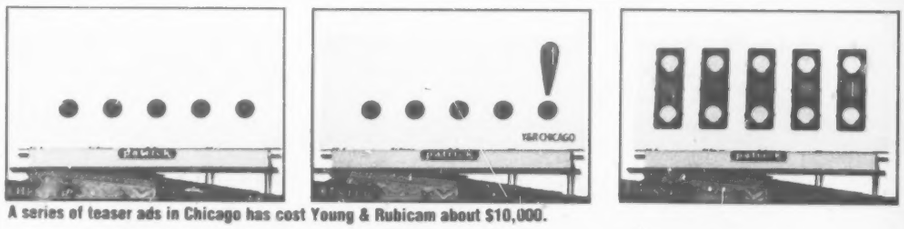


A series of teaser ads in Chicago has cost Young & Rubicam about $10,000.

Dots not all for Y&R

Agency takes to teasing Chicago

By Jon Lafayette

Young & Rubicam's Chicago office has taken on the unusual position of playing both client and agency. The shop is placing a mysterious series of ads on one of Chicago's more expensive and visible outdoor boards.

The teaser ads have played a guessing game with pedestrians and motorists on the city's famed Michigan Avenue.

The creative strategy is to start with a nonsense message and then resolve it in a progression of boards that change every two weeks.

During the campaign's first two weeks, beginning July 23, the poster made no sense at all: just a series of five large dots.

On the next board, the final dot turned into an exclamation point, with "Y&R Chicago" beneath it.

The next board, minus the agency's name, showed five traffic lights, all flashing yellow. Two weeks later, the first four traffic lights were red; the fifth signal was green and "Y&R Chicago" returned beneath it.

The next board showed a daytime rendering of the Chicago skyline. On Oct. 2, the final installment appeared: a nighttime scene of Chicago's skyline with one building illuminated. That bright spot is Y&R's offices, of course. The campaign ends Oct. 22.

In explaining the motivation behind the campaign, Pat Cafferata, president-ceo of Y&R, Chicago, calls it "just a lark. There was [an outdoor board] on Michigan Avenue that was going to be free for a while. One of our clients was going to buy it, then decided not to. So we just decided to take it for ourselves."

Renting the board has cost the agency more than $10,000.

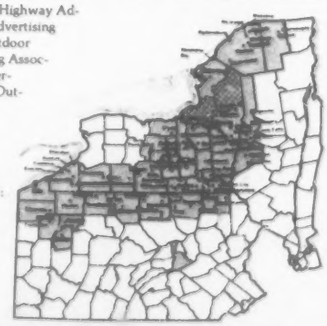
Ms. Cafferata says the agency has been pleased by the response to the campaign. "It got a lot of

(Continued on Page S-20)

TOP-FLIGHT SERVICE IN UPSTATE NEW YORK AND NORTHERN PENNSYLVANIA

MEMBERS: American Council of Highway Advertisers • Eight-Sheet Outdoor Advertising Association, Inc. • Institute of Outdoor Advertising • Outdoor Advertising Association of America • Outdoor Advertising Association of New York • Outdoor Advertising Association of Pennsylvania • Outdoor Advertising Council of New York, Inc. • Out-of-Home Measurement Bureau • Traffic Audit Bureau

NATIONAL REPRESENTATION: Outdoor Network, USA • VB Media, New York, NY • Standard Outdoor Sales, Chicago, Ill. • Demographic information provided by National Planning Data Corp.



Park Outdoor Advertising of New York, Inc., Box 6477, Ithaca, NY 14851 (607) 277-1177

Y&R

(Continued on Page S-20)
people talking," she says.

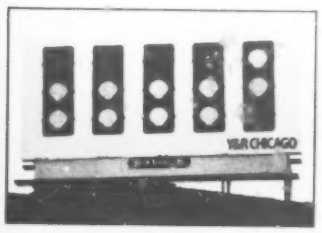
"We're known for our creative, so it shouldn't be a surprise we would do something like this," she says. "We've had a lot of phone calls. People ask, 'What is that?' and we say it's just for fun."

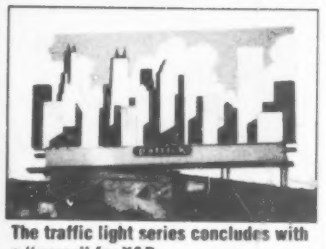
But all good things must come to an end.

"It would become everyday if we tried to keep doing it. Besides, we couldn't afford it," Ms. Cafferata says.

And some people will be sad when Y&R's campaign is replaced by a regular ad from a regular marketer, she surmises.

"I think they'll be disappointed when it comes down." [ ]





The traffic light series concludes with a "green" for Y&R.

PARTING SHOT

Double trouble in Wrigleyville

Wrong building gets message

The building on the top is right; the building on the bottom is wrong.

As part of a promotion, WLUP-AM, Chicago, wanted the face of its sportscaster Chet Coppock painted on a building across the street from Wrigley Field in view of Chicago Cubs fans, TV viewers and passersby. WLUP got his face and the message—Coppock on Sports, Evenings, WLUP-AM 1000—[illegible], but it was on the wrong

Either painters lost their way, [illegible] wrong address or wanted n[illegible]et Coppock.

What h[illegible]

"We contracted for the wall at 3709 [Sheffield Ave.], and we said it was by Wrigley Field by the Red Top parking lot," says Larry Wert, WLUP VP-general manager. "The only problem was that there was another building, 3621 to be exact, that was also near the parking lot."

After the painting was completed on 3621 Sheffield and the error surfaced, Mr. Coppock's likeness was added to 3709 Sheffield as well.

"Personally, we think it's one of the [most] terrific blunders we've made all year," says Mr. Wert. "The mistake couldn't have occurred in a better place than the friendly confines of Wrigley Field." It also couldn't have happened at a better time: mid-September as the Cubs headed into their National League East division pennant-clinching stretch.

The residents of 3621 are not complaining to WLUP or The Billboard Co., which painted the Eisaman, Johns & Laws Advertising, Chicago, designed ad, but payment is being negotiated.

The subject of the painting has no qualms about his mug being the talk of Sheffield Ave.

"Chet was thrilled," says Mr. Wert, who was rather pleased himself. "Twice as much Coppock is better than no Coppock."

—Pat Gray Thomas

Mary Hershey

WLUP-AM got more exposure than originally planned when its sign was painted on wrong building (bottom).

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Leading category still smoking

Top out-of-home categories	1986	% chg.	1987	% chg.	1988	% chg.	1989*
1. Tobacco	$359.4	–13.2%	$311.9	15.1%	$358.9	17.3%	$421.0
2. Retail	98.9	33.3	131.9	24.0	163.5	–7.7	150.9
3. Business/Consumer services	108.5	–2.1	106.2	20.1	127.5	2.9	131.2
4. Automotive	96.4	13.4	109.3	6.7	116.6	–2.1	114.1
5. Beer/Wine/Liquor	118.7	10.7	131.4	–14.3	112.6	–1.6	111.3
6. Publishing/Media	69.6	22.3	85.1	12.1	95.4	8.4	103.4
7. Travel/Hotel	110.4	–6.0	103.8	5.3	109.3	–6.0	102.7
8. Entertainment/Amusement	69.6	10.1	76.6	15.7	88.6	10.6	98.0
9. Insurance/Real estate	62.2	9.6	68.2	–2.3	66.6	–19.1	53.9
10. Food/Food products	19.2	109.4	30.2	–12.3	26.5	0	26.5

Note: Dollars are in millions
*estimate
Source: Institute of Outdoor Advertising, **Advertising Age Graphic:** John Hall

Out-of-home, despite its best intentions, just can't seem to kick certain vices.

Painfully aware that its fortunes are closely tied to heavily scrutinized, often-embattled tobacco advertising, the outdoor industry has worked to cultivate new categories.

The industry has met with some success. For example, package goods have been pursued with ardor; that category has ascended to the top 10 among outdoor advertisers with gross billings rising an estimated 38% from 1986 to year-end 1989, according to the Institute of Outdoor Advertising.

But while one "vice" category—beer/wine/liquor—has dropped 6.2% in the same time frame, tobacco maintains its preeminent position.

In fact, outdoor tobacco advertising will account for an estimated 32.1% of billings among the leading 10 categories, just a fraction less than the 32.3% it commanded in 1986. During this time, total tobacco billings rose an estimated 17.1%.

IOA estimates total outdoor media billings will hit more than $1.5 billion by yearend. The top 10 advertising categories will account for a substantial 86.6% of total 1989 outdoor billings; tobacco advertising alone will represent 27.8% of all outdoor advertising.

But some bright spots lessen the concern over tobacco's commanding role.

Retailers are now outdoor's second-largest advertising category, spending $150.9 million this year. This 52.6% increase since 1986 makes retail the fastest growing category among the top 10.

Publishing/media and entertainment/amusement were the next strongest categories from 1986 to 1989, increasing an estimated 48.6% and 40.8%, respectively.

Along with beer/wine/liquor, the softest categories were insurance/real estate and travel/hotel, which dropped 13.3% and 7% from 1986 to 1989, respectively.

Insurance/real estate continues to fall, recording the sharpest drop this year—19.1%. □

cassCOMMUNICATIONS, INC.

AAAA Agencies

See our $1.0 Million Free Trial Offer on page 45.

MEDIAWORKS

LAUNCHING PAD

Startup to take on 'TV Guide'

New publication launches.

'TV Times'

Tests of *TV Times*, working title for a new weekly TV and entertainment magazine, are planned for February in San Diego and Huntington Beach, Calif.

This newest challenger to Rupert Murdoch's *TV Guide* is from TVSM, New York, whose monthly *Cable Guide* (circulation 7.2 million) already makes it the nation's largest cable TV guide publisher.

Unlike *Cable Guide*, which is paid for by cable system operators and distributed free to cable subscribers, *TV Times* will cost $2.79 a month. *TV Guide* sells for 75¢ per copy.

TV Times will be a full-size magazine compared with the digest-size *TV Guide*. The cable listings in *TV Times* will cover only those programs offered by the subscriber's cable system. *TV Guide's* broader cable listings cover all program offerings in a geographical market.

Like *TV Guide*, *TV Times* will publish broadcast channel listings.

A similar venture—*TV-Cable Week*, launched by Time Inc. in 1983—folded after six months and posted losses of some $47 million.

TV Week Network, representing 29 major market Sunday newspaper TV program guides, was organized last year to compete with *TV Guide* for TV tune-in ad dollars.

TVSM's new weekly will initially serve two cable systems that will start rolling out nationally next September and should be serving 300 systems within four years, said Mark Edmiston, chairman-ceo.

Cable Guide advertisers will be offered special charter rates in the new magazine, he said. *TV Times* will eventually be sold to advertisers as part of a package with *Cable Guide*.

TV Times interim publisher is *Cable Guide* Publisher Alan Wragg and its interim editor is *Cable Guide* Editor Jay Gissan. *TV Times* offices are at 475 Fifth Ave., New York 10017. Phone: (212) 683-6116. □

Written by Scott Donaton.

COVER STORY

Liz leads September star parade

"Cover Story" is a monthly ranking of celebrities' popularity as reflected by their appearances on the covers of more than 30 of the nation's leading publications.

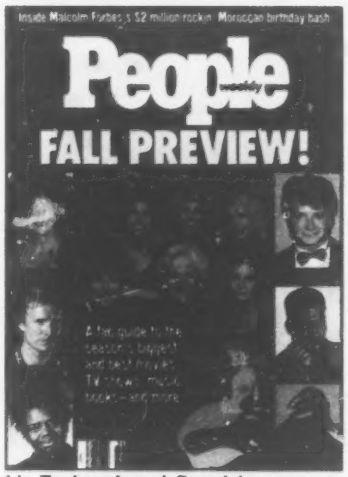
September brings thoughts of back-to-school sales, Labor Day barbecues and falling leaves.

For celebrity-magazine cover editors, the ninth month brings the start of TV's new fall season. And that means it's time for . . . Fall Preview issues.

For "Cover Story," which assigns point values to cover appearances based on such factors as prominence of the photo and frequency of the publication, it meant a month where no star shone too bright and no score rose too high.

Elizabeth Taylor, perennial favorite among checkout-counter tabloids, was September's Cover Queen, riding publicity from her appearance in the TV version of the Tennessee Williams play, "Sweet Bird of Youth."

Additional points were scored by her presence at companion Malcolm Forbes' star-studded 70th birthday party in Morocco.



Liz Taylor shared *People's* cover on her way to a "Cover Story" crown.

Even she scored just 6.5 "Cover Story" points, a very low total for a monthly champ.

Placing second for the month was—surprise—**Roseanne Barr**, the hottest cover celebrity to date. Ms. Barr's 6 points in September lifted her year-to-date total to 64.5, a mere 3 points behind the record set by Princess Di in 1987.

The publication of Ms. Barr's new tell-some book, "Roseanne: My Life as a Woman," and her promotional appearances kept media attention focused her way.

Third-place honors went to **Dolly Parton** with 5 points. We're still trying to figure out why.

Among the other celebrities whose faces stared back at us from the newsstands in September: Bill Cosby (4.5 points); John Goodman (3); Kim Basinger (3); Joan Rivers (3); Sam Donaldson (3); Oprah Winfrey (2); Michael J. Fox (2); and Kirk Cameron (2).

Honorable mention: **Exxon Valdez disaster in Alaska**. News that the oil company was halting its cleanup operation earned 10 "Cover Story" points. □

Written by Scott Donaton.

NEWSSTAND

Print advertising opportunities.

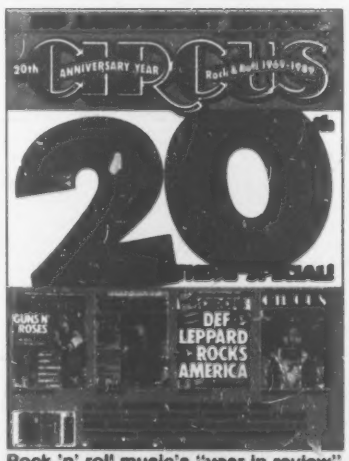
Inside Sports, Evanston, Ill., "NFL playoffs" special editorial section, January issue; ad close: Oct. 10. B&w page: $11,010; color page: $12,325.

Inc., New York, "*Inc.* 500" special editorial report, December issue; ad close: Oct. 13. B&w page: $28,740; color page: $43,970.

California Business, Los Angeles, "Palm Springs and the desert resorts" special editorial report, December issue; ad close: Oct. 16. B&w page: $8,450; color page: $11,405.

Forbes, New York, "Boston: meeting the challenge" special advertising supplement, Dec. 11 issue; ad close: Oct. 16. B&w page: $32,930; color page: $50,060.

Fortune, New York, "North American gold mining: a dynamic growth industry" special advertising section, Dec. 4 issue; ad close: Oct. 16. B&w page: $39,840; color page: $60,960.



Rock 'n' roll music's "year in review" is the special section in the December issue of *Circus*.

New York Magazine, New York, "The romance of the stone" special advertising section, Nov. 6 issue; ad close: Oct. 16. B&w page: $15,340; color page: $24,150.

Institutional Investor, New York, "Business travel" special editorial feature, November issue; ad close: Oct. 17. B&w page: $14,675; color page: $20,700.

Circus, New York, "Rock and roll: the year in review" special editorial section, December issue; ad close: Oct. 18. B&w page: $5,250; color page: $6,975.

City & State, New York, "The government manager: financial services" special editorial/advertising supplement, Nov. 6 issue; ad close: Oct. 20. B&w page: $6,580; color page: $8,430. □

TRACKING SHARES

Baseball suffers in network slump

A ratings and demographic analysis of TV programs.

As Major League Baseball's National and American League championship series draw to a close, "Tracking Shares" takes a look at how baseball has been doing in the ratings game.

"The World Series." Some observers are braced for audience slippage. Though the ratings have slid from the early '80's, "the numbers going down are just part and parcel of the overall network [audience] erosion," said Bill Croasdale, senior VP-director of national broadcast at Backer Spielvogel Bates, New York. "I think if the numbers dip this year it will be because of that, not because of the teams involved. The networks are doing a better job of promoting themselves, but I think there will be some erosion."

Big markets don't always mean big ratings. Philadelphia's victory over Kansas City in 1980 earned a 32.8 Nielsen rating with a 56% share of the TV audience. That stands as the highest-rated World Series of the decade. Last year, the five-game series between the Los Angeles Dodgers and Oakland Athletics on NBC averaged only a 23.9 rating and a 39% share, the third-lowest average Series rating in the past 10 years.

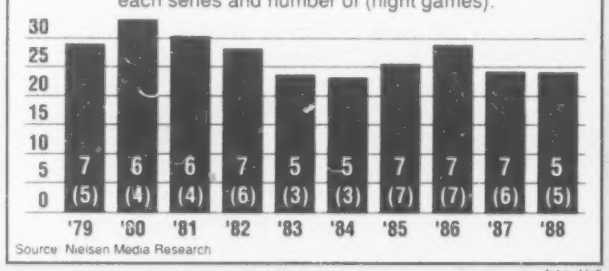
Ratings: 23.9 (five-game average in '88).

Demographics: (five-game average in '88) Women (18-34) 8.8; (18-49) 10.4; (25-54) 11.8. Men (18-34) 15.2; (18-49) 16.3; (25-54) 17.8.

"League Championship Series" In the past five years, the Nationals have tended to draw a bigger share of the audience, but the American League playoff between Detroit and Kansas City in 1984, with an average rating of 16.7, has been the highest of any playoff in the past five years.

10-year ratings trend of World Series

Bars represent average household ratings for Series telecasts. Numbers within bars reflect number of games in each series and number of (night games).



Source: Nielsen Media Research

John Hall

Ratings: American League: 11.0 (Oakland vs. Boston, ABC, 1988); 14.5 (Minnesota vs. Detroit, NBC, 1987); 15.7 (Boston vs. California, ABC, 1986); 15.8 (Kansas City vs. Toronto, NBC, 1985); 16.7 (Detroit vs. Kansas City, ABC, 1984).

National League: 15.3 (Los Angeles vs. New York, ABC, 1988); 15.4 (St. Louis vs. San Francisco, NBC, 1987); 14.9 (New York vs. Houston, ABC, 1986); 15.4 (St. Louis vs. Los Angeles, NBC, 1985); 15.9 (San Diego vs. Chicago, ABC, 1984).

"All-Star Game." This traditional midseason classic is one of baseball's most consistent performers as a showcase for the sport's best players. ABC and NBC again have alternated coverage, but CBS has four-year rights starting next year.

Ratings: 18.2 (NBC, 1989); 20.4 (ABC, 1988); 19.3 (NBC, 1987); 20.3 (ABC, 1986); 20.5 (NBC, 1985); 20.1 (ABC, 1984).

"Game of the Week" (NBC). Network baseball telecasts on Saturday afternoon have been synonymous with NBC for decades. But next season, CBS will telecast 12 weekend games during the season, while ESPN programs 175 games for its national cable audience. ESPN plans double-headers Tuesday and Friday nights and single games Wednesday and Sunday. That's a lot of baseball. NBC averaged about 20 telecasts each year. Facing competition from local TV station game telecasts and regional sports networks telecasting more and more games on cable TV, the "Game of the Week" average ratings have shown a decline.

Ratings: 5.0 (1989); 5.5 (1988); 5.9 (1987); 6.4 (1986); 6.5 (1985); 6.4 (1984).

"Monday/Thursday Night Baseball" (ABC). ABC hoped to extend its "Monday Night Football" success into another sport, but "Monday Night Baseball" never really caught on. It averaged single-digit ratings for its eight telecasts a year since 1985. This year, ABC shifted its prime-time baseball coverage to Thursday night, reaching a new low of 6.2 for its average rating this year.

Ratings: 6.2 (1989); 8.0 (1988); 8.8 (1987); 9.4 (1986); 9.5 (1985); 10.7 (1984). □

Written by Wayne Walley.

TV station takes slap at price ads

By Janet Meyers

Sick of commercials with screaming salesmen touting lowest-ever prices?

So was Norfolk, Va.'s WVEC-TV when the station launched an anti-bad ad campaign starring five of the state's top ad executives.

The ABC affiliate provided $200,000 in airtime for six weeks starting Oct. 2 for a campaign to persuade retailers to produce classier spots.

The campaign is the brainchild of Chris Johnson, WVEC's marketing manager, who decided to go ahead with the campaign after research showed viewers weren't thrilled about price commercials on TV.

"Advertisers have given up any kind of image advertising in favor of this price advertising," said Ms. Johnson, who claimed she's not afraid advertisers will retaliate by pulling their ads. "They should at least mix in some image advertising with price."

Each agency executive wrote his own spot for the campaign. Featured are Dan Ballard, president, Lawler Ballard, Norfolk; Bill Campbell, exec VP-creative director, Barker Campbell Farley, Virginia Beach; and Richmond executives David Martin, chairman, Hawley Martin Partners; Doug Burford, president, Burford Co.; and Tim Finnegan, chairman, Finnegan & Agee. A sixth spot features WVEC President Bill Beindorf.

David Martin and his chair get attention in a campaign aimed at discouraging screaming, price-oriented spots.

Mr. Martin is shown sitting in a big green leather chair, saying nothing as he squeakily shifts position. Then he lights his pipe, finally saying, "You don't have to shout to get someone's attention."

The spot featuring Mr. Campbell closes with him saying, "Cheap-cheap is a bird call, not a marketing strategy."

WVEC handled production of the spots.

Ms. Johnson wouldn't disclose any particular marketers' advertising that bothers her or even categories of advertisers guilty of price advertising. "I don't want anybody to feel we have singled them out," she said.

Are the ad executives fearful of clients being unhappy with the ads? Mr. Campbell said he thinks the campaign might turn away some potential clients.

"But to be real honest, that's not the kind of advertising I want to do," he said. "To put dozens of prices into a 30-second commercial is not going to be very effective." □

Orange County Panhandler

"Hey, buddy, can you spare a few shares of stock?"

In Orange County, Southern California's richest market, 29% of all adults are stockholder, the 7th highest percentage in the U.S.

(Source: New York Stock Exchange)

THE ORANGE COUNTY Register METROGROUP

The leading medium in Southern California's richest market. Represented by CWO&O

Retailers' turmoil

(Continued from Page 10)

produce a response at the cash register will be in question," said Steven Butterman, president, Butterman Retail Marketing.

"If retailers find their backs to the wall, they'll start chipping away at this line item and that, and it's not an unlikely possibility that advertising [budgets] will be hurt," said James Newton, president, Economic Perspectives, a retail consultancy.

Inventories will be tightened by debt-strapped retailers.

"It could become a vicious cycle. Stores won't have enough merchandise, so managements will say consumer interest isn't there. Meanwhile, consumers won't buy it if they can't find it," said Marvin J. Rothenberg, president of Marvin J. Rothenberg Inc., a retail marketing consultancy.

But of immediate concern to retailers and manufacturers is the upcoming holiday season, expected to be tough for retailers because of persistent consumer caution (AA, Sept. 11).

One risk is that chains will become preoccupied with their future and that both customer service and sales will suffer as a result.

"Everyone will be gossiping, wondering about their future. . . . The conventional wisdom is that [management changes or new financial structures] are not going to affect service on the selling floor. But that's baloney: It always affects service," said one former department store sales promotion executive who asked not to be identified.

Another risk is that cash-hungry retailers will pick up the pace of off-price promotions, forcing the entire industry to respond, or will adopt new everyday low-price positions, intensifying price competition.

For example, Macy's decision to institute everyday low pricing for its women's coats has been featured prominently in print ads from its in-house agency.

Still, executives at several of the chains making headlines say this holiday season will be business as usual.

"Everything is going ahead as planned," said Paul Lenlang, senior VP at Saks Fifth Avenue, noting that Christmas advertising and promotional schedules were in place months ago.

"Our value is as an ongoing retail concern: in generating traffic and sales. We're not going to change the plans we have in any way," he said. □

Pat Sloan in New York contributed to this story.

Electronic dealers who ignore New York's Hispanic consumers are in for a shock.

In 1988, New York's Hispanics spent more than $200 million on electronics, including $40 million on TV sets, $16 million on VCRs and $17 million on camcorders.

Want to reach these buyers? Advertise on WNJU 47—New York's #1 Spanish-language television station.

It's as simple as that!

WNJU 47
Telemundo in New York

For more information, call Rosemarie Lieberman (212) 492-5603

Source: Arbitron, May 1989, sign-on to sign-off. Lee Slurzberg Research, Inc. New York Retail Study, January 1989.

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Pop-Ups are the answer. They cut through today's advertising clutter, get immediate attention and generate sales action.

Offer Pop-Ups! You'll increase response to media and direct mail advertising. Mail them as a year-end "Thank You" and they'll sell for you throughout 1990. Use them to announce new products and events.

Give your promotional programs Pop-Up power. Call, write or fax.

Yes! I want to give my promotions Pop-Up power. . . Help me get started!

Name _____ Title _____

Company _____

Address _____

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October 16, 1989

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End of an era: Louis-Dreyfus to lead Saatchi

By Laurel Wentz

LONDON—The Saatchi & Saatchi decade, which triggered revolutionary changes in the agency business worldwide, is over.

Last week, Maurice and Charles Saatchi turned over the reins of their agency holding company to a financially oriented Frenchman, Robert Louis-Dreyfus. He's the first outsider to be given wide latitude over the Saatchi empire.

This marks the end of a three-part notion carried to extremes by the idiosyncratic brothers: that agency holding companies can expand endlessly on the back of an ever-increasing stock price; that agency clients will do one-stop shopping at these holding companies for every service—even consulting; and that the idea of "world brands" manufactured, marketed and positioned the same way everywhere is viable in almost all categories.

The Saatchis changed the rules about the advertising business, but "the rules changed back on them," said Greg Ostroff, analyst at Goldman, Sachs & Co.

Nevertheless, "The fact that they did what they did has fundamentally changed the industry," said Robert Riphagen, director of corporate and consumer electronics marketing communications at NV Philips, Eindhoven, the Netherlands.

Roger Tully

Robert Louis-Dreyfus, former head of IMS International, takes over as chief executive of Saatchi & Saatchi Co. Jan. 1.

Roy Warman, joint chief operating officer of Saatchi & Saatchi Co., told *Advertising Age* that reports of a Saatchi era ending are "rubbish."

"I think we've all known for some time that the bull market and paper-driven acquisition campaign has been over since the [1987 stock market] crash," he said. But this period of major acquisitions "is over not because we couldn't see having the capability again but because we don't see the need for it in the communications business," he added.

Goldman Sachs' Mr. Ostroff said most of Saatchi's financial problems go back to the way it paid for its purchases, more than what it bought.

Saatchi raised money for most of its acquisitions by selling new stock through "rights offerings." At the time, the rights offerings were seen as a powerful tool that enabled British companies to outbid their U.S. counterparts.

In the end, Mr. Ostroff said, the rights offerings became "one of the most expensive routes possible" because of the dividends the company had to pay for its stock.

"The way those deals were structured, the company found that any new cash flows they added were already spent," he said. In addition to dividends, Saatchi agreed to make deferred payments based on earnings to the companies it acquired.

Industry executives believe a death knell sounded last week when the Saatchis briefly calmed the financial community with the dramatic turnover of their pre-

(Continued on Page 79)

■ Client reaction on Page 2 and a close-up look at Robert Louis-Dreyfus on Page 79.

Michael A. Marcotte

Edwin L. Artzt will have two foreign-born execs running P&G's U.S. businesses.

Artzt puts global stamp on P&G

By Laurie Freeman

CINCINNATI—Call it the globalization of Procter & Gamble Co.'s management.

The anointment of Edwin L. Artzt as chairman-ceo-in-waiting at P&G underscores the company's commitment to the international side of its business.

As vice chairman and president of P&G International since 1984, Mr. Artzt, 59, orchestrated a dramatic turnaround for P&G in Japan, a vital marketplace for any marketer with international ambitions.

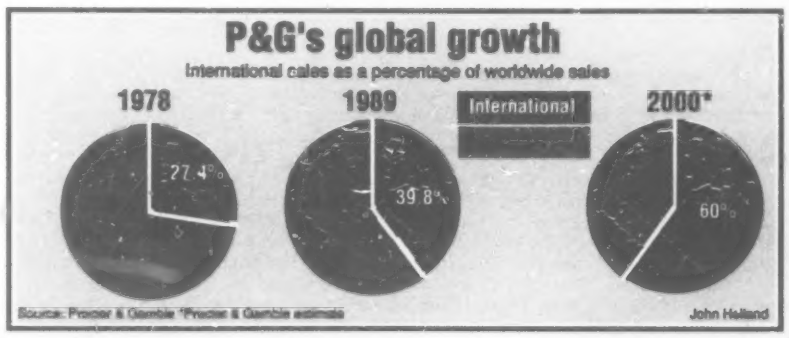
It's widely believed Mr. Artzt's performance in Japan catapulted him past President John E. Pepper and into the role of successor to John G. Smale, who plans to step down in January.

Mr. Smale, 62, who in 1985 guided P&G through its first earnings decline in 33 years and has significantly expanded P&G's businesses through aggressive acquisitions, made the announcement last week at the company's annual meeting.

In a later interview with *Advertising Age*, Mr. Artzt said he has "an agenda, but I'd rather wait" until he officially assumes the job before saying what's on the list.

"Basically, we've got a good thing going here. I've been a part of it, and I'm going to keep it going," he said. "There are changes that are going to be made, but

(Continued on Page 79)



LAST MINUTE NEWS

Industry shivers after market drop

NEW YORK—The stock market's 189.96-point nose dive Friday, almost two years after the Oct. 19, 1987, plunge, sent tremors through the marketing community.

Saatchi & Saatchi's American Depositary Receipts on the New York Stock Exchange closed Friday down more than $1, to less than $15. Interpublic Group of Cos. stock fell more than $3 a share from the Thursday close of $36. Other agency stocks were unchanged or down slightly.

The market drop could make a Saatchi takeover "more likely because the stock went down so it's cheaper or . . . less likely because whoever it is could be looking to the stock market to raise money [to finance the takeover] and find it difficult to do so," said Alan Gottesman, analyst at PaineWebber.

Because of the drop, Merrill Lynch pulled a 30-second spot touting energy stocks due to air Oct. 15. Four other spots from Merrill's ongoing campaign via Bozell aired.

PaineWebber put Saatchi & Saatchi Advertising on alert and may produce one of the overnight commercials that it's been running intermittently since the 1987 market tumble.

These commercials feature Paine-

(Continued on Page 6)

INSIDE

Y&R execs in Jamaican hot seat

See Page 3

'Woman's Day' cuts its rate base

By Scott Donaton

Diamandis Communications Inc.'s *Woman's Day*, acknowledging it's been suffering side effects from the launch of Bauer Publishing's *First for Women*, is lowering its rate base in 1990.

The Seven Sisters magazine, which saw circulation fall 14.3% in the first half of the year to 4.4 million, will lower its guaranteed rate base by an average of almost 9% next year. Ad rates will remain the same, increasing the magazine's cost per thousand.

Woman's Day is also reorganizing its rate structures. The magazine will shift to a two-tier from a three-tier structure, with different rate bases and ad rates.

The 11 issues published from January to September will have a rate base of 4.6 million, down 8% from 1989. The four issues published from October to December will have a rate base of 5.5 million, a 9.7% decrease.

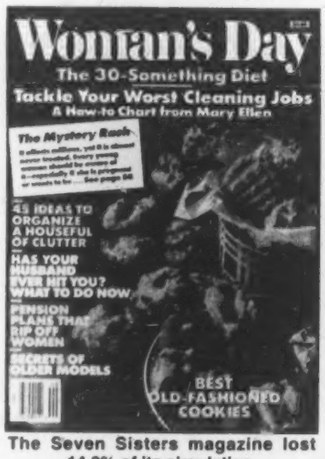
The new b&w CPM for both tiers will be $13.27 and the new color CPM will be $15.89.

In an effort to stabilize the magazine's circulation, Publisher Robert Mate said *Woman's Day* will make a concentrated effort to build its subscriber base. Subscriptions now account for only 2% of total circulation. Mr. Mate said he'd like that figure to go as high as 10% next year.

Although the exact tools for building the base haven't been determined, direct-mail campaigns and special premium offers are among the options, he said.

The reasons for the changes include the impact of *First* on the single-copy marketplace and *Woman's Day*'s recent cover price increase, Mr. Mate said.

Woman's Day and The New York Times Co. Magazine Group's *Family Circle*, which both rely heavily on single-copy sales, recorded double-digit circulation declines in the first half of the year, according to the Audit Bureau of Circulations (AA, Aug. 21).


Woman's Day
The 30-Something Diet
Tackle Your Worst Cleaning Jobs
A How-to Chart from Mary Ellen
The Mystery Rash
45 IDEAS TO ORGANIZE A HOUSEFUL OF CLUTTER
HAS YOUR HUSBAND EVER HIT YOU? WHAT TO DO NOW
PENSION PLANS THAT RIP OFF WOMEN
SECRETS OF OLDER MODELS
BEST OLD-FASHIONED COOKIES

The Seven Sisters magazine lost 14.3% of its circulation.

When those figures came out, industry observers said it was too early to tell whether the circulation drops represented long-term changes or buyer trial of *First*, launched in February and backed by a $14 million ad campaign and a 25¢ first-issue cover price.

But *Woman's Day*'s latest move is viewed as proof that *First*—which raised its cover price to $1 with the March issue—is changing the marketplace.

"*Woman's Day* is saying, 'We recognize how difficult the newsstand business is and *First* has found a position,' " said Steven Farella, exec VP-director of corporate media services at Wells, Rich, Greene, New York. "It's a big move."

Mr. Farella said *Woman's Day* should also have considered lowering its ad rates to keep its CPM steady: "It would have been a smarter marketing move."

For the first eight months of 1989, the magazine's ad pages rose 12.8% to 1,087.2.

A b&w page in first-tier issues will be $61,045, and a color page will be $73,075; a b&w page in the second tier will be $73,010, and a color page will be $87,398.

Woman's Day increased its cover price to $1.09 from 99¢ in October 1988. DCI executives blamed the price increase for a dip in the magazine's circulation to 5.6 million for the six months ended Dec. 31.

First, as a new magazine, isn't yet listed in the Audit Bureau's circulation reports, but Todd Selbert, *First* advertising director, said its rate base is 4 million.

Woman's Day's move doesn't surprise him. "What I said would happen in the mass-market women's field has happened. We expanded the market," he said. "We're just trying to mind our own business and let the chips fall where they may." □

Saatchi's clients say: 'Call us, not analysts'

An Advertising Age roundup

Clients of Saatchi & Saatchi Co.'s agencies aren't alarmed by ownership questions swirling about the company, but they do wish Saatchi would tell them what's going on.

While Maurice Saatchi diligently phoned analysts and investors in New York and London to spread the news about Robert Louis-Dreyfus, the company's new chief executive, Saatchi's biggest clients were learning about it from reporters' phone calls.

Officials at Procter & Gamble Co., one of Saatchi's largest worldwide clients, were caught off-guard by news of the appointment, saying they hadn't been told yet. But one source later said P&G will "wait and see what happens" as a result of the executive turnover or takeover speculation.

"As long as Saatchi produces quality creative work for P&G, it's not going to affect P&G's relationship with the agency," the source said.

"My first reaction is that I'm surprised to hear about the new chief executive," said a similarly baffled Wim Slootweg, director of communications for Sara Lee/Douwe Egberts, based in Utrecth, the Netherlands.

"I just talked to two Saatchi execs who didn't give me a hint," Mr. Slootweg said Oct. 12, the day of the announcement.

"Obviously, what happens to the ownership does not concern us except when it starts having an effect on creative," Mr. Slootweg said. "So far, it has not had any effect. However, insecurity and instability are going to worry some people, and I wonder how long it can go on without affecting people. We've said we're worried about quality, and they've given us reassurances."

At least one other client, who asked to remain anonymous, said he'd welcome a takeover bid. "I would personally be delighted if someone else owned Saatchi & Saatchi," this U.S. client said.

"They concentrate too much on the bottom line to the detriment of service," this source said. "While it doesn't necessarily affect the day-to-day work on our account, I've lost some very good people on the business who have left the agency."

"Yes, it's a cause for concern," said Dave Danzer, corporate marketing manager at Toyota Motor Sales USA. "We'd like them to be stable. A change of ownership would cause us great concern."

Some other clients privately complained, as one put it, of a "somewhat lower level of excellence in servicing accounts" after the acquisitions and mergers of such agencies as Backer & Spielvogel, Ted Bates Worldwide, Compton Advertising, Dancer Fitzgerald Sample, Campbell-Mithun and William Esty Co.

PaineWebber late last week started an "internal review" of its account at Saatchi & Saatchi Advertising, said John Lampe, senior VP-director of advertising and public relations, who earlier had stated that the news about Saatchi had "no impact on our relationship."

Sources said the company is in talks with McCann-Erickson Worldwide.

Most clients, however, seemed unconcerned or withheld judgment on the developments until they could gauge its effect on their business. □

This story was written by Gary Levin and Laurel Wentz from bureau and correspondent reports.

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SPECIAL REPORT

Marketing to Hispanics

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Steve Bowick

Exploring for Hispanic gold

Will agencies traveling merger route come up empty?

By Ed Fitch

Without knowing it, Gerald Wilhite may be inheriting the legacy of Spanish explorer Francisco Vasquez de Coronado.

Coronado gained notoriety by searching for the Seven Cities of Gold, rumored to be laden with precious jems and gold. He found Kansas.

Mr. Wilhite, president of D'Arcy Masius Benton & Bowles, is a modern-day Coronado, looking for riches in the Hispanic market. D'Arcy recently bought 49% of Sosa & Associates, a top Hispanic market shop located in San Antonio, Texas.

Mr. Wilhite is not alone in his quest. The Saatchi brothers, Martin Sorrell, Allen Rosenshine, all of these agency *conquistadores* have acquired Hispanic agencies.

"It's a thing you have to do eventually," says Marvin Sloves, chairman, Scali, McCabe, Sloves. "Someday we may be acquiring one, and we could get a good profit center out of it."

The motivation for most agencies is more than profit, says Paul Casanova, president of independent shop Casanova, Pendrill Publicidad. "The general-market agencies simply want to keep control of the business," he says. "The market will continue to grow, and more dollars will be put against the Hispanic market. They just want to make sure it's part of their program. It's the dog wagging the tail."

Dick Dillon points to client demand. "Even if they can't make any money off it, if the clients want it, they want to deliver," says the president of WPP Group subsidiary Mendoza, Dillon & Asociados. "Or they see XYZ agency has a Hispanic arm and they want one too."

Certainly the hype factor surrounding the Hispanic market is at its highest. Headlines touting the "hot new market" are common, encouraging agencies to see this as a niche profit center.

The question is, will they find Kansas instead?

Corporate ad expenditures in the market grew only 12.1% to $550.1 million last year, according to *Hispanic Business*. Sources speculate the market will grow only 15% this year to about $630 million.

Welcome to Kansas.

"I don't know if it's hype," says Mr. Dillon. "But are there people [from general-market agencies] coming into it with expectations that far exceed the reality? There sure are."

An *Advertising Age* survey of 35 Hispanic agencies indicates what acquisition-minded general-market agencies' expectations should be. Media billings among these agencies rose 42.8% to $223.4 million in 1988. But as of Sept. 5, 1989, annualized billings growth rate had slowed to 34.8%.

Total capitalized volume increased 21.9% to $407.3 million in 1988. That figure is growing at a 36.3% rate this year.

But Mr. Dillon still urges caution to interested general-market shops. "People can't come into this market and expect it's going to double or triple in size," he says.

When the buyout binge began, some speculated that the big agencies would jumpstart corporate expenditures. "The jury is still out on that," says a source whose Hispanic market shop was bought by a large agency. "But my gut feeling is that these buyouts don't do much to build the Hispanic agency."

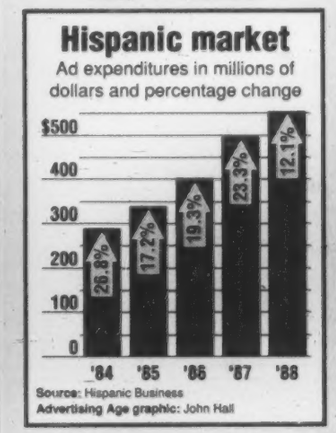
Mr. Casanova thinks the buyout craze has ended, "at least until the next wave. During the frenzy, the price of an agency went through the roof and the agencies have started to ask where's the payout."

Another reason the buying fever will abate is lack of targets, says Bruce Crawford, Omincom chairman-ceo. "Few sizable independent Hispanic agencies remain." □

Gary Levin contributed to this story.

BAROMETER

Take a number



Take the pulse

The U.S. Hispanic market has its roots in Spanish *conquistadores*. But it's been a long time since Spanish immigrants have had a major impact on the market's makeup.

Barometer speculates on which nationalities will follow Coronado's footsteps.

Colombia...Anarchy in the streets. Justice Minister Monica de Greff is only the first of many Colombians heading north.

Panama...Not as big an influx as expected following Old Pineapple Face's subtle form of governing. But the potential for mass emigration is there—as long as he is.

Mexico...Proximity alone makes it a player. But President Carlos Salinas de Gortari is making "Viva, Mexico" more than a slogan.

Nicaragua...People are actually moving back there?! When the "elections" are over they'll be back—with friends and family.

Spain...With the Olympics, and credit card-laden *turistas* about to overrun their country, Spaniards stand to make a killing.

MEDIAWORKS

BROADCAST-INC.

Movietime to try new look

Programming and business-side developments in broadcasting.

Movietime isn't going to be just about movies anymore.

Early next year, **Time Warner's** Home Box Office will change the look of the advertiser-supported cable channel to attract new viewers and improve the 2-year-old channel's appeal to media buyers.

Movietime, jointly owned by Time Warner and several cable operators, primarily reaches the 12-34 age group but is skewed toward younger viewers.

HBO hopes to keep that audience while expanding the older segment. It plans to create a broader entertainment channel with faster-paced, personality-oriented programming; more regular segments; a "glitzy" on-air look; and, possibly, a new name.

Movietime has been under HBO's control since August, when the pay-cable network was assigned responsibility for Movietime ad sales, marketing and programming as part of HBO's expanding presence in basic, advertiser-supported cable.

"We're going to broaden—expand, if you will—from movies to more entertainment industry news," said Bob Grassi, acting ceo of Movietime and senior VP-sales operations and administration at HBO. "We'll add to what we cover, including TV, books, high-profile sports and celebrities in any field."

Creative ad rate packages are likely as part of the revamping under way at cable TV's Movietime network.

Mr. Grassi said he's looking at Movietime's rate structure and promised more creative ad packages will be offered to media buyers in the future.

Movietime programming now centers on clips of upcoming and current films, which it will continue to use to a lesser degree.

The channel has 14 million subscribers from more than 500 cable systems nationally. It carries 6 minutes of national advertising and 2 minutes of local advertising per hour.

Some of the changes at Movietime, set to make their debut sometime early next year, will include:

- Scheduling based on an hour-long "wheel" to add predictability to its programming. Regular segments, such as "Entertainment News Update" and "The Entertainment Guide" will be slotted at specific times within each 60-minute cycle.
- Heavily celebrity-oriented programming.
- An on-air appearance described by Mr. Grassi as a "glitzier, more 'celebrity and events' kind of look."
- Possibly a name change, to a moniker that reflects Movietime's broadened entertainment coverage.

Mike Sobel is senior VP-advertising sales at Movietime, whose offices are at 1800 N. Vine St., Third Floor, Hollywood, Calif. 90028. Phone: (213) 960-5800. □

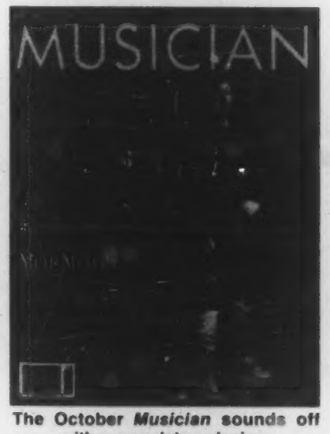
Written by Marcy Magiera.

PUBLISH-INC.

Editorial and business-side developments in print media.

A different tune. *Musician*, Gloucester, Mass., the 13-year-old jazz and rock music magazine, unveiled a complete redesign with its October issue. The cover sports a new logo with expanded use of color and graphics inside. Associate Publisher Paul Sacksman said the redesign is part of a campaign to expand the magazine's advertising and circulation base. The campaign also includes a public relations effort and an increase in trade promotions, he said. *Musician's* rate base is 170,000.

Springing together. *Breaker's Guide '90*, "The Ultimate Spring Break Magazine," Winter Park, Fla., will join with InterCampus Programs, a Chicago-based college tour operator, to more than double the magazine's circulation base next year. InterCampus, the sole tour operator advertising in the magazine, will distribute 400,000 copies of the magazine to 300 campuses in January and February. An additional 200,000 copies will go to students vacationing in Daytona Beach, Fla., and 100,000 to campus bookstores. Ad rates more than double to $13,950 for a b&w page, $16,700 for a color page.



The October *Musician* sounds off with a complete redesign.

Honeymoon hookup. *Modern Bride*, New York, and American Express Vacations will publish a pair of 50-page honeymoon guides next year for soon-to-be newlyweds. "Carefree Sunnymoons" will be inserted into the February/March and August/September issues of *Modern Bride*. In addition to the magazine's circulation of about 400,000, AmEx will distribute 400,000 reprints of the section to retail travel agencies nationwide. The section's ad close is Oct. 22. A color half-page is $9,220. □

Written by Scott Donaton.

THE PRINTED WORD

Titles still feeling 'Black Monday'

Print media advertising and circulation performance.

Wall Street's "Black Monday," Oct. 19, 1987, hit hard at ad spending in personal finance magazines, which depend heavily on ads from mutual funds and brokerage houses. Most business magazine publishers believe the titles that survived so far should see ad pages perk up next year and that strong books should get stronger.

But the damage done was serious.

Time Warner's *Money* saw ad pages drop 10.5% in 1988, then another 8.3% in 1989's first eight months. Kiplinger Washington Editors' *Changing Times* lost 11.3% of its ad pages in 1988. For January to August 1989, ad pages dropped 10.9%.

Worst hit was *Sylvia Porter's Personal Finance*, which never recovered from a 29.7% ad page drop in 1988 and folded earlier this year. *Venture* suffered a similar fate. Its ad pages fell 16.4% in 1988. The downward spiral continued this year, with ad pages dropping 36.9% for the first eight months. Last month, *Venture* suspended publication.

Here's a look at how "Black Monday" affected some key business publications:

- **Barron's**—Ad pages: 1986, 2,095.2 (percentage change from 1985 not available); 1987, 2,528.6, up 20.7%; 1988, 2,114.7, down 16.4%; January to August 1989, 1,136.3, down 20.3% from the same period in 1988. January to June 1989 circulation (Audit Bureau of Circulations): 247,756, down 7%.
- **Business Week**—Ad pages: 1986, 3,893.2, down 7.6%; 1987, 4,708.9, up 21%; 1988, 4,586.3, down 2.6%; January to August, 2,728.1, up 5.3%. Circulation: 900,989, up 1%.
- **Changing Times**—Ad pages: 1986, 624.2, up 26.9%; 1987, 773.2, up 23.9%; 1988, 686.2, down 11.3%; January to August, 381.7, down 10.9%. Circulation: 1,160,646, down 10.7%.
- **Entrepreneur**—Ad pages: 1986, 469, up 47%; 1987, 721, up 54%; 1988, 1,281, up 78%; January to August, 1,212.9, up 49.4%. Circulation: 307,826, up 28.1%.
- **Forbes**—Ad pages: 1986, 3,418.6, down 7.9%; 1987, 3,626.1, up 6.1%; 1988, 3,458.9, down 4.6%; January to August, 2,069.8, up 8.9%. Circulation: 739,856, up 0.1%.
- **Fortune**—Ad pages: 1986, 2,907.9, down 11.2%; 1987, 3,017.6, up 3.8%; 1988, 3,236.8, up 7.3%; January to August, 2,185.7, up 16.4%. Circulation: 672,134, up 2.4%.
- **Inc.**—Ad pages: 1986, 1,029.4, down 10.5%; 1987, 1,169.9, up 13.6%; 1988, 1,232.9, up 5.4%; January to August, 734, up 1.9%. Circulation: 631,990, down 1%.
- **Money**—Ad pages: 1986, 1,493.4, up 2.2%; 1987, 1,570.7, up 5.2%; 1988, 1,405.5, down 10.5%; January to August, 786, down 8.3%. Circulation: 1,816,298, up 0.3%. □

Fighting back from 'Black Monday'

How business publication ad-page volume has fared since the October 1987 stock market plunge.

	% change from '87 to '88	% change from Jan. to Aug. '88 to Jan. to Aug. '89	Total number of ad pages Jan. to Aug. '89
Entrepreneur	78.0%	49.4%	1,212.9
Fortune	7.3	16.4	2,185.7
Forbes	–4.6	8.9	2,069.8
Business Week	–2.6	5.3	2,726.1
Inc.	5.4	1.9	734.0
Money	–10.5	–8.3	786.0
Changing Times	–11.3	–10.9	381.7
Barron's	–16.4	–20.3	1,136.3

Source: Publishers Information Bureau and the publications listed

John Hall

CLASSIFIED ADVERTISING

COPYWRITERS FOR TOKYO

...where it's all happening. Three writers wanted. One each for audio/video, electronics and cameras. Must have sound product knowledge and at least three years experience writing for such clients as Canon, Fujitsu, Sony, Nikon, NEC, Pioneer and the like. Top dollars, two-year contract. Send resumé and three of your best works to: Copy Chief, K&L Inc., Hakuyo Bldg., 3 Nibancho, Chiyoda-ku, Tokyo 102, Japan. Tel. 81-3-263-4625; FAX 81-3-264-1556.

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Print Media

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Chicago Business Crain's

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CONSUMER MAGAZINE AD LINAGE

	September 1989	September 1988	Year-to-date 1989	Year-to-date 1988
■ Auto/cycle/rec. vehicles				
AutoWeek (52X)	152.6	141.5	1,423.7	1,467.6
Car & Driver	87.5	84.1	973.9	924.7
Car Collector & Car Classics	17.5	16.5	153.0	147.8
Car Craft	72.3	79.1	691.0	758.8
Circle Track	73.2	69.7	778.2	735.4
Cycle	32.0	33.5	373.8	398.3
Cycle World	34.8	38.1	375.8	432.5
Dirt Rider	21.4	28.7	288.0	343.2
Dune Buggies & Hot VWs	67.9	71.0	619.9	670.5
Family Motor Coaching	203.7	170.5	1,654.9	1,562.0
4 Wheel & Off-Road	75.8	80.9	737.5	786.2
Four Wheeler	80.7	91.0	749.9	810.0
Hot Rod	72.8	80.7	806.6	807.6
Motorcyclist	25.0	22.8	381.0	404.9
Motor Trend	63.4	56.9	741.9	709.6
Motorhome	99.4	100.8	830.5	831.4
Rider	25.7	31.8	313.8	357.5
Road & Track	98.2	96.2	966.8	922.7
Trailblazer	53.0	81.0	513.0	520.2
Trailer Life	93.7	104.8	835.3	879.9
Total Group	**1,450.6**	**1,479.6**	**14,208.5**	**14,470.9**
% change	**-2.0%**		**-1.8%**	
■ Boating & yachting				
Boating	148.0	173.4	1,350.8	1,435.4
Chesapeake Bay	46.5	56.0	467.8	449.4
Cruising World	95.5	115.1	973.0	999.0
Lakeland Boating (11X)	77.0	82.5	810.8	739.9
Motor Boating & Sailing	118.2	142.3	1,403.6	1,556.6
Sail	105.9	112.8	1,029.6	982.9
Trailer Boats (11X)	37.2	46.4	625.2	586.3
Western Boatman (6X)	37.3	48.6	227.1	258.3
Yachting	160.4	175.5	1,236.0	1,314.1
Total Group	**825.9**	**952.6**	**8,124.0**	**8,321.8**
% change	**-13.3%**		**-2.4%**	
■ Civic/fraternal				
Elks (10X)	12.1	19.5	118.1	137.8
Kiwanis	19.5	21.2	132.5	119.0
Lion (10X)	11.5	7.7	53.1	51.0
Rotarian	15.3	19.4	108.6	152.1
V.F.W. (11X)	30.6	32.3	229.3	228.4
Total Group	**89.0**	**100.1**	**641.6**	**688.3**
% change	**-11.1%**		**-6.8%**	
■ General				
American Health (10X)	92.2	59.8	559.6	496.8
American Heritage (8X)	55.4	55.6	276.4	229.8
American Legion	41.3	63.3	286.4	322.2
American West (6X)	—	—	126.2	121.8
Art & Antiques (10X)	81.5	91.6	515.9	509.8
ARTnews (10X)	119.7	119.3	802.5	804.2
The Atlantic A.	50.6	36.6	420.6	360.9
Bon Appetit A.	71.1	91.8	690.3	687.8
Changing Times	60.4	47.6	444.1	476.5
Conde Nast's Traveler	86.6	63.1	634.1	428.7
Connoisseur	107.5	100.6	632.5	687.3
Consumers Digest (6X)	25.3	28.7	114.9	114.0
Ebony	89.9	89.1	874.0	891.3
European Travel & Life	83.1	51.3	369.0	293.1
Food & Wine	59.2	57.9	523.8	441.8
Games (6X)	9.9	11.7	56.2	36.4
Golden Years (6X)	44.8	23.9	220.0	221.4
Gourmet	113.8	114.7	831.8	845.3
Harper's Magazine A.	30.0	31.9	269.6	253.6
Harrowsmith (6X)	58.0	50.0	294.5	271.0
Let's Live	54.0	49.0	418.0	438.0
Life	45.6	33.6	539.7	477.9
Modern Maturity (6X)	—	—	154.3	136.6
Money	96.7	102.0	862.8	960.5
Money Maker (6X)	—	—	19.3	32.7
Mother Earth News	77.3	96.2	392.0	369.5
National Geographic	16.1	15.6	182.2	196.6
National Geographic Traveler (6X)	34.4	34.9	155.5	118.7
Natural History	37.6	38.5	351.6	322.4
New Choices	44.8	42.4	308.4	275.4
Prevention	60.9	62.1	466.0	499.1
Psychology Today	38.4	37.4	258.3	219.3
Reader's Digest A.	88.2	104.7	790.9	835.8
Saturday Evening Post (9X)	49.5	34.9	265.8	213.4
Smithsonian	103.1	92.8	725.7	743.4
Town & Country	190.2	183.8	1,081.0	1,088.5
Travel-Holiday	30.8	28.2	364.7	316.5
Travel & Leisure	135.6	131.3	1,039.7	935.7
Travelhost	1,316.0	1,202.0	11,552.0	11,113.0
Vanity Fair	208.1	159.3	967.0	787.6
Yankee	75.2	75.6	535.5	646.8
Total Group	**3,983.0**	**3,712.6**	**30,372.6**	**29,270.8**
% change	**7.3%**		**3.8%**	
■ Home				
Americana (6X)	17.8	17.0	91.4	79.9
Architectural Digest A.	139.8	146.9	1,252.9	1,244.2
Better Homes & Gardens	119.8	103.6	1,015.3	1,007.9
Colonial Homes (6X)	69.8	77.1	295.9	304.2
Cooking Light	56.9	46.2	257.4	185.8
Country Home (6X)	45.0	—	309.9	196.9
Country Living	107.1	117.4	814.3	787.9
Family Handyman (10X) A.	38.7	53.4	363.2	364.8
Florida Home & Garden	67.0	87.5	742.6	627.7
Flower & Garden (6X)	22.1	—	188.5	176.9
Home	71.8	76.1	528.1	546.4
Home Mechanix	70.8	51.4	456.7	446.4
The Homeowner (10X)	34.3	—	255.3	251.3
Horticulture	31.4	28.4	341.8	342.2
House Beautiful	81.5	111.0	584.1	804.8
House & Garden	115.3	122.2	655.0	791.6
Metropolis	77.3	74.4	505.8	453.1
Metropolitan Home	119.7	106.5	882.8	665.9
Midwest Living	64.1	46.8	324.9	257.4
1,001 Home Ideas	63.5	78.5	525.1	503.9
Organic Gardening (11X)	31.3	44.1	334.3	406.5
Phoenix Home/Garden	117.7	61.7	658.8	637.6
Practical Homeowner (9X)	54.4	—	228.4	—
San Diego Home/Garden	80.5	68.8	650.6	642.8
Southern Accents (6X)	156.1	160.5	561.9	573.6
Southern Living	131.4	124.3	1,026.2	1,081.1
Sunset Magazine A.	109.1	117.9	1,038.3	1,089.6
Workbench (6X)	47.3	38.9	230.6	192.6
Total Group	**2,141.4**	**1,960.5**	**15,119.8**	**14,460.8**
% change	**9.2%**		**4.6%**	
■ In-flight & other passenger				
Aboard Group (6X)	41.8	39.0	193.8	176.2
Alaska Airlines	83.2	55.9	574.4	498.0
America West Airlines	84.2	67.0	604.0	549.5
American Way (24X)	189.4	166.2	1,326.9	1,248.3
East/West Network:				
Continental Profiles	53.5	64.8	519.1	434.6
Eastern Review	31.7	69.2	382.6	586.1
Northwest	51.8	45.9	440.5	358.5
Pan Am Clipper	66.9	42.0	478.5	389.4
Southwest Spirit	61.6	67.0	572.3	545.2
TWA Ambassador	49.0	48.2	455.4	399.6
Vis A Vis	97.4	107.6	767.4	535.5
Halsey Publication:				
Delta Sky	99.5	92.3	708.0	714.7
Pace Communications:				
Braniff Magazine	29.8	—	315.9	—
US Air Magazine	83.3	62.0	523.0	528.5
Spirit of Aloha	25.1	22.5	214.7	232.1
Total Group	**1,048.2**	**949.6**	**8,076.5**	**7,196.2**
% change	**10.4%**		**12.2%**	
■ Men's				
Esquire A.	184.7	175.2	965.3	839.5
Firehouse Magazine	34.0	37.0	360.6	394.7
Gentlemen's Quarterly A.	342.2	334.1	1,575.9	1,486.6
M Magazine	135.7	151.0	627.4	662.0
Muscle & Fitness	117.7	115.1	1,185.8	1,074.1
Penthouse A.	82.5	47.3	464.7	390.1
Playboy A.	49.1	66.9	541.5	476.2
Salute (10X)	43.5	39.6	229.5	205.3
Total Group	**989.3**	**966.1**	**5,950.7**	**5,528.5**
% change	**2.4%**		**7.6%**	
■ Metropolitan				
Aloha	62.6	30.2	223.0	145.3
Atlanta	49.4	74.8	537.4	611.3
Baltimore	63.6	70.3	588.4	605.9
Boston	170.2	198.1	1,226.1	1,369.2
California	60.5	45.8	525.1	529.6
Chicago	125.3	157.5	944.6	944.1
Chicago's North Shore	107.6	105.3	866.6	807.0
Cincinnati	43.5	47.6	408.2	412.2
Cleveland	61.5	57.6	477.1	519.6
Columbus Monthly	99.7	79.3	628.2	628.1
Connecticut	84.4	97.6	875.7	898.4
D/Magazine	60.1	88.2	604.8	719.3
Denver	23.2	33.8	220.6	303.2
Detroit Monthly	84.3	107.0	507.2	744.8
Grand Rapids	49.3	53.5	354.8	348.5
Honolulu	51.4	60.0	475.8	519.9
Houston Metropolitan Mag.	63.5	53.0	532.4	518.4
Inside Chicago (8X)	31.8	—	227.4	—
Los Angeles	134.5	142.0	1,318.8	1,317.1
Louisiana Life	28.8	42.7	164.5	172.9
Madison	48.0	40.0	356.0	316.0
Memphis	54.0	86.0	698.0	742.0
Mid Atlantic Country	58.8	56.0	383.3	325.4
Milwaukee	80.0	58.5	482.4	488.9
Minneapolis/St. Paul	119.0	124.0	969.8	899.0
Minnesota Monthly Mag.	75.0	64.1	463.2	360.9
Nashville	60.0	43.0	508.0	398.0
New England Monthly	38.8	42.5	401.6	409.9
New Jersey Monthly	108.2	112.8	825.7	895.8
New Mexico	40.7	35.0	357.6	314.5
Ohio	73.6	79.4	469.4	497.5
Orlando	106.5	82.5	890.1	779.1
Palm Beach Life	42.2	29.9	589.1	516.5
Palm Springs Life	256.3	244.1	1,155.6	1,016.9
Philadelphia	132.1	210.1	1,198.4	1,326.1
Phoenix	23.7	41.0	356.6	446.1
Pittsburgh	70.7	70.5	588.0	625.8
Rhode Island Monthly	60.3	47.3	502.7	216.5
Sacramento Magazine	51.5	74.0	490.1	593.0
St. Louis	46.7	48.6	721.7	391.0
San Diego	127.4	139.8	1,185.1	1,320.0
San Francisco Focus	107.6	103.4	906.8	826.0
Sarasota	—	—	609.0	520.0
South Florida Magazine	78.1	82.3	930.4	827.8
Texas Monthly	118.8	90.8	854.0	796.4
Ultra	38.5	52.1	352.7	214.2
The Virginian (6X)	69.3	64.0	298.7	305.8
Washington (7X)	44.8	75.0	349.8	355.7
The Washingtonian	167.0	174.0	1,402.1	1,329.3
Total Group	**3,752.4**	**3,914.9**	**31,002.4**	**30,168.6**
% change	**-4.2%**		**2.8%**	
■ Music/entertainment				
Audio	90.4	90.8	801.6	732.2
Dance Magazine	52.2	51.2	476.5	478.7
Playbill	50.9	54.5	426.8	445.5
Video Magazine	89.3	103.0	567.9	563.0
Total Group	**282.8**	**299.4**	**2,272.8**	**2,219.4**
% change	**-5.6%**		**2.4%**	
■ Outdoor & sport				
Alaska	33.8	33.6	342.0	316.0
The American Handgunner (6X)	67.0	61.0	274.0	263.0
American Hunter	42.3	48.4	190.1	217.6
American Rifleman	37.0	36.0	210.5	227.7
Backpacker (6X)	35.2	—	162.7	115.5
Bass Master (10X) A.	58.0	45.8	626.4	626.9
Bicycling (9X)	66.2	77.0	940.1	955.0
Cross Country Skier	—	—	87.4	97.5
Ducks Unlimited (6X)	37.7	47.2	150.6	152.8
Field & Stream	118.0	128.6	690.8	775.0
Fishing World (6X)	18.1	16.6	179.7	185.2
Florida Sportsman	100.1	92.0	1,145.8	1,150.5
Golf Digest	97.9	86.7	1,132.0	995.0
Golf Illustrated	38.5	25.0	436.7	264.3
Golf Magazine	72.1	52.7	953.1	858.7
Guns	48.0	45.0	343.0	296.0
Guns & Ammo	51.7	74.2	378.3	437.5
In-Fisherman (7X)	21.9	23.5	432.1	372.3
Outdoor Life	86.6	106.9	727.1	695.2
Outside Magazine	51.2	49.5	550.2	498.4
Petersen's Hunting	82.5	88.6	402.3	438.4
Runner's World (12X)	33.9	42.0	343.2	309.6
Salt Water Sportsman	76.6	86.7	1,089.4	1,077.0
Shooting Times	41.6	60.3	293.6	317.4
Sierra (6X)	53.2	46.5	230.3	209.2
Ski (8X) A.	182.7	162.4	524.3	455.8
Skiing (7X) A.	195.2	167.9	413.9	431.0
Skin Diver	102.8	99.7	1,049.1	1,048.7
Southern Outdoors (9X)	54.1	86.1	386.4	460.3
Southern Saltwater (8X)	32.4	27.6	380.7	264.7
Sport Magazine	31.6	39.8	309.2	326.8
Sports Afield	69.5	93.1	561.8	676.5
Surfing	89.3	91.3	615.8	572.0
Tennis	106.9	147.5	627.8	766.0
Waterski (9X)	51.6	52.2	608.4	553.4
Western Outdoors (10X)	28.8	36.8	297.9	337.9
Wildfowl (6X)	—	—	70.0	75.7
WindRider (8X)	28.5	42.2	349.6	358.7
World Tennis	63.8	115.4	453.0	544.2
Total Group	**2,405.6**	**2,535.8**	**18,959.3**	**18,723.5**
% change	**-5.1%**		**1.3%**	
■ Photography				
American Photographer	33.4	36.2	278.6	273.2
Petersen's Photographic	27.4	29.4	235.1	232.3
Popular Photography	102.3	80.5	765.9	705.9
Total Group	**163.1**	**146.0**	**1,279.6**	**1,211.4**
% change	**11.7%**		**5.6%**	
■ Science/electronic/mech				
Discover	38.9	28.0	353.6	303.6
Home Office Computing	38.3	49.5	384.7	364.0
Omni	57.4	51.8	501.9	518.3
Popular Mechanics	63.9	75.0	677.9	698.6
Popular Science	74.7	63.1	751.0	591.7
Scientific American	71.7	52.3	373.6	351.4
Spectrum	63.0	62.5	510.4	509.8
Total Group	**407.9**	**382.1**	**3,553.1**	**3,337.3**
% change	**6.7%**		**6.5%**	
■ Woman/fashion/service				
Beauty Digest (6X)	—	—	100.3	59.3
Bride's Magazine (6X) A.	—	—	2,381.9	2,070.0
Cosmopolitan A.	241.6	251.3	1,724.2	1,748.6
Elle Magazine	351.7	335.2	1,607.7	1,590.2
Essence	85.6	93.9	657.5	686.9
Family Circle (17X) A.	241.7	213.6	1,340.0	1,299.4
Glamour	206.2	248.6	1,473.8	1,558.4
Good Housekeeping A.	176.1	158.7	1,153.5	1,106.8
Harper's Bazaar	302.3	251.4	1,072.6	1,043.5
Health	35.8	34.5	287.4	326.8
Imagen	80.2	79.4	758.7	659.3
Ladies' Home Journal	140.3	138.3	1,126.1	956.9
Mademoiselle	184.5	212.1	1,237.0	1,336.4
McCall's	91.8	89.1	815.9	685.5
Military Lifestyle (10X)	66.8	58.5	417.9	391.5
Modern Bride (6X)	—	—	1,859.6	1,644.3
Ms.	47.3	32.1	282.5	271.3
New Woman	88.0	92.8	753.0	747.2
Parents Magazine A.	122.5	107.4	1,037.8	935.3
Redbook	122.7	140.1	843.5	882.6
Savvy	48.8	57.7	411.0	375.7
Self	144.8	134.9	973.5	906.8
Seventeen	110.2	125.3	1,078.6	1,144.2
Shape	78.3	71.7	619.8	563.4
Soap Opera Digest (26X)	41.6	30.7	342.2	209.4
Soap Opera Update	10.0	10.0	86.8	87.5
Teen Magazine	65.3	71.8	443.9	507.3
True Story A.	67.7	61.1	491.9	428.6
Vogue	597.7	578.0	2,423.4	2,388.9
W Magazine	203.6	189.6	1,092.4	1,028.5
Weight Watchers	43.7	38.5	306.7	295.9
Woman (10X)	31.8	39.2	256.4	300.8
Woman's Day (15X) A.	114.8	140.4	1,190.1	1,093.1
Workbasket	28.5	23.5	190.8	198.9
Working Mother	79.7	78.1	641.1	640.7
Working Woman	154.8	144.3	831.8	844.8
Total Group	**4,406.4**	**4,331.6**	**32,311.3**	**31,014.6**
% change	**1.7%**		**4.2%**	
■ Youth				
Boys' Life	22.6	32.0	170.9	147.8
Campus Life (10X)	50.8	41.0	290.6	285.7
Total Group	**73.4**	**73.0**	**461.4**	**433.4**
% change	**0.6%**		**6.5%**	
■ Business/national				
Barron's	170.0	177.9	1,306.3	1,603.2
Black Enterprise	69.0	57.8	728.1	694.8
Business Month	36.8	42.0	305.0	264.9
Business Week (52X) A.	370.9	382.0	3,098.4	2,970.4
Entrepreneur	151.7	111.7	1,361.6	943.1
Financial World (26X)	52.7	35.6	488.4	450.1
Forbes (26X)	301.7	270.7	2,372.0	2,170.8
Fortune (26X)	371.5	265.2	2,554.9	2,143.6
Frequent Flyer	52.2	46.2	364.2	516.3
Futures	44.3	51.6	383.3	490.6
Inc. Magazine	96.5	108.6	820.9	823.0
Income Opportunities	90.3	95.2	592.9	676.1
Industry Week (23X) A.	114.6	127.0	836.0	752.2
Nation's Business (12X) A.	32.5	35.2	324.7	314.8
Venture	29.3	59.5	291.5	476.4
Total Group	**1,984.0**	**1,866.1**	**15,828.2**	**15,290.3**
% change	**6.3%**		**3.5%**	
■ Business/regional				
Advantage-Nashville's Bus. Mo.	76.0	58.0	638.0	561.0
Baltimore Business Journal	84.8	74.0	726.9	727.2
Bus. Jrnl.-Milwaukee	128.8	140.4	1,296.1	1,565.5
Bus. Jrnl.-Sacramento	80.2	101.1	747.5	739.2
Business North Carolina	41.3	46.8	383.5	337.7
Caribbean Business	97.5	44.3	1,137.2	1,110.3
Corporate Report Minnesota	75.9	99.0	598.0	659.0
Crain's Chicago Bus. (52X)	127.3	156.7	1,211.2	1,314.1
Crain's Cleveland Bus. (52X)	84.6	80.2	690.3	620.6
Crain's Detroit Bus. (52X)	84.6	76.9	696.3	688.8
Crain's New York Bus. (52X)	58.0	52.0	484.0	427.0
Florida Trend (13X)	39.2	48.8	471.5	554.4
Georgia Trend	58.7	66.8	421.1	513.7
Grand Rapids Bus. Jrnl.	40.3	50.9	402.6	468.4
Hawaii Business	41.0	49.3	470.8	440.2
Houston Bus. Jrnl. (52X)	92.0	92.0	696.0	597.0
Indianapolis Business Journal(52X)	171.8	158.2	1,431.2	1,344.0
Manhattan Inc.	124.3	100.4	451.4	520.4
New England Bus. (12X) A.	38.5	60.5	344.0	486.5
Pacific Bus. News (52X)	90.8	103.9	911.1	947.3
Philadelphia Business Journal	141.8	144.5	1,292.7	1,303.1
Regardie's/Washington	165.0	161.0	1,450.0	1,325.0
Review Newspapers:				
Broward Review	47.8	64.9	628.5	510.6
Miami Review	45.8	72.1	516.2	547.9
Palm Beach Review	53.7	65.4	560.6	465.1
St. Louis Bus. Jrnl. (52X)	95.5	108.9	908.8	1,009.4
Total Group	**2,185.2**	**2,276.9**	**19,565.5**	**19,783.4**
% change	**-4.0%**		**-1.1%**	
■ National Sunday mags				
Parade (52X)	55.8	60.3	510.2	490.6
USA Weekend (52X)	54.9	45.3	448.0	417.5
Vista Magazine (52X)	19.2	26.2	173.7	151.9
Total Group	**129.9**	**131.7**	**1,131.8**	**1,060.0**
% change	**-1.4%**		**6.8%**	
■ Newspaper Sunday magazine				
Boston Globe	176.5	199.0	1,722.4	1,755.0
Chicago Tribune	163.4	149.5	1,004.1	950.8
Cleveland Plain Dealer	84.4	78.9	573.0	570.1
The Dallas Morning News	60.3	58.4	558.4	600.0
Detroit Free Press	34.4	36.1	366.6	426.3
Louisville Courier-Jrnl.	40.0	59.0	275.0	330.0
New York Times Magazine	415.5	441.5	2,769.2	2,819.3
Philadelphia Inquirer	88.0	119.0	762.4	831.2
Seattle Times	76.0	72.0	595.0	605.0
St. Louis Post Dispatch	78.2	80.9	692.2	654.8
Toledo Blade Magazine	36.5	29.6	298.4	291.4
Washington Post	145.3	165.4	1,118.1	1,135.9
Total Group	**1,398.5**	**1,489.3**	**10,734.8**	**10,969.8**
% change	**-6.1%**		**-2.1%**	
■ Weeklies/bi-weeklies				
Army Times Military Group:				
Air Force Times (52X)	168.7	171.3	1,403.3	1,443.1
Army Times (52X)	156.3	160.1	1,349.1	1,377.2
Navy Times (52X)	178.1	182.7	1,546.1	1,574.1
Capper's (26X)	35.4	31.2	287.5	212.6
Commonweal (22X)	5.8	5.0	58.7	56.2
Golf World (40X)	105.3	61.2	1,042.1	907.9
Grit (52X) A.	41.0	33.0	306.0	253.0
National Journal (50X)	75.0	66.5	525.8	608.4
National Review (25X)	34.2	53.2	222.9	321.6
New Republic (48X)	39.4	38.8	354.1	351.9
New York Magazine (50X)	279.3	286.5	2102.3	2080.2
New Yorker	241.9	192.7	1,478.1	1,481.3
Newsweek (52X) A.	185.3	205.9	1,620.4	1,673.9
People (51X)	345.9	320.8	2,665.6	2,501.8
Rolling Stone (25X)	172.7	167.7	1,392.9	1,302.7
Sporting News (52X)	49.0	57.8	451.8	443.0
Sports Illustrated (52X) A.	244.1	260.6	2,070.6	2,081.8
Time (52X) A.	214.8	203.3	1,853.1	1,686.6
TV Guide (52X) A.	458.9	274.3	2,413.5	2,355.6
US Magazine (26X)	54.8	58.5	533.5	456.0
U.S. News & World Report (50X) A.	137.8	172.2	1,339.5	1,263.7
Total Group	**2,533.1**	**2,358.9**	**19,024.0**	**18,608.5**
% change	**7.4%**		**2.2%**	

NOTES: (X) represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions. Ad Age makes no attempt to verify them and therefore is not responsible for inconsistencies or errors. Compiled by Kathy Welyni.

October 23, 1989

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Advertising Age

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LAST MINUTE NEWS

P&G eyes Soviet Union

CINCINNATI—Procter & Gamble Vice Chairman Edwin Artzt, who will become chairman-ceo in January, said the company is negotiating a joint venture agreement in Moscow to manufacture and distribute products in the Soviet Union. He declined to name the partner. P&G already exports "substantial amounts" of product to the Soviet Union "to get our brands recognized and established," Mr. Artzt said.

Pru reviews 4

NEWARK, N.J.—Prudential Insurance Co. of America narrowed its $70 million account review to Grey Advertising; Lowe Marschalk; Scali, McCabe, Sloves; and incumbent Backer Spielvogel Bates, all New York. The company said it will take three to four months to make a final decision.

Suzuki taps Asher

BREA, Calif.—American Suzuki Motor Corp. named Asher/Gould, Los Angeles, for its $10 million-plus account (AA, Aug. 14, *et seq.*). Incumbent Keye/Donna/Pearlstein, Los Angeles, opted out after the review started last spring. Suzuki has strug-

(Continued on Page 8)

INSIDE

Ad Age editor of the year

Frances Lear knew nothing about magazines. She just knew there weren't any that spoke to her and other women outside the youth culture catered to by traditional women's magazines. So she started *Lear's*, "the magazine for the woman who wasn't born yesterday." It has become one of the biggest publishing successes of the decade. See Special Report.

Top honors ..... P. 6
Neil Comber receives *Ad Age's* Hispanic Marketing Executive of the Year award.

Advice from home ..... P. 39
Agency executives' spouses relay their tales from the home front.

AFTERSHOCKS

Bay area ad people digging out

By Alice Z. Cuneo and Cleveland Horton

SAN FRANCISCO—The advertising community in this shell-shocked city began putting the pieces back together late last week as it struggled to recover from the country's most severe earthquake since 1906.

Most of the physical damage suffered by the Bay area occurred in several isolated locations. But ad agencies, like most businesses here, watched their buildings sway and crack during the earthquake, which measured 6.9 on the Richter scale.

Possibly the most harrowing experience involving an agency executive happened to Foote, Cone & Belding Exec VP-General Manager Jack Balousek, who was in his car on the Bay Bridge when the earthquake struck—at 5:04 p.m. Oct. 17.

"I was on the suspension part of the bridge when the quake hit—about 15 to 18 cars from where the bridge collapsed," Mr. Balousek said.

"I've driven over that bridge for 11 years, and it was the first time I had a ride like that," he said. "It was like a Disneyland ride. Not only was the bridge undulating up and down, but the sideways motion left and right made it very hard for me to keep my Jeep on the road. You had the sensation the bridge would go over on its side."

The traffic came to a halt. Before he could roll down his window to see what was happening ahead, people came running and screaming toward his car. "The bridge is collapsing," he heard some shout.

He left his car and ran to Treasure Island, a man-made island in the Bay, where a line of 100 people were waiting to use a pay telephone to contact their families. Eventually, Mr. Balousek hitchhiked back to San Francisco. The next day he picked up his Jeep at a city lot.

Peter Murphy, creative director at Hal

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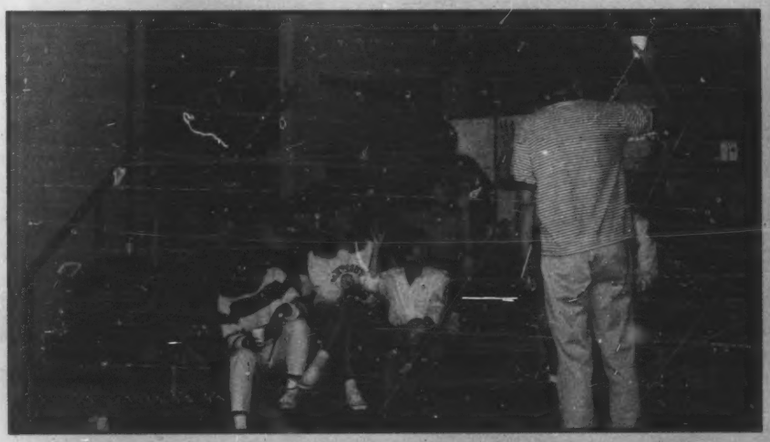

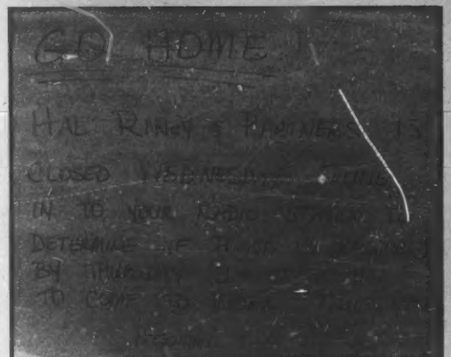

Saatchi & Saatchi staffers (top) conduct business on the front steps while, at right, Rich Silverstein (l.) and Andy Berlin assess damage to their awards. A sign on the door at Hal Riney & Partners says it all.

Cleveland Horton

New magazine strategy

'Marketing partnerships' with advertisers planned

By Scott Donaton

Magazine publishers and ad agency executives at this week's annual American Magazine Conference are expected to push for "marketing partnerships" with advertisers to help curtail off-rate-card deals.

That could mean magazines will be engaging in more cross-promotions with advertisers, in the same spirit as the CBS/K mart Corp. and NBC/Sears, Roebuck & Co. promotions that heralded the fall TV season.

"Clients are looking for more help focusing their efforts," said Jim Guthrie, exec VP-marketing development for the Magazine Publishers of America, co-sponsor of the event in Naples, Fla. "The more they can focus on the quality they offer advertisers, the less necessary it is to get into discussions on rate."

The concept of marketing partnerships involves publishers providing advertisers with customized research, doing cross-promotions, jointly sponsoring events and publishing special, single-sponsor issues.

This is seen as a new twist on "added-value," in which publishers offered advertisers incentives such as tickets to sporting events, free radios and cruises.

"Tickets and TVs are just another way of cutting rates," said Jack Kliger, publisher of *Glamour*. "Marketing partnerships can either stop rate negotiation or become yet another word for it. I see them as something which, if genuinely pursued by all parties, can enhance the benefits to everyone."

Even Dale Lang, chairman of Lang Communications, is embracing the concept.

Mr. Lang rocked the magazine industry in 1986 when he announced that *McCall's*, of which he was publisher, would openly negotiate rates. Now he says rate negotiation is "destructive" and "weakens the product."

Marketing partnerships are a beginning, he said. "We should join the advertiser and

(Continued on Page 118)

'5th network' plan courts Fox affiliates

By Marcy Magiera

Paramount Communications and MCA will try to launch a fifth national TV programming network in early 1991 by using the affiliate system established by the young fourth network, Fox Broadcasting Co.

But Fox isn't likely to let that happen without a fight.

Paramount Domestic Television and MCA TV have approached several of Fox's 129 affiliates about their proposed fifth network, known as Premier Program Service, and are expected to contact more affiliates, a Fox spokesman said.

Paramount wouldn't comment; MCA didn't return phone calls.

Paramount and MCA apparently plan to launch Premier with a Wednesday movie night and a two-hour block on Friday night, with situation comedies as probable programming.

Fox programs only Saturday, Sunday and Monday nights, but hopes to eventually expand its schedule to seven nights a week.

While participation by Fox affiliates would be crucial for Premier to reach the 70% of the country needed to attract national advertisers, Fox will undoubtedly fight the plan.

Fox President-Chief Operating Officer Jamie Kellner last week issued a terse statement saying, "We believe the partnership of Fox Broadcasting Co., its affiliates and advertisers is succeeding and will continue to grow as we complete our agenda, which is to program seven nights of prime time each week."

Peter Chernin, president of Fox Broadcasting Entertainment Group, said in a recent interview with *Advertising Age* that Fox is considering adding a movie night to its schedule next spring and a fourth night of series programming in the fall.

"If they have deep enough pockets, it could become a viable alternative," said Arnold Chase, VP-director of network operations, Bozell, New York. "They have the films and the capacity to make new product."

"If they can get a head start on clearances on nights where Fox isn't ensconced, they could be marginally successful as part of a shared fourth network. But if Premiere goes head-to-head with Fox, there's only room for one additional network on a seven-night basis," Mr. Chase said.

Paramount and MCA last month formed Premier Advertiser Sales, which accounts for about $250 million in combined ad sales in the 1988-89 season, or one in every five ad dollars spent in last year's barter syndication market.

The joint venture is the fifth-largest broker of TV advertising, behind the Big 3 networks and Fox. Fox tripled its upfront sales for the 1989-90 season to $300 million (AA, July 3).

Paramount and MCA, parent of Universal Pictures, also are venture partners in cable's USA Network and an international video distribution company. □

Wayne Walley in New York contributed to this story.

Louis-Dreyfus a signal of future Saatchi sale?

By Laurel Wentz

LONDON—Some Saatchi & Saatchi Co. watchers are speculating that the hiring of Robert Louis-Dreyfus as chief executive could be a step toward the eventual sale of the holding company.

"Many of us believe that the Saatchis ultimately want to sell out, and that's why a new financial person was brought in," said a source within WPP Group.

"The key question is, who forced Mr. Louis-Dreyfus on the Saatchis?"

Maurice and Charles Saatchi have proclaimed their commitment to turning around the troubled company, and if cost-cutting and reorganization efforts are successful, that could make Saatchi an attractive buy, sources said.

In its press release announcing his appointment, Saatchi emphasized that Mr. Louis-Dreyfus improved U.S. research company IMS International's financial performance so much as its chief executive that it was sold to Dun & Bradstreet for $1.7 billion.

Even if he's not that successful at Saatchi, sources said, a sellout could be likely.

"The feeling is Maurice and Charles are fed up and can't stand the continued pain," said one Saatchi watcher. "If it is beyond repair, then they could look to a buyer who would let them exit with honor and dignity, keeping a salary and a title like life president or honorary chairman."

Some Saatchi observers are wondering whether the brothers are losing interest in the business.

One sign is that the Saatchis are making personal investments in small but acquisitive businesses. They acquired 30% of leisure group Ex-lands here in April and 25% of Commercial & Retail Investments, a private investment company owning 20% of a radio and optical components marketer, in September.

They also sold their 20.5% stake in an earlier investment, packaging company NMC, for a profit of about $16 million.

Maurice also backs theatrical plays and Charles, after years of building up one of the most extensive modern art collections, has in the past year sold about 70 works of art, estimated at 10% to 12% of his collection.

NEWS ANALYSIS

The sale apparently is the result of his divorce from Doris Saatchi, with whom he built the collection.

Charles Saatchi's current companion, Kay Hartenstein, is a U.S. magazine executive turned London art dealer who last year was awarded a 10 out of 10 "bikini rating" by Conde Nast's *British Tatler*.

Ms. Hartenstein, 37, formerly was with Conde Nast Publications in New York and London.

It's unclear whether the Saatchis are trying to squelch or foster speculation the company is for sale.

Immediately after Backer Spielvogel Bates Worldwide Chairman-CEO Carl Spielvogel publicized his latest offer to Charles to buy some or all of the Saatchi agency business, reports appeared in the U.S. and U.K. of possible plans for a Saatchi led management buyout.

Sunday Times Deputy Editor Ivan Fallon, semiofficial biographer of the Saatchis and author of "The Brothers," drew on his Saatchi sources last week to assure *Sunday Times* readers the Saatchis are convinced a hostile takeover is impossible.

The next day *The Wall Street Journal* also carried a Saatchi management-buyout story, citing a source close to the company.

The financial community, however, thinks a Saatchi-led management buyout is a hollow threat.

"I just do not believe it," one analyst said. "Everything points to a reduced financial commitment [by the Saatchis]."

The Saatchis have virtually no equity base from which to mount a buyback, another analyst said. They own only about 2.5% of the company, and Saatchi personnel own less than 5%.

Others are skeptical that the Saatchis secretly want out.

Interpublic Group of Cos. Chairman-CEO Phil Geier said, "I hope they straighten out the agency for the good of the industry. I don't think they are backing away from the agency business."

Last week, analysts for the fourth time slashed Saatchi's pretax profit forecasts for the fiscal year ended Sept. 30, to be reported in December.

Analysts lopped another $15 million to $30 million off pre-tax profits estimates, and most yearend forecasts now range from $80 million to $96 million. □

Due to the last-minute cancellation of an advertising insert, Pages 67 and 68 are missing from this issue.

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ABP

'Fortune' laps 'Forbes' in latest PIB ranking

By Scott Donaton

Time Warner's surging *Fortune* magazine has moved ahead of arch-rival *Forbes* in ad linage, according to Publishers Information Bureau figures.

Fortune's ad pages rose 19.2% to 2,556.3 for the first nine months, compared with the same period last year, PIB figures show. The gain moves the business magazine into third place among all consumer magazines tracked by PIB.

Forbes' ad pages also rose during the period, to 2,371.7, for a 9.2% gain, while *Business Week's* reached 3,098.9, a 4.3% jump over the same period last year.

Overall, Time Warner's magazines continued to turn in strong ad performances through the first three quarters of 1989.

Aided in part by the success of "Max-Plan," Time Warner's discount ad package, *People* ranked second among all titles with 2,661.5 ad pages, a 6.3% jump.

Time's flagship magazine also continued its surge, carrying 1,850.8 ad pages, a 9.5% jump.

Rival newsweeklies weren't as strong. *Newsweek* was down 3.2% to 1,620.2, while *U.S. News & World Report* posted a modest 5.4% increase to 1,331.7.

Venture, the magazine for entrepreneurs, ceased publication after its ad pages for the first nine months plummeted 38.5% to 281.9.

TV Guide, whose ad pages had dipped 7.6% to 1,606.5 for the first six months of the year, rebounded during the summer. The magazine carried 2,413.4 pages through the first nine months, a 2.4% increase over the previous year.

Women's service magazines—the Seven Sisters—continued their comeback from last year's poor showing. *Family Circle*, showing new strength under Editor in Chief Jacqueline Leo, led the pack with 1,449.9 ad pages, an 11.6% increase.

All but one of the "Sisters" posted gains. *Redbook's* pages fell 2.1% to 867.8. *Woman's Day* carried 1,203.5 pages, an increase of 8.9%, and *Ladies' Home Journal's* pages jumped 18.6% to 1,123.7.

Increased competition among the women's fashion magazines kept growth slow in that category.

Leader *Vogue's* pages rose just 1.3% to 2,431.6. *Elle*, whose gains have slowed this year partially as a result of the launch of *Mirabella*, was flat with 1,596.9 pages, only a 0.4% gain. *Harper's Bazaar* was up 2.1% to 1,067.4 ad pages.

Among national Sunday magazines, *Parade* posted a 3.9% increase to 510.2 ad pages, while rival *USA Weekend's* pages rose 7.5% to 449.8. □

Magazine ad-page leaders

Publishers Information Bureau figures for January through September.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	Business Week	3,098.93	4.3	170,351,741	15.0
2	People	2,661.55	6.3	228,898,707	13.9
3	Fortune	2,556.30	19.2	113,931,292	23.0
4	Vogue	2,431.58	1.3	72,028,003	16.7
5	TV Guide	2,413.41	2.4	239,339,838	7.3
6	Bride's	2,373.94	14.3	39,024,877	23.7
7	Forbes	2,371.72	9.2	97,141,208	20.9
8	New York Magazine	2,075.19	(0.4)	31,639,380	5.9
9	Sports Illustrated	2,070.21	(0.6)	232,571,151	2.2
10	Time	1,850.79	9.5	250,291,473	7.4
11	Modern Bride	1,835.82	14.2	28,337,306	25.2
12	Cosmopolitan	1,726.48	(0.5)	92,584,370	10.5
13	Economist	1,693.93	0.7	13,061,071	11.8
14	Newsweek	1,620.16	(3.2)	165,456,767	3.1
15	Elle	1,596.92	0.4	43,229,787	11.4
16	Gentlemen's Quarterly	1,581.41	6.1	34,995,128	17.1
17	New Yorker	1,473.13	(0.5)	33,455,692	6.7
18	Glamour	1,471.38	(6.0)	67,219,083	1.6
19	Family Circle	1,449.94	11.6	107,852,685	16.5
20	Rolling Stone	1,392.82	6.9	49,117,317	14.4
21	Entrepreneur	1,365.09	47.9	10,692,642	81.1
22	U.S. News & World Report	1,331.68	5.4	98,835,363	15.6
23	American Way	1,320.34	5.8	14,528,475	11.8
24	Yachting	1,260.62	(4.5)	7,637,132	(1.8)
25	Architectural Digest	1,253.43	0.3	31,149,194	10.1
26	Mademoiselle	1,239.22	(8.1)	36,504,887	(1.3)
27	Woman's Day	1,203.50	8.9	87,834,473	21.6
28	Muscle & Fitness	1,167.90	0.0	17,827,580	49.1
29	Good Housekeeping	1,151.95	4.3	101,172,504	12.7
30	Sunset	1,125.43	(3.4)	32,671,827	(4.1)
31	Ladies' Home Journal	1,123.68	18.6	72,709,090	25.1
32	W	1,102.05	6.9	22,082,112	15.1
33	Town & Country	1,086.38	(0.4)	23,129,583	11.8
34	Seventeen	1,078.97	(5.6)	31,096,221	0.6
35	Harper's Bazaar	1,067.40	2.1	26,006,742	10.5
36	Parents	1,063.14	10.7	41,793,116	19.6
37	Skin Diver	1,053.15	0.4	9,279,839	2.2
38	Golf Digest	1,046.70	5.2	50,423,925	15.8
39	Travel & Leisure	1,038.78	11.1	36,072,526	20.4
40	Better Homes & Gardens	1,023.49	0.7	108,902,116	2.0
41	Southern Living	1,003.93	(5.5)	46,124,528	2.1
42	Self	974.60	7.8	30,526,066	17.4
43	Vanity Fair	971.49	23.0	27,134,757	50.4
44	Golf	954.53	23.2	26,550,741	21.6
45	Car & Driver	950.88	3.1	38,141,510	16.4
46	Texas Monthly	948.46	6.5	10,437,385	9.7
47	Bicycling	947.26	(1.6)	11,240,827	19.0
48	Road & Track	913.56	4.5	28,577,869	21.2
49	San Francisco Focus	905.18	8.8	5,434,370	16.2
50	Esquire	893.36	14.0	25,600,830	25.8
51	Metropolitan Home	884.96	18.6	25,205,148	27.4
52	Money	882.64	(8.0)	53,324,660	(1.9)
53	Ebony	874.23	(1.9)	28,092,729	0.8
54	Redbook	867.81	(2.1)	52,629,526	5.1
55	Jet	841.33	(10.4)	13,243,829	(6.2)
56	Inc.	830.49	0.4	31,633,689	12.6
57	Gourmet	821.16	(3.1)	19,201,591	10.7
58	Working Woman	816.10	(0.5)	23,023,774	9.8
59	McCall's	815.71	19.0	54,679,810	29.6
60	Country Living	814.25	3.6	31,220,063	21.1
61	Hot Rod	813.39	(1.2)	18,054,350	15.7
62	Reader's Digest	772.38	(11.2)	79,061,145	(3.1)
63	Popular Photography	761.66	9.3	16,172,204	3.3
64	New Woman	752.89	0.7	17,539,527	13.5
65	Popular Science	749.34	26.9	20,739,852	30.6
66	Four Wheeler	748.43	(7.7)	5,510,938	4.1
67	Motor Trend	742.79	4.2	23,915,959	16.0
68	Outdoor Life	724.26	4.1	20,822,891	15.0
69	Smithsonian	718.74	(2.5)	30,101,806	7.7
70	Field & Stream	711.77	(4.9)	30,221,329	9.2
71	Bon Appetit	703.99	0.3	20,659,282	10.9
72	Popular Mechanics	692.09	(1.2)	21,979,081	9.9
73	Black Enterprise	686.32	2.6	8,360,616	5.4
74	Delta Sky	674.38	(3.8)	16,125,368	5.6
75	Essence	664.74	(5.1)	14,641,861	2.5
76	House & Garden	655.52	(17.4)	15,658,124	(6.0)
77	Bassmaster	651.08	(0.8)	11,159,730	4.7
78	Conde Nast Traveler	636.26	46.8	14,933,488	67.3
79	Tennis	633.28	(17.3)	14,169,067	2.4
80	Connoisseur	632.83	(8.3)	9,928,547	13.5
81	M-The Civilized Man	628.45	(4.7)	7,038,743	9.2
82	Working Mother	618.00	1.4	12,201,723	11.8
83	House Beautiful	584.72	(3.5)	19,582,829	8.0
84	Shape Magazine	581.89	(22.3)	8,605,880	(5.2)
85	Sports Afield	574.12	(16.6)	10,446,338	12.4
86	American Health	558.63	12.3	10,624,943	19.7
87	Southern Accents	553.11	(1.6)	5,045,470	7.8
88	Financial World	545.80	2.7	10,615,697	36.8
89	Playboy	541.17	11.8	33,057,294	16.8
90	Life	539.76	13.0	37,472,614	19.3
91	Yankee	535.18	(16.8)	5,909,714	(7.4)
92	US	533.04	16.7	15,751,788	40.8
93	Home	524.73	(4.0)	13,629,794	7.7
94	Premiere	523.53	39.1	7,609,680	118.7
95	National Journal	523.04	(16.6)	3,281,780	(13.3)
96	Food & Wine	519.97	17.7	11,680,421	35.0
97	1001 Home Ideas	513.26	2.5	13,383,062	17.1
98	California	513.23	(2.7)	6,850,271	4.8
99	Art & Antiques	512.07	1.4	2,712,780	2.9
100	Ski	510.52	12.3	8,406,404	18.0

Percent change is same period last year. January through September (000 omitted by PIB).
Source: Publishers Information Bureau

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Advertising Age

October 30, 1989

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LAST MINUTE NEWS

Y&R's Klein steps aside

NEW YORK—Arthur Klein has stepped aside temporarily as president of Young & Rubicam's New York office in the wake of his indictment in the Jamaica tourism case (AA, Oct. 9).

The agency said Mr. Klein will work with Y&R Chairman-CEO Alex Kroll on joint ventures and acquisitions as time allows while he defends himself against federal bribery and racketeering charges in the coming months.

The defendants, including Y&R, have pleaded innocent. Until Mr. Klein can return, his responsibilities for the New York office and Y&R's direct-marketing and promotion units will be assumed by Y&R President Peter Georgescu.

At the same time, Steven McKenna, who faces perjury charges in the Jamaica case, has been transferred to Y&R's finance department from his job as chief financial officer of Wunderman Worldwide.

McElligott to Chiat shop?

VENICE, Calif.—Tom McElligott, founder and former creative director of Fallon McElligott, Minneapolis, is in negotiations for a job at Chiat/Day/-Mojo, sources said.

Last week, Chiat lost its New York creative director, Bill Hamilton, to Ogilvy & Mather *(see story on Page 3)*. Chiat President-Executive Creative Director Lee Clow would neither confirm nor deny the talks, but both he and agency Chairman Jay Chiat are said to be friendly with Mr. McElligott. "He would be right for any job," Mr. Clow said. "He's a tremendous talent." Mr. Clow said he's considering a number of options in the New York creative department, including promotions from within and a transfer of Venice-based VP-Associate Creative Director Michael Smith to New York.

Mr. McElligott couldn't be reached for comment, but a source close to him said he didn't think he'd made up his mind yet.

Mr. McElligott left Fallon McElligott in 1988 after spending time in an alcohol rehabilitation program. His contract with Scali, McCabe, Sloves, which acquired a majority of Fallon in 1986, contains a non-compete clause that won't expire until next February.

'Channel One' signs 500

KNOXVILLE, Tenn.—Christopher Whittle last week said 500 schools

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Auto marketers face severe category ad clutter as spending soars.

Meter motivation ..... P. 12
People meters are starting to change the way TV advertising is bought and sold.

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Richard Dillon predicts Hispanic agencies are facing a rough road.

Media buyer eyes U.S.

France's Carat considers buyout or affiliation

By Peter S. Green

Paris-based Carat Holding, Europe's No. 1 media-buying group, will enter the U.S. by the first quarter of 1991, says Eurocom President Alain de Pouzilhac.

Carat will either acquire an existing U.S. media-buying company or affiliate with one, he said.

Eurocom is a major shareholder of WCRS Group, Carat's owner, and a major Carat client via its new international agency network, Eurocom WCRS Della Femina Ball, or EWDB.

Mr. de Pouzilhac said that in the U.S. Carat will offer space-buying and media-study services, and that all space buying and related activities of EWDB's U.S. agency, Della Femina, McNamee WCRS, will pass through Carat.

He said HDM may also work with Carat in the U.S. "We'll discuss it with Young & Rubicam and Dentsu," he said, referring to Eurocom's two partners in HDM.

A. de Pouzilhac

The media-buying and advertising agency operations of Eurocom and WCRS Group are being realigned through a complicated exchange of cash and holdings (AA, Oct. 23).

Carat becomes 100%-owned by WCRS Group, London, which reduced its interest in advertising by selling WCRS Advertising Worldwide to Eurocom.

Eurocom, by buying 14.99% of WCRS Group, becomes one of its two biggest shareholders, along with Carat founders Gilbert and Francis Gross, who together own 14.99%.

The French agency is forming Eurocom WCRS Della Femina Ball as its major network by combining most of its agency holdings. (HDM will continue as a second network.)

Bartering, sponsoring and other TV-related ventures will be an important part of Carat's U.S. strategy, Mr. de Pouzilhac said.

"We have a very clear intention not to limit ourselves to space buying and to go into bartering and sponsoring both in the U.S. market and in the European market,"

(Continued on Page 74)

Interpublic's Marion Harper dead at 73

Adman pioneered network concept

By Fred Danzig

Marion Harper Jr. died of a heart attack Oct. 25 at his home in his native Oklahoma City, where he chose to live as a virtual recluse for the past 20 years. He was 73.

Funeral arrangements call for a private service. His former associates are planning a memorial service in New York at a later date.

Mr. Harper had, before his 40th year, begun planning for what became the Interpublic Group of Cos., the advertising industry's first globe-girdling marketing communications network.

With his considerable energy and talents as a salesman and motivator, plus his buoyant optimism, he saw his dream come true. "Trust your hopes, not your fears," was his rallying cry. Mr. Harper constantly presented his associates with new research techniques and theories as he challenged them to penetrate the human psyche in the cause of building sales for clients.

He achieved great wealth and worldwide recognition as the leader of McCann-Erickson. He was known as an advertising innovator and visionary, who not only introduced new methods of research, but initiated target marketing, and, more notably, the Interpublic concept of parallel agencies and agency networks to serve competing clients.

But over time, Mr. Harper's inability to cope with skyrocketing overhead brought

(Continued on Page 74)

Clockwise from top: Marion Harper Jr. receives the Flame of Freedom Award at the International Broadcasting Awards in 1964; a portrait from Bart Cummings' "Benevolent Dictators"; a pose during his Interpublic heyday; with Ron Rosenfeld (l.) and Len Sirowitz upon forming an agency in 1970.

Ad community tries to shake off quake

By Alice Z. Cuneo

SAN FRANCISCO—Bay area ad agencies have power, phone service and books back on shelves following the Oct. 17 earthquake, but psychological aftershocks, as well as commuter problems, have prevented a return to business as usual.

"It's hard to get your mind set on the meaningful pursuit of great

■ Future of Four A's Western regional meeting unsure—Page 73.

advertising when you've been through a life-threatening situation," said Dennis Wilkinson, president of DDB Needham Worldwide's office here.

"Things are not back to normal," he said. "If you walk down streets and talk to people and to clients, it's very different than it was."

"The productivity is not there; people are jumpy," said Agnieszka Winkler, president of Winkler McManus, who added that others often are startled by something as minor as someone running down the hall and shaking floorboards.

"There is very definitely some trauma" among Saatchi & Saatchi DFS/Pacific's 120 employees, said Ron Colnett, chairman-ceo.

"Some folks don't feel very comfortable in the building because it is not up to earthquake code," he said, though building owners report it didn't suffer structural damage during the quake.

To accommodate closure of the Bay Bridge, one of the area's main thoroughfares, many offices have instituted flex time, resulting in a jumble of schedules, with one department working from 7 a.m. to 4:30 p.m. and others starting at 9:30 a.m. and working later.

"Not everybody is here at 9 a.m. for meetings," Mr. Wilkinson said.

When Chairman-Creative Director Jef Loeb returned to his office at Katsin/Loeb & Partners, he discovered a crack so wide he could see through the wall. The city promptly condemned the structure.

That didn't bother President Daniel Katsin, who'd been coordinating the agency's move to a different building. Then the new landlord called: The new space had been condemned as well.

"Our objective is to make this disruption as invisible as possible. We're not going to miss one deadline. It's just another Katsin/Loeb challenge," said Mr. Katsin, whose car telephone became the office phone for a time. Since Oct. 17, work has been produced for several of the $9 million agency's clients, including Cellular One.

"I provide coffee and doughnuts. I'm hostess, maid, receptionist and art director. My cat serves as a paperweight."

The principals are working from Mr. Loeb's apartment; daily staff meetings are held in the home of Senior Art Director Pam Levinson.

"I provide coffee and doughnuts. I'm hostess, maid, receptionist and art director. My cat serves as a paperweight," she said.

Foote, Cone & Belding's San Francisco office welcomed back workers Oct. 23 with a breakfast buffet, including balloons and bright posters.

"It was very therapeutic. It allowed our 300 employees to talk about what they went through," said Exec VP-General Manager Jack Balousek, who was on the Bay Bridge at the time a section of it collapsed.

Fred Goldberg, president-ceo of Chiat/Day/Mojo, said he was assured damage to his office on Maiden Lane wasn't structural. But on rainy days following the quake, he was mopping up water. "When water comes in through a crack in the building, you wonder whether it's just surface damage," he said.

Two Chiat/Day/Mojo employees, among the more than 12 agency employees left homeless in San Francisco's Marina District, have taken up residence in suites on the penthouse floor of the building, a space often used as a northern California headquarters for Chairman Jay Chiat.

Many of the city's agencies have offered different forms of assistance to employees left homeless by quake damage.

Separately, J. Walter Thompson USA was among the San Francisco agencies that have rented apartments in the city for employees who attend evening meetings and would be getting home late and would face commuting problems the next day.

JWT also plans to designate employees' homes in the city as safe houses for workers who might be stranded by the next quake. The homes will be equipped with blankets, flashlights and emergency supplies.

"My favorite haunts, restaurants and clothing stores have been condemned," said Renate Witt, an executive assistant at McCann-Erickson Worldwide. "And they've put dynamite charges [in preparation for demolition] in a building across the street which moved 6 inches off the foundation.

"Other than that, things are as busy as ever." □

AT&T punches back

Countersuit charges MCI with false ad claims

By Kate Fitzgerald

AT&T Co. last week countersued MCI Communications Corp. for alleged "false and deceptive" advertising in what may be a landmark case.

The top two long-distance phone marketers are accusing one another of making deceptive claims about each other's prices, quality and service in TV and print ads earlier this year.

MCI fired the first volley in a complaint filed in U.S. District Court in Washington (AA, Oct. 16).

Last week, AT&T asked the same court to dismiss MCI's lawsuit and accused MCI of making similarly misleading claims.

N W Ayer, New York, is AT&T's agency; Wells, Rich, Greene handles MCI.

Both marketers have cited violations of the Lanham Act in the lawsuits, and both parties are seeking the same relief, including:

- A preliminary injunction forbidding the other from making additional false or deceptive ad claims.
- A court order requiring future MCI or AT&T ads to correct past deceptive claims.
- Award of all profits wrongfully amassed through deceptive advertising.
- Three times the damages sustained as a result of the other's deceptive advertising and court costs.

An MCI attorney said the case will "almost certainly" go to trial and will further define limits in comparative advertising.

Financial penalties in such cases can be enormous. In 1984, U-Haul International won a $40 million judgment against rival Jartran as compensation for deceptive claims; in 1989, Grand Metropolitan's Alpo Petfoods won a $10.4 million judgment against Ralston Purina Co.

"In effect, this will settle a lot of the disputes consumers have seen between the two long-distance carriers, and it will probably also be one of the leading cases in terms of deciding comparative advertising cases," said Richard Leighton of Leighton & Regnery, lead counsel for MCI.

When announcing AT&T's counterclaim, AT&T Group Executive Victor A. [illegible]n said, "We would prefer to do our talking in the marketplace and not in court and not in name-calling. But MCI, for whom legal actions are just another marketing tool, has once again turned to the courts—this time to attack our reputation."

MCI said it will file an answer to AT&T's countersuit within the next two weeks.

On Oct. 29, AT&T broke a new corporate ad campaign that steers clear of comparative claims by profiling several small businesses.

Several new spots were set to break that night on the AT&T-sponsored ABC-TV special, "The Final Days," or elsewhere on the same day if that program were bumped by the World Series.

The new commercials included two 2½-minute spots to introduce the new campaign. □

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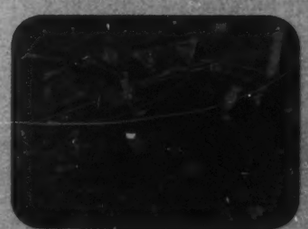
In order to capture the 18-to-35-year-old audience for WXRT Radio, a TV spot headlined "Move someplace cooler" shows a lizard lifting its feet off the hot sand.



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"Those who claim humorousness overwhelm with humorlessness" is just one lesson to be learned from Heinz Homestyle gravy and Lake View Cemetery commercials.

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Consistent spenders log big recall

By Scott Hume

Sometimes the tortoise beats the hare.

The 10 most-recalled advertised brands in September were, in descending order from No. 1: Coca-Cola, Chevrolet, Pepsi-Cola, Miller (including Miller, Miller Lite and Miller Genuine Draft), Budweiser and Bud Light, McDonald's, Ford, Toyota, Oldsmobile and (tied for No. 10) General Motors and want ads/classified ads.

With the exception of the generic classifieds, all of those are well-established and heavily advertised. In fact, seven of the advertisers in the September 1989 top 10 also were among the top 10 in the September 1988 adWatch survey.

Another attribute they share is that they get what is really "continuity" advertising, relying more on long-term media weight than distinctive, short-term creative approaches.

An exception might be Oldsmobile, which makes an infrequent appearance among the top 10 on the strength of a TV campaign featuring children of celebrities.

Overall, however, the top 10 isn't a list of "cutting-edge" advertising. This doesn't mean that surprising advertising never gets remembered: Wendy's "Where's the beef?" and the California raisins have proved an advertiser can vault into the top 10 without heavy spending. But the instances are rare.

Consider the fate of some recent major ad campaigns designed to cut through the proverbial clutter:

Infiniti: The subject of much discussion, introductory advertising for this new car line doesn't show the car. It's striking and mysterious.

But memorable? Of the 1,000 people surveyed in September, Infiniti's was the first advertising to come to mind for just one respondent.

Acura: Another new car campaign—with a $100 million budget. This one earned three mentions.

Levi Strauss & Co.: The premier jeans marketer, which has had some of the most respected and honored advertising, launched a big new campaign, and it gets top-of-mind recall from two respondents out of 1,000. Friskies cat food did better (three).

Diet Coke: Coca-Cola Co. teamed up with the National Football League for an ad and promotion campaign featuring players from each pro team. Two respondents mentioned it as the first advertising that came to mind for them last month.

It took only 10 or more mentions to place among the top 10 in recall.

What the results suggest is that the "clutter" advertisers must cut through is actually in consumers' minds, where many advertisers' brands and messages are firmly established—that in addition to clutter in the ad media.

AdWatch is a joint project of *Advertising Age* and the Gallup Organization. Ad awareness is measured by asking a nationally projectable sample of adults to name the first advertiser that comes to mind, overall and in several categories, from among all ads seen, heard or read in the prior 30 days.

Last month, 1,000 adults were polled by phone. The margin of error is plus or minus 3.1%.

Among items of interest in the September survey:

- Miller Brewing Co. ran a 16-month-long campaign for its Miller Lite in Texas, a campaign that culminated in a series of Miller-sponsored parties on Labor Day.

Given that localized effort, it's worth noting that 45% of the first mentions for Miller last month came from the South Central region. Miller was the fourth-most recalled advertiser nationally, but was No. 2 behind Coca-Cola in that region.

- Diet Coke received few mentions on the unaided question, but when respondents were asked which **soft-drink** advertising came to mind first, Diet Coke got 6.5% of first mentions, 2.6 points above its 3.9% share in August.

Pepsi-Cola was No. 1 with 35.3% of first mentions (vs. 35.8% in August); Coca-Cola was No. 2 with 33.9% (vs. 32.2%).

- Chevrolet ranked ahead of Ford in unaided awareness, but Ford remained the recall leader when respondents were asked which **car/truck** advertising first came to mind. But the race was close last month.

Ford was No. 1 with 19.7% of first mentions (down 2.5 points from 22.3% in August). Chevrolet was No. 2 with 19.2% (vs. 19% a month earlier). Toyota was No. 3 with 8% (vs. 7.4%). □

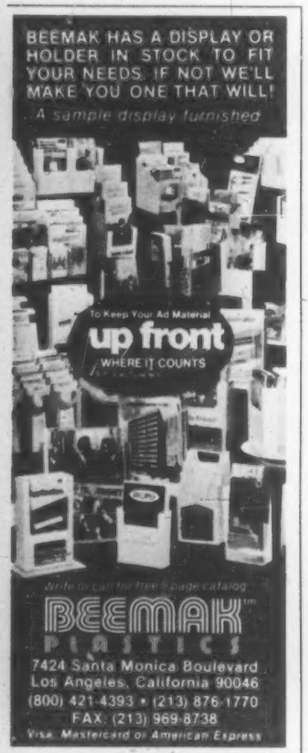
For more information, contact the Gallup Organization, 301 S. 6th St., Lincoln, Neb. 68506. Phone: (402) 489-8700.

AdWatch survey of advertising awareness top 10 in September

Last month, 1,000 people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertising first comes to mind? Source: Gallup Organization, Lincoln, Neb.

Rank 9/89	Rank 8/89	Advertiser	Agency
1	1	Coca-Cola	McCann-Erickson Worldwide
2	6	Chevrolet	Lintas:Campbell-Ewald
3	5	Pepsi-Cola	BBDO Worldwide
4	7	Miller	Backer Spielvogel Bates/Leo Burnett USA
5	2	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/ DDB Needham Worldwide
6	3*	McDonald's	Leo Burnett USA
7*	3*	Ford	J. Walter Thompson USA
7*	10	Toyota	Saatchi & Saatchi DFS/Pacific
9	—	Oldsmobile	Leo Burnett USA
10*	8	General Motors	N W Ayer
10*	—	Want ads/classifieds	Various

*Indicates a tie.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Sterling settles into a niche mode

By Raymond Serafin

Sterling Motor Cars is trimming its estimated $30 million ad budget at least temporarily as part of a five-year plan to become a full-fledged niche marketer.

Graham Morris, president of the importer, didn't detail how deep the cuts will go, but the reduction will basically come out of TV spending, where Sterling has emphasized spot and cable buys.

TV will get about 40% of the 1990 budget, compared with 70% in 1989, while print goes to 60% from 30%, Mr. Morris said.

Sterling's niche marketing strategy includes reintroducing at least one of several notable British car brands to the U.S. market by 1993 (AA, Oct. 23).

Sterling will have the pick of brands owned by British parent Rover Group, including Austin, Morris, Healey, MG, Triumph, Riley and Wolseley.

Mr. Morris said the car will be designed specifically for the U.S. market.

One possibility is that Sterling will bring out a car to take advantage of heightened interest in the two-seater segment because of the success of the Mazda Miata.

Ironically, the Miata is being marketed as a vehicle that's technologically updated but stylistically a romantic throwback to past British sports cars such as the MG.

"Miata has done a tremendous job of capitalizing on our heritage," Mr. Morris said, though he added that Sterling won't try to compete head-on with Miata.

Mr. Morris said Sterling's current agency, AC&R, New York, will handle the new nameplate.

"We've set ourselves the task of becoming a true niche marketer of luxury automobiles in the American market," Mr. Morris said.

The ad cuts come at a time when Sterling officials have decided to accept lower sales over the next year rather than prop up sales numbers with expensive incentives and low-profit fleet sales, Mr. Morris said.

Sales peaked at about 14,000 cars in 1987 and are expected to finish 1989 at about 6,000.

Mr. Morris foresees Sterling offering between two and four different platforms, each selling 4,000 to 5,000 units a year, by 1993.

The company will bring out a new coupe under the Sterling brand in 1992 as a new flagship and in the meantime will introduce a number of derivatives of its core 827 model. □

"... if one advances confidently in the direction of his dreams, and endeavors to live the life which he has imagined, he will meet with a success unexpected in common hours,"

—Henry David Thoreau

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